

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. ELI2002010504

TO: Department of Enforcement
NASD

RE: James Robert Brown ("Brown")
CRD No. 2515229

Robert Anthony Bellia, Jr. ("Bellia")
CRD No. 2387955

Pursuant to Rule 9216 of NASD Code of Procedure, Brown and Bellia submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against either Brown or Bellia alleging violations based on the same factual findings.

Brown and Bellia each understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against either Brown or Bellia; and
3. If accepted:
 - a. this AWC will become part of Brown's and Bellia's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against either Brown or Bellia;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Brown or Bellia's disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and

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- d. Neither Brown nor Bellia may take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects Brown's or Bellia's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Brown and Bellia also understand that their experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Brown

Brown first became registered with NASD as a General Securities Representative ("GSR") on March 6, 1995 through an association with a former member firm.

Beginning on or about May 28, 1999, Brown was registered as a General Securities Principal ("GSP") and as a GSR through an association with Salomon Grey Financial Corporation (BD No. 43413). As set forth more fully below, during the period of September 30, 2002 until November 14, 2002, Brown's registrations were summarily suspended by NASD. Since November 14, 2002, Brown has been registered as a GSP and GSR through an association with Salomon Grey.

Brown is subject to NASD jurisdiction because he is currently registered through a member firm.

On September 30, 2002, Brown was summarily suspended by NASD pursuant to Article VI, Section 3 of NASD By-Laws for failure to comply with an arbitration award or settlement or to satisfactorily respond to an NASD request to provide information concerning the status of compliance. That suspension was lifted on November 8, 2002 due to NASD Dispute Resolution receipt of notification that the award or settlement had been satisfied or satisfactory information provided showing valid reasons for non-compliance.

Aside from the above, Brown has no additional disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

Bellia

Bellia first became registered with NASD as a Corporate Securities Representative ("CSR") on September 29, 1995 through an association with a former member firm.

Since May 26, 1999, Bellia has been registered as a GSR through Salomon Grey. Since June 26, 2000, Bellia has been registered as GSP through Salomon Grey.

Bellia is subject to NASD jurisdiction because he is currently registered through an NASD member firm.

Bellia has no disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

I.

WAIVER OF PROCEDURAL RIGHTS

Brown and Bellia specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against them;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Brown and Bellia each specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Brown and Bellia each further specifically and voluntarily waive any right to claim that a person violated the *ex parte* prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

II.

ACCEPTANCE AND CONSENT

- A. Brown and Bellia hereby accept and consent, without admitting or denying the allegations or findings, and solely for the purposes of this proceeding and any

other proceeding brought by or on behalf of NASD, or to which NASD is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:

1. Between July 31, 2001 and August 3, 2001, while associated with Salomon Grey, Brown charged excessive mark-ups and mark-downs in connection with six transactions in the account of Salomon Grey customer PH. Each of the six transactions involved highly liquid securities, and the mark-ups and mark-downs ranged from 5% to 5.3%.

Based on the foregoing, Brown violated NASD Conduct Rules 2440 and 2110.

2. During the period of July 31, 2001 through August 3, 2001, Bellia, in his capacity as a General Securities Principal registered through Salomon Grey, was responsible for supervising Brown. Bellia failed to adequately supervise Brown in that Bellia knew or should have known that Brown had charged excessive mark-ups and mark-downs in connection with the aforementioned transactions.

By reason of the foregoing, Bellia violated NASD Conduct Rules 3010 and 2110.

- B. Brown and Bellia each consents to the imposition, at a maximum, of the following sanctions:

1. Brown shall be suspended from associating with any NASD member firm in any capacity for twenty business days;
2. Bellia shall be suspended from associating with any NASD member firm in his principal capacity only for thirty business days. Bellia's suspension shall commence immediately following the expiration of Brown's suspension;
3. Brown shall pay a fine in the amount of \$5,000; and
4. Bellia shall pay a fine in the amount of \$5,000.

The sanctions imposed herein shall be effective on a date set by NASD staff.

III.

OTHER MATTERS

- A. Brown and Bellia understand that they each may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Brown and Bellia also understand that they may

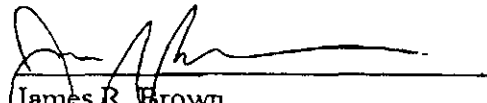
not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.

- B. Brown and Bellia each agree to pay any monetary sanctions imposed on them upon notice that this AWC has been accepted and that such payments are due and payable and have attached an Election of Payment form showing the method by which Brown and Bellia propose to pay any fine imposed.
- C. Brown and Bellia each specifically and voluntarily waive any right to claim that either is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. Brown understands that if he is barred or suspended from associating with any NASD member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, he may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

Brown and Bellia each certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

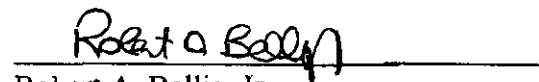
10-18-05

Date


James R. Brown
Respondent

10-19-05

Date


Robert A. Bellia, Jr.
Respondent

Reviewed by:

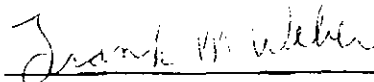


Howard E. Greenberg, Esq.
Counsel for the Respondents

Accepted by NASD:

November 8, 2005

Date



Frank M. Weber,
Regional Counsel,
Signed on behalf of the Director of ODA,
by delegated authority

NASD District Director

Hans Reich
Senior Vice President
NASD, District 10
One Liberty Plaza
New York, New York 10006
(212) 858-4100