

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012114301**

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

RE: Donald F. Chamberlin, Jr. ("Chamberlin, Jr.")


CRD No. 1357783

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Donald F. Chamberlin, Jr. ("Chamberlin, Jr." or "Respondent"), 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

Chamberlin, Jr. was registered as a general securities representative between January 1989 and August 2006. He was registered with Legacy Financial Services, Inc. ("LFSI") from April 16, 2003 to January 30, 2006. After leaving LFSI, he became a registered representative of Berthel, Fisher & Company Financial Services, Inc. ("BFFI"), where he was registered from January 31, 2006 to August 11, 2006. He has not registered with another broker-dealer since leaving BFFI.

He has no disciplinary history.

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OVERVIEW

During the period of June 1, 2004 through December 31, 2005 ("the review period"), Chamberlin, Jr. was the president and owner of Chamberlin Tax Advisory Group ("Chamberlin Tax"), whose primary business was selling annuity products. At the same time, Chamberlin, Jr. was an independent registered representative licensed with LFSI. Respondent's brother, David Chamberlin, was an employee of Chamberlin Tax during the review period.

David Chamberlin, and Respondent's father, Donald Chamberlin, Sr. ("Chamberlin, Sr."), were barred from association with any broker, dealer, or investment adviser on July 14, 2004, pursuant to a settlement with the Securities and Exchange Commission. Despite those bars, David Chamberlin and Chamberlin, Sr. were involved in securities related activity with Chamberlin Jr.'s customers during the review period. By permitting this prohibited activity, Chamberlin, Jr. violated Article V, Section 1 of the NASD by-laws and NASD Conduct Rule 2110 of FINRA's Code of Conduct.

FACTS AND VIOLATIVE CONDUCT

Chamberlin, Jr. created Chamberlin Tax in 2003 in order to sell annuity products to seniors. Chamberlin Tax's business model consisted of conducting free meal seminar presentations and offering low cost tax return preparation, followed by individual meetings with potential customers.

Chamberlin Tax had two office locations during the review period, both owned by Chamberlin, Jr. The main office was in St. Louis, Missouri and the second office, created in 2004 and closed in February 2007, was in Swansea, Illinois. During the review period, Chamberlin, Jr. worked out of the St. Louis, Missouri office along with another salesperson and five office staff. The only employees in the Swansea, Illinois office were salesperson David Chamberlin and an office manager. The only employee of Chamberlin Tax licensed to transact securities business during the review period was Chamberlin, Jr. Prior to the incidents described herein, Chamberlin, Jr. failed to advise his office staff, including his assistant, that David Chamberlin and Chamberlin, Sr. had been barred from the securities industry.

In 2005, as an employee of Chamberlin Tax, David Chamberlin routinely met with customers of Chamberlin Tax. In certain situations during those meetings, David Chamberlin recommended that the customer sell securities to pay for the purchase of annuity products. David Chamberlin occasionally recommended that the customers transfer securities out of an existing account to LFSI for ease in liquidation of securities positions to fund the annuity. In those situations, David Chamberlin provided LFSI new account forms to the customer, had the customer sign the forms and assisted the customer

in completing the forms, completed them himself or had Chamberlin, Jr.'s assistant complete them. He then sent notes to Chamberlin, Jr.'s assistant which gave specific instructions on what needed to be done to open and service the account at LFSI, where Chamberlin, Jr. was the broker of record. Chamberlin, Jr. knew or should have known this activity was occurring.

In at least one instance, David Chamberlin sent a welcome letter on Chamberlin Tax letterhead to a potential client recommending she transfer her brokerage account to LFSI where he could work with her in handling the investments. On the same day, he instructed Chamberlin, Jr.'s assistant which securities in the account should be sold once the transfer was completed.

Although not officially associated with Chamberlin Tax, Chamberlin, Sr. referred business to the firm and helped handle securities activity in client accounts for clients that he referred. For one client, Chamberlin, Sr. completed LFSI new account forms and transfer forms to initiate an account. The client received a welcome letter on Chamberlin Tax letterhead from Chamberlin, Jr.'s assistant which stated specifically that Chamberlin, Sr. was working on the account. Chamberlin, Sr. was updated on the account by Chamberlin, Jr.'s assistant by phone, email and facsimile correspondence. The communications centered on the client's investment objectives, the status of the account, and filling out the variable annuity allocations. Chamberlin, Sr. and Chamberlin, Jr.'s assistant also were in email communication with another client on handling a variable annuity including the transfer or exchange of mutual funds in a subaccount. Chamberlin, Jr. knew or should have known of his father's involvement in handling these accounts.

By engaging in the course of conduct described above, Chamberlin, Jr. violated Article V, Section 1 of the NASD by-laws and NASD Conduct Rule 2110 of FINRA's Code of Conduct.

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

1. a censure;
2. a fine in the amount of Ten Thousand (\$10,000) Dollars; and
3. In the event I become associated with a FINRA member firm at any time in the future, I shall, within 30 days of such association, advise the Compliance Officer of any such firm of the securities industry bars imposed on David Chamberlin and Chamberlin, Sr.

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 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

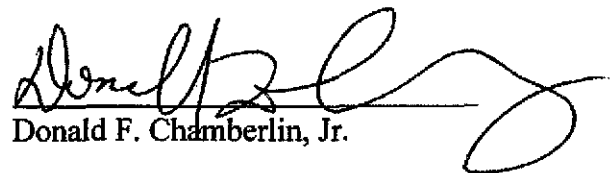
I understand that:

- 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;

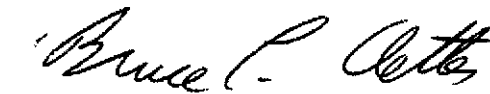
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against 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.
- 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.

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.

JANUARY 16, 2008
Date


Donald F. Chamberlin, Jr.

Reviewed by:


Bruce C. Oetter, Esquire
Bryan Cave, L.L.P.
211 North Broadway, Suite 3600
St. Louis, Missouri 63102-2750
Counsel for Respondent

Accepted by FINRA:

FEBRUARY 11, 2008
Date

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


Jeffrey P. Bloom
Senior Counsel
FINRA Department of Enforcement
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Donald F. Chamberlin, Jr.

Statement of Corrective Action

After learning during the course of an investigation of alleged conduct by my father and brother, I took the following actions.

When I discovered that my father, Donald Chamberlin, Sr., while in Detroit, continued to have relationships with previous clients on a tax and estate planning basis, I felt that this could lead to a conflict with the SEC consent decree barring him from the securities industry. Accordingly, in March of 2005, I persuaded my father to close his business in Detroit and move to St. Louis so that I could better monitor him and help him comply with the SEC order. He is retired from the investment industry and is working part-time for a prepaid legal services company, and I pay his living expenses to remove any temptation on his part to return to the securities business.

At my request my brother, David Chamberlin, has signed a letter stating that he will in no way be involved in the investment industry or the securities industry. I have specifically directed him, and he has agreed, not to do the following:

1. communicate with clients concerning recommending or selling specific securities;
2. communicate to customers that he can help them with their securities accounts;
3. help customers fill out paperwork to transfer their securities accounts; and
4. send letters to clients or prospects without my approval.

I have informed my office staff that my father and my brother are barred from the securities industry and that they should not be involved in any way in the securities or

investment advisory industry. If my father or brother contacts any member of my staff in violation of this rule, the staff member is to contact me promptly and not comply with the request of my father or brother.

Since August 2006, my securities licenses have been inactive and I have not engaged in the securities business. At this time, I have no present intention of reactivating my securities licenses, although I am considering becoming an investment advisor representative through USA Tax and Insurance Services, Inc.. I have informed USA Tax that my father and brother are barred from the securities industry.

A handwritten signature in cursive script, appearing to read "Donald F. Chamberlin, Jr.", written in dark ink.

Donald F. Chamberlin, Jr.

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.