

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006003775301

TO: Department of Enforcement
NASD

RE: Anderson & Strudwick, Incorporated
Member
CRD No. 48

Bradley A. Brown
General Securities Principal and Research Analyst
CRD No. 3097139

Pursuant to Rule 9216 of the NASD Code of Procedure, Anderson & Strudwick, Incorporated ("ASI") and Bradley A. Brown ("Brown") 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 us alleging violations based on the same factual findings.

ASI and Brown 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, 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 them; and
3. If accepted:
 - a. this AWC will become part of their permanent disciplinary records 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 their 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. they 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 the firm's and/or Brown's testimonial obligations or right to take legal or factual positions in litigation in which the NASD is not a party.

ASI and Brown also understand that their respective experience in the securities industry and disciplinary history may be factors which will be considered in deciding whether to accept this AWC. That experience and history are as follows:

ASI has been an NASD member since October 1948. It maintains its principal office in Richmond, Virginia and conducts a general securities business on a fully disclosed basis. It has no relevant disciplinary history in the past five years.

Brown first became registered with NASD in December 1998 as a General Securities Representative of ASI. He has been associated with ASI in that capacity continuously to the present. Brown has also been registered with NASD as a General Securities Principal since August 2000 and as a Research Analyst since April 2005. Brown has no NASD disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

ASI and Brown 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 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, ASI and Brown 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.

ASI and Brown 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. ASI and Brown 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:

1. Based upon a review of certain municipal securities transactions that ASI effected from June through November 2005, the firm failed to report timely 54 transactions to the Municipal Securities Rulemaking Board ("MSRB").

Based on the foregoing, ASI violated MSRB Rule G-14.

2. The SEC approved NASD Conduct Rule 2711 titled "Research Analysts and Research Reports" on May 10, 2002. At all times relevant herein, Brown was a "Research Analyst" as defined in Rule 2711(a)(5). From April 4, 2005 to July 27, 2005, and in contravention of the Rule 2711(g)(3) trading restrictions in a "research analyst account," as that term is defined in Rule 2711(a)(6), six sales of securities were effected in two accounts Brown owned (five in a managed account and one in a separate account), each of which involved securities issued by a company Brown followed. In each instance, the sale was inconsistent with Brown's recommendation as reflected in his most recent research report published by ASI. Three of the six sales were effected in contravention of the restrictions against trading during periods before and after the issuance of a research report set forth in Rule 2711(g)(2). The transactions resulted in a net loss to Brown of about \$1,700.

Based on the foregoing, Brown violated NASD Conduct Rules 2711(g)(2) and (g)(3) and 2110.

3. From about April 2004 to about August 2005 and in contravention of the disclosure requirements applicable to research reports set forth in Rule 2711(h), ASI and Brown: issued seven firm research reports that covered six or more securities, but did not include therein either (i) price charts and price target disclosures required by Rule 2711(h)(6) and (7) or (ii) information directing readers in a clear manner where they could obtain applicable current disclosures in written or electronic format; and, issued one firm research report that covered fewer than six securities but failed to include therein price charts and price target disclosures required by Rule 2711(h)(6) and (7).

Based on the foregoing, ASI and Brown violated NASD Conduct Rules 2711(h) and 2110.

4. From at least June 2005 through at least November 2005, ASI failed to establish, maintain and enforce written supervisory procedures that were reasonably designed to achieve compliance with its trade reporting obligations under MSRB Rule G-14 and NASD Systems and Programs Rule 6230.

In addition, from about April 2004 to about August 2005, ASI failed in certain respects to implement and enforce adequately its written supervisory procedures relating to Rule 2711(h). As a result, ASI failed to prevent the violations set forth in paragraph 3 herein.

Based on the foregoing, ASI violated NASD Conduct Rules 3010, 2711(i) and 2110 and MSRB Rule G-27.

- B. ASI and Brown also consent to the imposition, at a maximum, of the sanctions of a censure against each and a total fine of \$22,500 apportioned as follows: a fine of \$12,500 against ASI; a fine of \$5,000 against Brown; and, a joint and several fine of \$5,000 against ASI and Brown.

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

III.

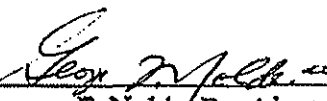
OTHER MATTERS

- A. ASI and Brown understand that they may attach, jointly or separately, a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. ASI and Brown further understand that they 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. ASI and Brown 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 have attached an Election of Payment form showing the method by which they propose to pay any fine imposed.
- C. ASI and Brown 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.

ASI and Brown 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 them to submit it.

Anderson & Strudwick, Incorporated

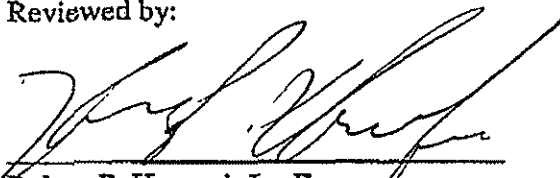
3/15/07
Date

By: 
George F. Nolde, President

3/15/07
Date


Bradley A. Brown

Reviewed by:


Robert P. Howard, Jr., Esq.
Counsel for ASI and Bradley A. Brown

Accepted by NASD:

April 2, 2007
Date

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


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NASD District Director

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