

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005001785001

TO: Department of Enforcement
NASD

RE: Herschell Eugene Buchanan
CRD No. 2740909

Pursuant to Rule 9216 of NASD Code of Procedure, Herschell Eugene Buchanan submits 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 me alleging violations based on the same factual findings.

I 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 accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. This AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against me;
 - b. This AWC will be made available through NASD's public disclosure program in response to public inquiries about my 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
 - d. I 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 allegations in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

I also understand that my 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:

I first became registered with NASD on June 18, 1996, as a General Securities Representative with NASD member American Express Financial Advisors Inc. I was registered with NASD member American Express Financial Advisors Inc. as a General Securities Representative from April 25, 1996, until June 7, 2005. I currently am not associated with an NASD member.

I. WAIVER OF PROCEDURAL RIGHTS

I 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 me;
- 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, I 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.

I 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. I 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 wish NASD is a party, prior to a hearing and without and adjudication of any issue of law or fact, to the entry of the following findings by NASD:

- 1) During the time period from June 1999, until March 2003, Respondent Buchanan, Jr. forged the signature of a customer on several financial service agreements, mutual fund redemption forms, and transfer requests, in violation of NASD Conduct Rule 2110.
 - 2) By letters dated June 14, 2005, June 29, 2005, and August 11, 2005, sent to Respondent Buchanan's residential address as reflected in CRD, the staff requested Buchanan, pursuant to NASD Procedural Rule 8210, to provide certain information to the staff regarding the subject matter of this proceeding. Buchanan failed to respond to the staff's Rule 8210 requests, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.
- B. I also consent to the imposition, as a sanction, of a bar from association with any NASD member in all capacities. Pursuant to NASD Rule IM-8310-2(f), a bar shall become effective upon approval or acceptance of this AWC by the NAC.

III. OTHER MATTERS

- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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. I understand that if I am barred from association with any NASD member, I become 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, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar. (See NASD Rule 8310 and IM-8310-1.)

1. *Chrysomelids* (100%)

Date: 10/24/05

Clark

404-239-6128