

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
No. 2006004996101**

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Jonathan C. Ilchert, Respondent
General Securities Representative
CRD No. 2484719

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Jonathan C. Ilchert. ("Ilchert" or "Respondent") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Ilchert alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Ilchert 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 FINRA, or to which FINRA 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 FINRA:

BACKGROUND

Ilchert initially became registered with FINRA as a Series 7 general securities representative on September 10, 1994 and obtained a Series 63 license on March 14, 1996. Since his initial registration with FINRA, Ilchert has been associated with various FINRA member firms. Most recently Ilchert was associated with Vestpoint Securities, Inc. from May 2005 to March 2006.

On March 14, 2006, Vestpoint filed a Form U5 on behalf of Ilchert terminating his association with that firm as of March 1, 2006. Ilchert is not currently associated with any FINRA member firm. Ilchert has no prior disciplinary history.

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OVERVIEW

At various times between July 2005 and March 1, 2006, Ilchert misrepresented material facts and engaged in manipulative, deceptive or other fraudulent devices in connection with recommending that two customers invest in private securities offerings in Royal Palm Capital Group ("Royal Palm"), in violation of Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder, NASD Conduct Rules 2120 and 2110 and IM-2310-2. Additionally, Ilchert failed to appear for an on-the-record interview scheduled pursuant to NASD Procedural Rule 8210. As a result, Ilchert violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

At various times between July 2005 and March 1, 2006, Ilchert misrepresented to customers DF and RD material facts related to the risks associated with investing in a private offering of Royal Palm securities. Specifically, Ilchert falsely represented to these customers that Royal Palm was going public in the near term and that an investment in Royal Palm was not risky. Such representations were false, in that an investment in Royal Palm was illiquid; there was no public market for the shares of Royal Palm, and it was not expected that such a market would develop; and investments in Royal Palm carried a high degree of risk. Such acts, practices, and course of conduct constitute separate and distinct violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and NASD Conduct Rules 2120 and 2110 and IM-2310-2 by Ilchert.

On September 6, 2007, FINRA staff sent Ilchert a request to appear for an on-the-record interview scheduled for September 27, 2007. The request was issued pursuant to NASD Procedural Rule 8210. On September 17, 2007 Ilchert sent a letter to FINRA staff in response to the September 6, 2007 on-the-record interview request wherein Ilchert advised the FINRA staff that he would not be appearing for the on-the-record interview scheduled for September 27, 2007 and in fact would not be appearing for any on-the-record interview on any date. On September 20, 2007, FINRA staff sent Ilchert a second request to appear for an on-the-record interview scheduled for September 27, 2007. The second request was issued pursuant to NASD Procedural Rule 8210. Despite FINRA staff's requests, Ilchert failed to appear for the on-the-record interview. As a result of this conduct, Ilchert violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

OTHER FACTORS

B. Ilchert also consents to the imposition of the following sanctions:

A bar from association with any FINRA member in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Ilchert specifically and voluntarily waives the following rights granted under FINRA'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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Ilchert 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.

Ilchert further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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.

III.

OTHER MATTERS

It is understood that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and

until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;

- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Ilchert; and
- C. If accepted:
1. this AWC will become part of Ilchert's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Ilchert;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Ilchert's disciplinary record;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 4. Ilchert 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. Ilchert may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Ilchert's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

1-10-08

Date


Jonathan C. Ilchert

Accepted by FINRA:

1/25/08
Date

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



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