

9-06-2006 7:37AM

FROM MP ELEMENTARY 6089873904

P. 2

ent By: NASD;

8164215029;

Sep-5-06 5:06PM;

Page 2

**NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20050026087-01**

**To: Department of Enforcement
NASD**

**Re: Lee G. Schroeder
General Securities Representative
(CRD No. 3270789)**

Pursuant to Rule 9216 of NASD Code of Procedure, I, Lee G. Schroeder (Schroeder), 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.

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 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 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 finding 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.

Received: 9/ 8/06 7:23AM;

8089873904 -> NASD; Page 3

9-06-2006 7:38AM

FROM MP ELEMENTARY 6089873904

P. 3

sent by: NASD;

8184215020;

Sep-5-06 5:08PM;

Page 3/6

Letter of Acceptance, Waiver and Consent No. 20050026087-01
Department of Enforcement v. Lee G. Schroeder
Page 2

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 entered the securities industry in July 1999 when I associated with an NASD member firm. From August 12, 2002 through September 16, 2005, I was associated with member firm American General Securities Incorporated (AGSI) as a sales representative and was registered with NASD as a general securities representative.

I am not currently associated with any NASD member or registered with NASD in any capacity. However, NASD retains jurisdiction over me pursuant to Article V, Section 4 of NASD By-Laws. I have not been the subject of prior disciplinary history by NASD.

I. WAIVER OF PROCEDURAL RIGHTS

I 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 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.

9-06-2006 7:38AM

FROM MP ELEMENTARY 6089873904

P. 4

ent By: NASD;

6164215029;

Sep-5-06 5:07PM;

Page 4/6

Letter of Acceptance, Waiver and Consent No. 20050026087-01
Department of Enforcement v. Lee G. Schroeder
Page 3

In addition, I specifically and voluntarily waive 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.

II. ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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:

Failure to Update Form U-4 **NASD Conduct Rule 2110 and IM-1000-1**

1. On or about May 14, 2002, Schroeder filed or caused to be filed a Uniform Application for Securities Industry Registration or Transfer (Form U-4) with AGSI.
2. Question 14M. of the Form U-4 asked "Do you have any unsatisfied judgments or liens against you?" Schroeder checked the "no" box next to this question.
3. On or about January 20, 2004, the State of Wisconsin, Department of Revenue entered an order against Schroeder for delinquent taxes in the amount of \$30,505.32.
4. Schroeder did not update his Form U-4 to reflect the filing of the tax lien by the State of Wisconsin, Department of Revenue.
5. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and IM-1000-1 by Schroeder.

Failure to Timely Respond to Requests for Information **NASD Procedural Rule 8210 and NASD Conduct Rule 2110**

6. On October 25, 2005, NASD staff sent Schroeder requests for information pursuant to and in accordance with NASD Procedural Rule 8210. Schroeder's response was due on or before November 8, 2005. Schroeder did not respond by November 8, 2005.
7. On November 10, 2005, NASD staff repeated its October 25, 2005, NASD Procedural Rule 8210 request to Schroeder. NASD staff sent Schroeder requests for information pursuant to and in accordance with NASD Procedural Rule 8210. Schroeder's response

9-06-2006 7:39AM

FROM MP ELEMENTARY 6089873904

P. 5

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6164215029;

6ep-6-06 5:07PM;

Page 5/6

Letter of Acceptance, Waiver and Consent No. 20050026087-01
Department of Enforcement v. Lee G. Schroeder
Page 4

was due on or before November 25, 2005. Schroeder did not respond by November 25, 2005.

8. Schroeder did not respond to the foregoing information requests until April 6, 2006 and April 15, 2006.
9. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and NASD Procedural Rule 8210 by Schroeder.

Failure to Appear for On-the-Record Interview
NASD Procedural Rule 8210 and NASD Conduct Rule 2110

10. On July 10, 2006, pursuant to and in accordance with NASD Procedural Rule 8210, NASD staff sent a letter to Schroeder requesting his appearance for an on-the-record interview on July 28, 2006, at the NASD District No. 4 office.
11. Respondent Schroeder did not appear at the NASD District No. 4 office on July 28, 2006, for his OTR.
12. Such acts, practices and conduct constitute separate and distinct violations of NASD Procedural Rule 8210 and NASD Conduct Rule 2110 by Schroeder.

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

1. a bar from association with any NASD member firm in any capacity.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III. OTHER MATTERS

- A. 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 8310 and IM-8310-1.)

6089873904 -> NASD; Page 6

9-06-2006 7:39AM

FROM MP ELEMENTARY 6089873904

P. 6

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8164215029;

Sep-5-08 5:08PM;

Page 8/8

Letter of Acceptance, Waiver and Consent No. 20050026087-01
Department of Enforcement v. Lee G. Schroeder
Page 5

I certify that I 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.

9/5/06

Lee G. Schroeder

Reviewed by:

Counsel for Respondent Schroeder

Accepted by NASD:

Date _____


Jeffrey A. Ziesman, Regional Counsel

NASD District Director

Thomas D. Clough
120 West 12th Street, Suite 800
Kansas City, MO 64105
(816) 802-4700