

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012970401**

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REGISTRATION & DISCLOSURE

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

RE: Jeffrey Stadelmann, Respondent
Limited Registered Representative
CRD No. 1387980

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeffrey Stadelmann, 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

Jeffrey Stadelmann entered the securities industry in September 1985 when he became registered with a FINRA member as an Investment Company and Variable Contracts Products Representative. In December 1997, Stadelmann became registered in the same capacity with FINRA member, Workman Securities Corporation ("Workman"), where he remained registered until October 2007. Stadelmann is not currently registered with a FINRA member but remains under FINRA's jurisdiction until October 2009.

RELEVANT DISCIPLINARY HISTORY

Stadelmann has no relevant disciplinary history.

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OVERVIEW

Stadelmann misappropriated over a million dollars from dozens of members of the public, engaged in private securities transactions without obtaining prior permission from his firm, borrowed money from clients of his employing broker dealer and refused to appear for an on-the-record interview and to provide certain documents requested by FINRA.

FACTS AND VIOLATIVE CONDUCT

1. In 2004 and 2005, Stadelmann received approximately \$1.5 million from 59 members of the public. The members of the public gave Stadelmann the money for the purpose of purchasing stock of privately held companies. Instead, Stadelmann used the funds for other purposes. Such acts, practices and conduct constitute separate and distinct violation of NASD Conduct Rules 2330 and 2110 by Stadelmann.
 2. In 2004 and 2005, Stadelmann also referred 37 members of the public to invest approximately \$735,000 in privately held companies, without obtaining prior permission from his employing broker-dealer. For having referred the investors, Stadelmann received matching shares of stock from the companies, valued at approximately \$1.4 million. Such acts, practices and conduct constitute separate and distinct violation of NASD Conduct Rules 3040 and 2110 by Stadelmann.
 3. During the period of November 2003 through August 2007, Stadelmann borrowed approximately \$719,000 from 10 customers of Workman. Such acts, practices and conduct constitute separate and distinct violation of NASD Conduct Rules 2370 and 2110 by Stadelmann.
 4. FINRA staff sent Stadelmann an NASD Rule 8210 request for an on-the-record interview and certain documents related to the activity described above. Stadelmann refused to appear for the on-the-record interview and to produce the requested documents. Such acts, practices and conduct constitute separate and distinct violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210 by Stadelmann.
- B. I also consent to the imposition of the following sanctions: a bar from association with any FINRA member 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 FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(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 Complaint issued specifying the allegations against me;
- B. To be notified of the 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.**

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.

JUNE 5th, 2009

Date

Jeffrey D. Stadelmann
Jeffrey Stadelmann

Reviewed by:

John C. Thomure, Jr.
John C. Thomure, Jr.
Counsel for Respondent
Michael Best & Friedrich LLP
100 East Wisconsin Avenue
Suite 3300
Milwaukee, WI 53202-4108
(o) 414.225.4946

Accepted by FINRA:

June 22, 2009
Date

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

Maroletta Kerr
Maroletta Kerr
Principal Regional Counsel
FINRA Department of Enforcement
55 West Monroe Suite 2700
Chicago, IL 60603
(o) 312.899.4673; (f) 202.751.6540