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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080116126-01**

**To: Department of Enforcement
Financial Industry Regulatory Authority**

**Re: Stephen C. Langhofer
General Securities Principal
CRD No. 302086**

Pursuant to NASD Rule 9216 of FINRA Code of Procedure, I, Stephen C. Langhofer (Langhofer), 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

Langhofer entered the securities industry in November 1971, when he associated with a FINRA member. From April 29, 2003 through May 1, 2007, Langhofer was associated with Main Street Securities, LLC (Main Street) as a sales representative and was registered with FINRA as a general securities principal.

On May 29, 2007, Main Street filed a Uniform Termination Notice for Securities Industry Regulation (Form U5) concerning Langhofer. FINRA retains jurisdiction over Langhofer pursuant to Article V, Section 4 of the FINRA By-Laws.

Relevant Prior Disciplinary History

Langhofer has not been the subject of prior formal disciplinary action by FINRA.

Overview

Langhofer failed to appear for an on-the-record interview (OTR). Langhofer's conduct violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Facts and Violative Conduct

On May 29, 2007, Main Street filed a Form U5 concerning Langhofer. The Form U5 indicated that the State of Kansas was investigating Langhofer relating to a distribution of securities in Kansas.¹

After FINRA opened an investigation, FINRA staff scheduled an on-the-record interview (OTR) of Langhofer. Specifically, on November 19, 2007, FINRA staff sent Langhofer a letter, requesting his appearance for an OTR. The letter was sent pursuant to and in accordance with NASD Procedural Rule 8210. The letter requested Langhofer's appearance for an OTR on November 23, 2007, at the FINRA office in Kansas City, Missouri. Langhofer did not appear for his OTR on November 23, 2007.

Langhofer received actual notice of the November 23, 2007 OTR, which was scheduled pursuant to the November 19, 2007 letter. The November 19, 2007 letter, scheduling the OTR for November 23, 2007, was sent to Langhofer's residential address, as listed in the Central Registration Depository. The letter was sent certified mail, return receipt requested, and first class mail. Langhofer signed the receipt for the certified mailing, and the first class mailing was not returned. In addition, FINRA staff sent Langhofer's counsel a copy of the November 19, 2007 letter. At a minimum, given the foregoing, Langhofer had constructive notice of the November 23, 2007 OTR.

Langhofer's foregoing conduct violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

B. I also consent 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 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:

¹Pursuant to a court document signed by Langhofer and filed in Sedgwick County, Kansas, District Court on March 27, 2008, Langhofer was convicted of two counts of securities fraud. The court document contains a stipulation that Langhofer will make restitution of \$717,348 to Kansas victims, and pay a fine of \$71,735 to the state of Kansas. The court document also contains a provision in which Langhofer stipulates to be barred from employment in the securities industry in Kansas.

- 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 Procedural Rule 9143 or the separation of functions prohibitions of NASD Procedural 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 Procedural 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 Procedural 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.

- D. 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 Procedural 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; 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.

Date

11/17/08

STEPHEN C. LANGHOFER

Stephen C. Langhofer

Reviewed by:

Kenda K. Tomes, Esq.
Counsel for Stephen C. Langhofer

Accepted by FINRA:

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

Date

11.28.08

Jeffrey A. Zisman, Senior Regional Counsel

Jeffrey A. Zisman