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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070118850**

RECEIVED

JUN 08 2009

**To: Department of Enforcement
FINRA**

FINRA District 4

**Re: Eric Everson
Investment Company/Variable Contracts Products Representative
CRD No. 1492773**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Eric Everson (Everson), 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

Everson entered the securities industry in November 1996, when he associated with a member of FINRA. From February 5, 2007 through the present, Everson has been associated with FINRA member Brokers International Financial Services, LLC as a sales representative. At all times relevant, Everson was registered with FINRA as an investment company/variable contracts products representative.

Relevant Disciplinary History

Everson has not been the subject of prior formal disciplinary action by FINRA or its predecessors.

Overview

Everson recommended a variable annuity to elderly customer B.R. in March 2007. The variable annuity was not suitable for B.R., given her age, investment experience, and financial needs. Everson's conduct violated NASD Conduct Rules 2310 and 2110.

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Facts and Violative Conduct

In March 2007, B.R. was 64 years of age, and was retired. B.R. had limited assets and income at that time. She was receiving approximately \$1,000 from her deceased husband's social security. She was also taking withdrawals from a Life Investors fixed annuity to meet living expenses. At the time that Everson met with B.R. in March 2007, she had taken approximately \$15,000 out of the Life Investors fixed annuity over a time frame of approximately one year, leaving a balance in the Life Investors fixed annuity of approximately \$95,000. The Life Investors fixed annuity paid B.R. a 4.5% annual return.

B.R. had extremely limited investment experience in investing in stocks or bonds. She had a high school education.

B.R. also had monthly and other periodic expenses for which she had to have funds available. She also needed to have funds available to her in case of emergencies. In short, as of March 2007, B.R.'s investment needs were, at a minimum, preservation of capital and, to the extent possible, a monthly income stream.

In March 2007, Everson recommended that B.R. liquidate \$40,000 from the Life Investors fixed annuity, and put that sum in the ING GoldenSelect Access variable annuity. The annual fees for this product were 2.85%. Everson also recommended that B.R. put the entire \$40,000 in the subaccount ING Lifestyle Growth Portfolio. At that time, the ING Lifestyle Growth Portfolio was invested in approximately 80% in various stock funds, and 20% in bond funds.

B.R. accepted Everson's recommendations, and purchased the ING GoldenSelect Access variable annuity. The product was purchased in or about April 2007. B.R. invested \$40,000 in that product, and the funds came from the Life Investors fixed annuity. She invested 100% of her funds in the ING Lifestyle Growth Portfolio.

B.R. took a \$1,000 withdrawal from the annuity on August 29, 2007. She took this withdrawal to meet living expenses.

As of November 14, 2008, 100% of the assets in B.R.'s ING GoldenSelect Access variable annuity were still invested in the ING Lifestyle Growth Portfolio. B.R. surrendered the ING GoldenSelect Access variable annuity on November 14, 2008, to meet living expenses. B.R. incurred a loss on the investment in the ING GoldenSelect Access variable annuity when the product was surrendered.

Everson's recommendation that B.R. purchase the ING GoldenSelect Access variable annuity was unsuitable, in light of B.R.'s age, investment experience, and financial needs. B.R. could not be exposed to market losses, given her

limited financial means. Everson nevertheless recommended to B.R. a subaccount that was invested in approximately 80% stocks. B.R.'s investment needs at the time of Everson's recommendation were, at a minimum, preservation of capital and, to the extent possible, a monthly income stream. Nevertheless, Everson recommended to B.R. a product that lost a significant amount of value over a period of 18 months.

Everson's conduct violated NASD Conduct Rules 2310 and 2110.

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

1. a 10-business day suspension from association with any FINRA member in any capacity;
2. a \$5,000 fine; and
3. an order to pay partial restitution to B.R. in the total amount of \$4,304.50, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from March 21, 2007 until the date of payment. Satisfactory proof of payment of the partial restitution or of reasonable and documented efforts undertaken to effect partial restitution shall be provided to FINRA staff no later than 30 days after acceptance of this AWC. If for any reason Everson cannot locate B.R. after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Everson shall forward any undistributed partial restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

I agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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

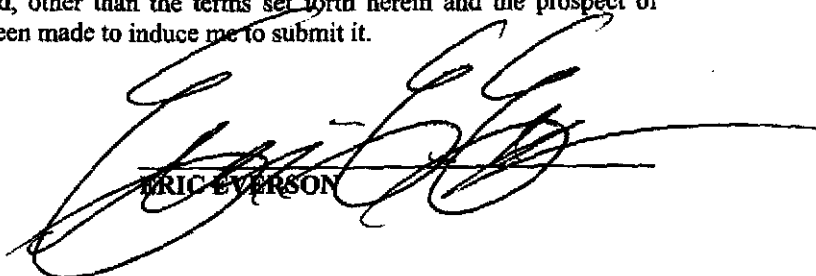
I understand that:

- 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 FINRA 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 FINRA Rule 8313; 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.

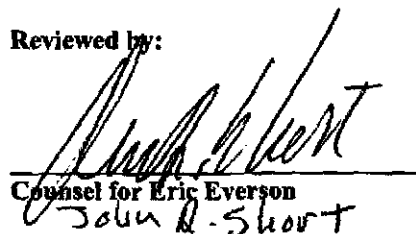
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.
- E. 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 FINRA Rules 8310 and 8311.)

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.

6-1-09
Date


ERIC EVERSON

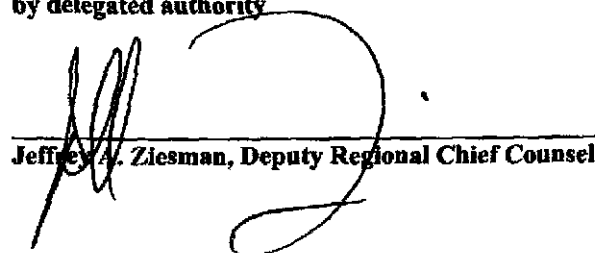
Reviewed by:


Counsel for Eric Everson
John R. Short

Accepted by FINRA:

6-22-09
Date

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


Jeffrey A. Ziesman, Deputy Regional Chief Counsel