

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20050002644-01

TO: Department of Market Regulation
NASD

RE: K.W. Chambers & Co.
BD No. 1432

Greg A. Overschmidt
CRD No. 1160877

Pursuant to Rule 9216 of the NASD Code of Procedure, K.W. Chambers & Co. (the "firm" or "KWCC") and Greg A. Overschmidt ("Overschmidt") (together "Respondents") 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 the firm and Overschmidt alleging violations based on the same factual findings.

The Respondents understand that:

1. Submission of this AWC is voluntary and will not resolve this matter until it has been reviewed and accepted by NASD's Department of Market Regulation and the National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs, 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 Respondents; and
3. If accepted:
 - a. this AWC will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by the NASD or any other regulator against them;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about the firm's and Overschmidt'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-8310-3; and

20050002644 (MJD)

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- d. Respondents may not 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 Respondents' testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which the NASD is not a party.

Respondents also understand that their experience in the securities industry and their respective disciplinary histories may be factors that will be considered in deciding whether to accept this AWC.

KWCC became a member of NASD in 1962, and its registration remains in effect. The firm has the following relevant disciplinary history.

In July 2002, NASD accepted KWCC's AWC (C04020021) in which the firm agreed to a censure and a joint and several fine of \$12,500, with a registered general securities principal, for failing to have in place written supervisory procedures reasonably designed to ensure compliance with the regulatory element of NASD's continuing education requirements, from January 1999 to February 2001, in violation of Conduct Rules 2110 and 3010. The firm also violated Membership and Registration Rule 1120 by permitting registered representatives to perform duties as registered persons while their registration status was inactive because of their failure to timely complete the regulatory element of NASD's continuing education requirements.

Overschmidt was first registered with NASD in 1983. He has been registered with KWCC since 1992. Overschmidt has no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under the 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, Respondents 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.

Respondents 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 their acceptance or rejection.

II.

ACCEPTANCE AND CONSENT

This AWC is the result of an investigation (no. 20050002644) conducted by the Department of Market Regulation into purchases of the securities of ATWEC Technologies, Inc. ("ATWT") by KWCC customers from November 2003 to January 2004.

- A. Respondents 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. At all relevant times, Overschmidt was KWCC's President. He supervised all of the firm's registered representatives, including Marlene Foster. Overschmidt was also responsible for establishing and maintaining a reasonable supervisory system and reasonable written supervisory procedures.
 - 2. ATWT developed warning devices for school buses and vans. ATWT commenced trading on the Pink Sheets on October 10, 2003.
 - 3. In the fall of 2003, ATWT sponsored a series of meetings for persons who had invested in the company's private placement and for persons who had not yet bought ATWT but might be interested in purchasing

the company's stock. With Overschmidt's knowledge, Foster attended several of these meetings at the invitation of ATWT's president. ATWT's president and a stock promoter spoke at the meetings and encouraged investors to purchase ATWT's stock. Foster was identified at the meetings as a representative of KWCC. Neither Overschmidt nor Foster knew the stock promoter was a former broker who was barred by NASD for abusive sales practices.

4. At the meetings, the stock promoter told potential investors that the stock would be available at \$1.00 per share when it commenced public trading. Customers interested in buying stock were instructed to open accounts with KWCC and deposit money in their accounts. When the stock was available, investors were told, KWCC, through Foster, would use the money to buy the stock. Foster agreed to this arrangement. Purchases of ATWT were not solicited by KWCC or Foster.
5. In October 2003, a total of nine shares of ATWT were traded on the Pink Sheets, each at \$0.001 per share. On November 7, 2003, ATWT's stock promoter called Foster and told her to submit the customers' buy orders, at \$1.00 per share, and she complied. On that day, 69 customers purchased a total of 46,840 shares of ATWT, at \$1.00 per share, and 10 customers purchased another 6,300 shares at \$.60 per share. 108 of Foster's customers bought a total of 68,642 shares of ATWT, for a total of \$73,813, including commissions and fees, from November 7, 2003, to January 8, 2004. The firm received \$768.34 in total compensation for the ATWT sales after paying clearing costs and commissions.
6. KWCC and Overschmidt were responsible for establishing, implementing, and maintaining a supervisory system reasonably designed to achieve compliance with applicable securities laws and regulations and adequate written procedures to supervise the types of business that KWCC engages in and to supervise the activities of registered representatives. The firm's supervisory system failed to provide for adequate and reasonable supervision of Marlene Foster's sales activities and her customers' trading in ATWT. The firm's supervisory system did not include adequate written supervisory procedures relating to public appearances, opening new customer accounts, and exercising discretion in executing customer orders. The written supervisory procedures KWCC had did not provide for: (1) identification of the person responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory steps to be taken by the identified person; (3) a statement as to how often such person should take such steps; and (4) a statement as to how the completion of the steps included in the written supervisory procedures should be documented. The conduct described above constitutes violations by

KWCC and Overschmidt of NASD Conduct Rules 2110, 3010(a), and 3010(b).

B. Respondents consent to the following sanctions:

1. KWCC consents to the imposition, at a maximum, of the following sanctions:
 - (i) A censure;
 - (ii) partial restitution by the firm in the amount of \$40,000, payable on a *pro rata* basis to all KWCC customers who purchased shares of ATWT (the "Recipients"), as set forth in the schedule of customers attached hereto as Exhibit A. A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the **COMPLIANCE ASSISTANT, LEGAL SECTION, DEPARTMENT OF MARKET REGULATION 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, no later than 120 days after acceptance of this AWC. If for any reason, the firm cannot locate any Recipient after reasonable and documented efforts within such period, or such additional period agreed to by the staff, the firm shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer last resided; and
 - (iii) an undertaking to revise its written supervisory procedures with respect to the areas described in Section II.A. Within 30 days of acceptance of this AWC by the NAC, a registered principal of the firm shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, DEPARTMENT OF MARKET REGULATION, 9509 KEY WEST AVENUE, ROCKVILLE, MARYLAND 20850**, a signed, dated letter, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph II.A.; and (3) the date the revised procedures were implemented.
2. Overschmidt consents to the imposition, at a maximum, of a \$5,000 fine and a 10-business-day suspension in a principal or supervisory capacity.

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

III.

OTHER MATTERS

- A. Respondents understand that they may attach a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they may not deny the charges or make any statement that is inconsistent with the AWC in their Statements. The Statements do not constitute factual or legal findings by NASD, nor do they reflect the views of NASD or its staff.
- B. Respondents 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 they have attached the Election of Payment forms showing the method by which they propose to pay any fine imposed.
- C. Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Respondents 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 Respondents to submit it.

Respondent,
K.W. Chambers & Co.

6-20-07
Date

By: [Signature]
Name: GREG A. OVERSCHMITZ
Title: PRESIDENT

Reviewed by:

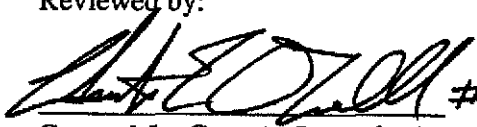
[Signature] #45916
Counsel for K.W. Chambers & Co.

Respondent,

10-20-07
Date


Greg A. Overschmidt

Reviewed by:

 #45916
Counsel for Greg A. Overschmidt

Accepted by NASD:

6/22/2007
Date

Cameron Funkhouser / RW
Cameron K. Funkhouser
Senior Vice President
Department of Market Regulation

Signed on behalf of the Director of ODA,
by delegated authority

Attachments:

Standard Election of Payment Form for Greg A. Overschmidt

Exhibit A (Customer restitution schedule)

Exhibit A
Letter of Acceptance, Waiver and Consent
K.W. Chambers & Co.
Investigation No. 20050002644

Account Number	Trade Date	Buy / Sell	# of Shares	Total Cost	Share of Total Investment	Share of \$40,000
	11/11/03	buy	535	\$543.25	0.7380%	\$294.39
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/7/03	buy	96	\$149.75	0.2029%	\$81.15
	11/11/03	buy	222	\$249.85	0.3382%	\$135.29
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/25/03	buy	946	\$999.75	1.3544%	\$541.77
	11/7/03	buy	496	\$549.75	0.7448%	\$297.91
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/25/03	buy	996	\$1,049.75	1.4222%	\$568.87
	11/19/03	buy	50	\$103.75	0.1406%	\$56.22
	11/7/03	buy	94	\$110.15	0.1492%	\$59.69
	11/11/03	buy	222	\$249.65	0.3382%	\$135.29
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/25/03	buy	196	\$249.75	0.3384%	\$135.34
	11/8/04	buy	3,800	\$3,982.85	5.4094%	\$2,163.75
	11/25/03	buy	196	\$249.75	0.3384%	\$135.34
	11/25/03	buy	196	\$249.75	0.3384%	\$135.34
	11/7/03	buy	996	\$1,049.75	1.4222%	\$568.87
	11/25/03	buy	396	\$449.75	0.6093%	\$243.72
	11/7/03	buy	496	\$549.75	0.7448%	\$297.91
	11/11/03	buy	485	\$499.50	0.6767%	\$270.68
	11/7/03	buy	846	\$899.75	1.2190%	\$487.58
	11/7/03	buy	93	\$109.55	0.1484%	\$59.37
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/7/03	buy	71	\$124.75	0.1690%	\$67.50
	11/13/03	buy	996	\$1,049.75	1.4222%	\$568.87
	11/11/03	buy	538	\$549.85	0.7449%	\$297.97
	11/7/03	buy	346	\$399.75	0.5416%	\$216.63
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/7/03	buy	146	\$199.75	0.2706%	\$108.25
	11/25/03	buy	996	\$1,049.75	1.4222%	\$568.87

11/7/03	buy	946	\$598.75	1.3544%	\$541.77
11/25/03	buy	446	\$498.75	0.6770%	\$270.82
11/7/03	buy	196	\$249.75	0.3384%	\$135.34
11/7/03	buy	996	\$1,049.75	1.4222%	\$568.87
11/25/03	buy	1,446	\$1,498.75	2.0318%	\$812.72
11/11/03	buy	275	\$300.00	0.4064%	\$162.57
11-7-03	buy	71	\$124.75	0.1690%	\$67.60
11/7/03	buy	446	\$498.75	0.6770%	\$270.82
11/7/03	buy	96	\$148.75	0.2029%	\$81.15
11/7/03	buy	946	\$998.75	1.3544%	\$541.77
11/7/03	buy	446	\$498.75	0.6770%	\$270.82
11/7/03	buy	196	\$248.75	0.3384%	\$135.34
11/7/03	buy	1,900	\$1,998.75	2.7078%	\$1,083.14
11/7/03	buy	946	\$998.75	1.3544%	\$541.77
11/25/03	buy	946	\$998.75	1.3544%	\$541.77
11/7/03	buy	496	\$548.75	0.7448%	\$297.91
11/7/03	buy	93	\$108.55	0.1484%	\$59.37
11/7/03	buy	2,405	\$1,518.90	2.0578%	\$823.10
11/7/03	buy	1,900	\$1,998.75	2.7078%	\$1,083.14
11/7/03	buy	946	\$998.75	1.3544%	\$541.77
11/25/03	buy	996	\$1,048.75	1.4222%	\$568.87
11/25/03	buy	996	\$1,048.75	1.4222%	\$568.87
11/7/03	buy	546	\$598.75	0.8125%	\$325.01
11/7/03	buy	196	\$248.75	0.3384%	\$135.34
11/25/03	buy	996	\$1,048.75	1.4222%	\$568.87
11/7/03	buy	93	\$108.55	0.1484%	\$59.37
11/7/03	buy	446	\$498.75	0.6770%	\$270.82
11/7/03	buy	296	\$349.75	0.4738%	\$189.53
11/7/03	buy	996	\$1,048.75	1.4222%	\$568.87
11/7/03	buy	1,900	\$1,998.75	2.7078%	\$1,083.14
11/7/03	buy	1,091	\$1,149.30	1.5570%	\$622.81
11/7/03	buy	446	\$498.75	0.6770%	\$270.82
11/7/03	buy	346	\$398.75	0.5416%	\$216.63
11/7/03	buy	296	\$349.75	0.4738%	\$189.53
11/7/03	buy	93	\$108.55	0.1484%	\$59.37
11/7/03	buy	496	\$548.75	0.7448%	\$297.91
11/7/03	buy	321	\$374.75	0.5077%	\$203.08
11/7/03	buy	231	\$284.75	0.3858%	\$154.31
11/7/03	buy	496	\$548.75	0.7448%	\$297.91
11/7/03	buy	496	\$548.75	0.7448%	\$297.91

	11/7/03	buy	93	\$109.55	0.1484%	\$59.37
	11/7/03	buy	96	\$149.75	0.2029%	\$81.15
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/25/03	buy	446	\$499.75	0.6770%	\$270.82
	11/25/03	buy	996	\$1,049.75	1.4222%	\$568.87
	11/19/03	buy	446	\$499.75	0.6770%	\$270.82
	11/25/03	buy	996	\$1,049.75	1.4222%	\$568.87
	11/7/03	buy	296	\$349.75	0.4738%	\$189.53
	11/7/03	buy	946	\$999.75	1.3544%	\$541.77
	11/21/03	buy	900	\$998.75	1.3531%	\$541.23
	11/7/03	buy	996	\$749.75	1.0157%	\$406.29
	12/12/03	buy	205	\$299.75	0.4061%	\$162.44
	12/12/03	buy	205	\$299.75	0.4061%	\$162.44
	11/7/03	buy	1,900	\$1,998.75	2.7078%	\$1,083.14
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/7/03	buy	4,750	\$4,991.25	6.7620%	\$2,704.79
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/25/03	buy	246	\$299.75	0.4061%	\$162.44
	11/7/03	buy	1,425	\$1,500.00	2.0321%	\$812.86
	11/7/03	buy	946	\$999.75	1.3544%	\$541.77
	11/7/03	buy	246	\$299.75	0.4061%	\$162.44
	12/18/03	buy	203	\$256.75	0.3478%	\$139.13
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/25/03	buy	296	\$349.75	0.4738%	\$189.53
	11/7/03	buy	996	\$749.75	1.0157%	\$406.29
	11/7/03	buy	246	\$299.75	0.4061%	\$162.44
	12/19/03	buy	246	\$299.75	0.4061%	\$162.44
	11/7/03	buy	1,900	\$1,998.75	2.7078%	\$1,083.14
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/7/03	buy	93	\$109.55	0.1484%	\$59.37
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/7/03	buy	446	\$499.75	0.6770%	\$270.82
	11/7/03	buy	246	\$299.75	0.4061%	\$162.44
	11/7/03	buy	93	\$109.55	0.1484%	\$59.37
	11/7/03	buy	196	\$249.75	0.3384%	\$135.34
	11/12/03	buy	496	\$549.75	0.7448%	\$297.91
	11/7/03	buy	546	\$599.75	0.8125%	\$325.01
			68,642	\$73,813.45	100.0000%	\$40,000.00

March 14, 2007

Mr. Michael Dixon
NASD
Department of Market Regulation
9509 Key West Avenue
Rockville, Maryland 20850

Re: K.W. Chambers & Co. and Mr. Greg A. Overschmidt
20050002644
Statement of Corrective Action

Dear Mr. Dixon:

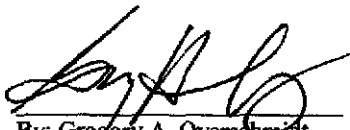
Per your letter dated March 13, 2007, please let this letter serve as our Statement of Corrective Action in the above-referenced investigation. Since the beginning of this investigation, the firm and Mr. Overschmidt undertook to reduce the number of registered representatives by over 50%. This action was taken due to the increasing realization that the time and resources required to adequately supervise part-time representatives such as Marlene Foster were not cost and time efficient, and were a strain to the firm's resources. The firm has effectively reduced the number of its representatives as stated above.

The firm has also hired Christopher C. O'Connell, an attorney with 10 years of experience to act as our Chief Compliance Officer. This effectively doubled the number of persons with oversight over our now reduced number of representatives. The firm has undertaken to send Mr. O'Connell to NASD compliance seminars as well as outside seminars to help him stay up to date on the changing rules and regulations.

The firm has also updated its procedures regarding both the sale of penny stocks and public appearances. A copy of these updated procedures are attached hereto and incorporated herein by reference. If you have any questions regarding this Statement of Corrective Action, please contact Richard B. Walsh, Jr. Esquire at [REDACTED]

K.W. Chambers & Co.,

Gregory A. Overschmidt


By: Gregory A. Overschmidt
Its: President


Gregory A. Overschmidt

This Corrective Action Statement is submitted by the Respondents. It does not constitute factual or legal findings by the NASD, nor does it reflect the view of the NASD, or its staff.