

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 57426 / March 4, 2008

Admin. Proc. File No. 3-12599

In the Matter of the Application of

ROBERT E. STRONG
105 Pinehurst Avenue
New York, New York 10033

For Review of Disciplinary Action Taken by
NASD

OPINION OF THE COMMISSION

REGISTERED SECURITIES ASSOCIATION -- REVIEW OF DISCIPLINARY
PROCEEDINGS

Violation of Conduct Rules

Failure to Supervise

Incomplete and Inaccurate Disclosures in Research Reports

Untimely Filing of Required Attestation

Conduct Inconsistent With Just and Equitable Principles of Trade

Chief Compliance Officer of member of registered securities association failed to supervise research analyst whose personal securities trading violated association rules. Chief Compliance Officer also allowed incomplete and inaccurate disclosures in research reports and failed to file timely attestation of procedures. Held, association's findings of violations and sanctions it imposed are sustained.

APPEARANCES:

Robert E. Strong, pro se.

Marc Menchel, Alan B. Lawhead, and Jennifer C. Brooks, for NASD.

Appeal filed: March 23, 2007

Last brief received: August 1, 2007

I.

Robert E. Strong, former Chief Compliance Officer of NASD member Jesup & Lamont Securities Corp. ("J&L" or the "Firm"), appeals from NASD disciplinary action. 1/ NASD found that Strong failed to supervise the personal trading of Gary B. Davis, 2/ a J&L research analyst, in violation of NASD Conduct Rules 3010 and 2110. 3/ NASD also found that Strong violated NASD Conduct Rules 2711 and 2110 by failing to enforce NASD disclosure requirements in connection with various research reports issued by the Firm and by failing to file within the time

1/ On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD's Restated Certificate of Incorporation to reflect its name change to Financial Industry Regulatory Authority, Inc., or FINRA, in connection with the consolidation of NASD and the member-regulation, enforcement and arbitration functions of the New York Stock Exchange. See Securities Exchange Act Rel. No. 56146 (July 26, 2007), 91 SEC Docket 517 (Aug. 1, 2007). Because the disciplinary action here was taken before that date, we continue to use the designation NASD.

2/ In a separate proceeding, Davis submitted a Letter of Acceptance, Waiver and Consent, in which he agreed to pay a fine of \$130,000, of which approximately \$116,000 represented disgorgement of trading profits related to the allegations in this proceeding, serve a six-month suspension from association with any NASD member in any capacity, and serve an eighteen-month suspension from association with any NASD member as a research analyst. J&L, which was charged with Strong in this proceeding, agreed to a censure and payment of a \$75,000 fine in settlement of the charges against it.

3/ NASD Conduct Rule 3010(a) imposes supervisory requirements on NASD members. NASD Conduct Rule 2110 requires NASD members to "observe high standards of commercial honor and just and equitable principles of trade."

UNITED STATES OF AMERICA
before the
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ORDER SUSTAINING DISCIPLINARY ACTION TAKEN BY REGISTERED SECURITIES
ASSOCIATION

On the basis of the Commission's opinion issued this day, it is

ORDERED that the disciplinary action taken by NASD against Robert E. Strong, and
NASD's assessment of costs, be, and they hereby are, sustained.

By the Commission.

Nancy M. Morris
Secretary