

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006007067401**

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

RE: Nevin Gillette, Respondent
Registered Representative
CRD No. 1505851

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Nevin Gillette, submit 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 me alleging violations based on the same factual findings described herein.

I. 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 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

Gillette entered the securities industry in January 1997 as an Investment Company/Variable Contracts Products Representative with a FINRA member. On July 2, 2003, Gillette became associated with Locust Street Securities, Inc, a FINRA Member, in this capacity. While there, Gillette became registered as an Investment Company/Variable Contracts Products Principal on September 9, 2003. Locust Street Securities later became ING Financial Partners, Inc. ("ING" or "Member"). Gillette was discharged from ING in September 2006 and is not currently registered with a FINRA member.

RELEVANT PRIOR DISCIPLINARY HISTORY

On September 28, 2006, the Illinois Securities Department issued a temporary order of prohibition and temporary order of suspension against Gillette for failure to disclose a customer lawsuit that alleged

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misrepresentation. The lawsuit alleged that Gillette obtained customer money by falsely representing that the money would be invested in Guaranteed Investment Contracts.

OVERVIEW

Gillette fraudulently induced approximately 40 customers to invest in a purported security and created false account statements that supposedly verified that the security had been purchased. In actuality, Gillette converted the money and used the funds for his own purposes. Later, Gillette was criminally charged in federal court with fraud. Gillette pleaded guilty and admitted to his misconduct. During the subsequent FINRA investigation, Gillette failed to respond to requests for information made pursuant to NASD Procedural Rule 8210.

FACTS AND VIOLATIVE CONDUCT

1. Between 1999 and approximately August 25, 2006, Gillette operated a fraudulent investment scheme. Gillette obtained between \$2.5 and \$7 million from approximately 40 investors. Gillette used some of the money that he obtained from investors to pay interest and principal to other investors who had previously invested in his scheme to create the impression of legitimacy and profitability.
 - a. Gillette advised potential investors to purchase Guaranteed Investment Contracts ("GICs"), a supposedly safe and secure investment. Instead of placing the money in this investment, Gillette secretly converted the investors' money to his own use.

The acts, practices and conduct described above constitute separate and distinct violations NASD Conduct Rules 2120 and 2110.

- b. Gillette directly used the mails or other instruments of interstate commerce or the facilities of a national exchange to employ a device, scheme or artifice to defraud, and engaged in acts, practices and courses of business that operated as a fraud or deceit upon persons in connection with the purchase or sale of securities. Specifically, he used the telephone system to falsely tell investors that he would use their funds to invest in GICs. Further, in connection with the scheme, Gillette created false and fictitious account statements that he mailed to investors that purportedly showed that their money was invested in GICs. In truth, Gillette did not use the funds to invest in GICs. Additionally, on May 2, 2006, Gillette wired \$354,717.19 into a bank account of an investor who filed a lawsuit alleging that the GIC

investment was fraudulent in an attempt to settle the complaint in order to continue his fraudulent scheme.

The acts, practices and conduct described above 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.

2. Between approximately 1999 and 2006, while registered with the Member, Gillette converted between \$2.5 and \$7 million from investors intended for the purchase of GICs for his personal use, including the funds of at least three of the Member's customers, in violation of NASD Conduct Rule 2110.
3. On November 21, 2006, December 13, 2006, and January 4, 2007, FINRA staff sent Gillette requests for information pursuant to NASD Procedural Rule 8210, inquiring into his purported solicitation and sales of GICs. Gillette did not respond in any way, in violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.

B. I also consent to the imposition of the following sanctions:

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

I understand that if I am barred or suspended from associating with any FINRA 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 FINRA 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.)

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

I specifically and voluntarily waive the following rights granted under FINRA'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 National Adjudicatory Council ("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 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

I understand 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 me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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. 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. I 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 my 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.

April 15th 2008
Date


Nevin Gillette

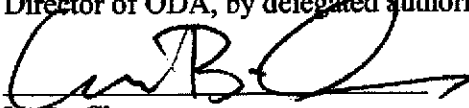
Reviewed By:

Counsel for Respondent (if any)
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

4-24-08
Date

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


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