

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007007997801

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
NASD

RE: Edward R. Mounts, Respondent
General Securities Representative
CRD No. 2738403

Pursuant to Rule 9216 of the NASD Code of Procedure, Edward R. Mounts ("Mounts") submits 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, 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 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 the 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 in which the NASD is not a party.

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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:

Mounts first became registered with NASD in 1996 as a limited representative with a member firm. He was associated with MetLife Securities Inc. ("MetLife") and Metropolitan Life Insurance Company ("Metropolitan") as a General Securities Representative from December 2002 to February 7, 2007. He has not been registered with any member since February 7, 2007. Mounts has no disciplinary history with 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.

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:

1. From January 2005 to about July 28, 2006, Mounts sold, outside the scope of his employment with MetLife and Metropolitan, Equity Indexed Annuities ("EIAs") issued by another company to about 15 persons without providing those firms with prompt written notice of the business activity. Mounts received compensation totaling about \$98,000 from the transactions.

Based on the foregoing, Mounts violated NASD Conduct Rules 3030 and 2110.

2. In about March 2006, MetLife discovered that Mounts was selling EIAs through another company. The firm directed Mounts to cancel three pending EIA transactions and to terminate his relationship with the company. On about March 27, 2006, Mounts gave his MetLife supervisor a letter, purportedly from the other company, confirming that the three EIA transactions had been cancelled and that Mounts would no longer be associated with the company. That letter, however, was not from the other company. The three EIA transactions were ultimately completed. Moreover, the letter did not accurately reflect the nature and extent of Mounts' continuing outside business activities involving EIA sales.

Based on the foregoing, Mounts violated NASD Conduct Rule 2110.

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

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 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 (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.

8/7/07
Date

Edward R. Mounts
Edward R. Mounts

Reviewed by:

Christopher Bruno
Christopher Bruno, Esq.
Bruno & Degenhardt, P.C.
10615 Judicial Drive, Suite 703
Fairfax, VA 22030
Counsel for Edward R. Mounts

Accepted by NASD:

September 6, 2007
Date

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

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Thomas M. Huber
Regional Counsel
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