

NASD
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2006004235701

TO: Department of Enforcement
NASD

RE: Melanie E. Howell, Respondent
Associated Person
CRD No. 5074630

Pursuant to Rule 9216 of the NASD Code of Procedure, I 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 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.

I also understand that my 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:

Melanie E. Howell was associated with DMG Securities, Inc. from the filing of a Form U4 application for registration on December 13, 2005 until the filing of a Form U5 notice of termination on March 6, 2006. Her registration did not become effective during that period. Since then, she has not been associated with any other member of NASD, or registered in any capacity. She has not previously been the subject of NASD disciplinary action.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under the NASD's Code of Procedure:

1. To have a Formal Complaint issued specifying the allegations against me;
2. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
3. 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
4. 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 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:

On December 30, 2005 the Series 7 qualification examination was administered to Melanie E. Howell.

Prior to the administration of the qualification examination, she was required to, and did, signify her acceptance of Rules of Conduct, including "I must not take any personal items such as notes, formulas, or study materials into the examination/training room. (I will check my pockets, wallet, purse, etc. to avoid inadvertently retaining such items). I will turn over any such materials in my possession to the center staff immediately."

During the test session, however, Melanie E. Howell retained in her possession notes related to the subject matter of the qualification examination. She therefore had access to those notes during the examination.

The aforesaid conduct constitutes violations by Melanie E. Howell of NASD Conduct Rule 2110.

- B. I also consent to the imposition, at a maximum, of the following sanction: bar from association in any capacity with any member of NASD.

The sanction 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

I understand that if I am barred or suspended 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 or suspension. (See: NASD Rule 8310 and IM-8310-1.)

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.

5-16-06
Date

Melanie E. Howell
Melanie E. Howell

Accepted by NASD:

Date: June 8, 2006

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


Thomas K. Kilkenny
Regional Counsel
NASD Department of Enforcement
1835 Market Street, 19th Floor
Philadelphia, Pennsylvania 19103
(215) 665-1180

NASD District Director
John P. Nocella
Senior Vice President and District Director
NASD, District 9
1835 Market Street, 19th Floor
Philadelphia, Pennsylvania 19103
(215) 665-1180