

FROM : INTEGRA
11/09/2006 11:44 AM
Sent By: NASD;

PHONE NO. : 5298851032
61642150291

Nov. 04 2006 08:31PM P2/7
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NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20051021039-01

To: Department of Enforcement
NASD

Re: **Deane J. Pantaleo**
Investment Company/Variable Contracts Representative
(CRD No. 4336722)

Pursuant to Rule 9216 of the NASD Code of Procedure, I Deane J. Pantaleo (Pantaleo), 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 me alleging violations based on the same factual findings.

Pantaleo understands 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 the National Adjudicatory Council (NAC) Review Subcommittee or the Office of Disciplinary Affairs (ODA), pursuant to NASD Procedural Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Pantaleo; and
3. If accepted:
 - a. this AWC will become part of Pantaleo's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against him;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Pantaleo'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
 - d. Pantaleo 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 findings in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects his testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

11/07/2006 16:01 FAX 8472059444

WICZER-ZELMAR_

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FROM : INTEGRA
11/07/2006 11:44 AM

PHONE NO. : 5298851032

Nov. 04 2006 08:31PM P3/7

Sent By: NASD;

8184215028;

NOV-2-06 4:22PM;

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Pantaleo also understands that his experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. This experience and history are as follows:

Pantaleo entered the securities industry in March 2003, when he associated with an NASD member. From May 6, 2003, through June 30, 2005, he was associated with NASD member Securix Financial Services, Inc. (Securix). On June 30, 2005, Pantaleo sat for the Series 7 (general securities representative), however, Pantaleo did not pass the examination.

Pantaleo is not currently associated with any NASD members or registered with NASD in any capacity. However, NASD retains jurisdiction over Pantaleo pursuant to Article V, Section 4 of NASD By-Laws. Pantaleo has not been the subject of prior formal disciplinary action by NASD.

I. WAIVER OF PROCEDURAL RIGHTS

Pantaleo specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against him;
- 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.

Furthermore, Pantaleo specifically and voluntarily waives 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.

In addition, Pantaleo specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of NASD Procedural Rule 9143 or the separation of functions prohibitions of NASD Procedural 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.

FROM : INTEGRA
11/03/2008 11:45 FAX 8472059444
Sent By: NASD;

PHONE NO. : 5298851032
8154215028;

Nov. 04 2008 08:32PM P4/7
Nov-2-08 4:33PM; Page 4/7

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II. ACCEPTANCE AND CONSENT

A. Pantaleo hereby accepts and consents, without admitting or denying the 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. On June 30, 2005, Pantaleo sat for the Series 7 (general securities representative) examination at a Thompson-Prometric testing center in Chicago, Illinois. Prior to taking the examination, Pantaleo was required to abide by certain NASD Rules of Conduct relating to the examination. The Rules were entitled "NASD Rules of Conduct - Prohibition of Study Materials or Assistance." One of the Rules was that "[Pantaleo] must not receive (except from the center staff), any form of assistance during the examination/training or restroom breaks." Another Rule was that "[d]uring restroom breaks [Pantaleo] must not leave the premises and may only go to the restroom."
2. During the examination, Pantaleo requested permission to take a restroom break. After taking the restroom break, instead of returning to the testing area, Pantaleo left the building where the examination was being conducted, and went to his vehicle. While Pantaleo was at his vehicle, he obtained a book entitled "General Securities Representative Exam License Exam Manual 16th Edition." After obtaining this book, Pantaleo returned to the building where the examination was being conducted. Examination staff found Pantaleo in a hallway, immediately after he reentered the building, carrying the book entitled "General Securities Representative Exam License Exam Manual 16th Edition." After the examination staff questioned Pantaleo, examination staff took the book entitled "General Securities Representative Exam License Exam Manual 16th Edition."
3. Such acts, practices and conduct set forth above constitute separate and distinct violations of NASD Conduct Rule 2110 by Pantaleo.

B. Pantaleo also consents to the imposition, at a maximum, of the following sanctions:

1. a two-year suspension from associating with any NASD member in any and all capacities; and
2. a fine of \$20,000. The fine shall be due and payable beginning either immediately upon reassociation with any member of NASD following the two-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

FROM : INTEGRA
11/09/2006 11:49 FAX H412038544

PHONE NO. : 5298851032
VIZUEN-TELNAH

Nov. 04 2006 08:33PM P6/7
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Sent By: N45D;

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IV. OTHER MATTERS

- A. I understand that I may attach a Statement of Corrective Action 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 agree to pay any monetary sanctions imposed on me upon receipt as noted above and have attached an Election of Payment form showing the method by which I propose to pay any fine imposed.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that if I am barred or suspended from associating 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 or suspension. (See NASD Rule 6310 and IM-6310-1.)

Pentacost certifies that he has read and understands all of the provisions of this AWC and has 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 him to submit it.

11/7/06
Date


DEANE J. PANTALEO

Reviewed by:

Control for Respondent

Received: 11/ 7/06 5:25PM;
11/07/2006 18:02 FAX 8472059444

8472059444 -> NASD; Page 7
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FROM : INTEGRA
11/09/2006 11:41 FAX 8472059444
Sent By: NASD;

PHONE NO. : 5298851032
FAX NO. : 8184215029;

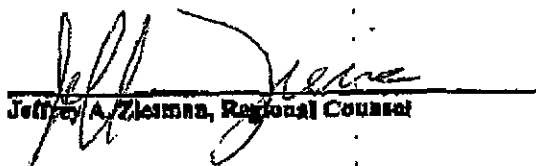
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Accepted by NASD:

11-13-06
Date

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


Jeffrey A. Ziemna, Regional Counsel

NASD District Director

Thomas D. Clough
130 West 12th Street, Suite 900
Kansas City, MO 64105
(816) 802-4700