

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. ~~C040400X~~ C04050006

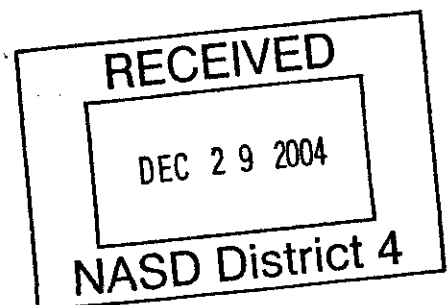
**To: Department of Enforcement
NASD**

**Re: Herman F. Lombard
Investment Company/Variable Contracts Representative
and Direct Participation Programs Representative
(CRD No. 1664771)**

Pursuant to Rule 9216 of the NASD Code of Procedure, I, Herman F. Lombard, submit 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 and the National Adjudicatory Council (NAC) Review Subcommittee or the Office of Disciplinary Affairs (ODA), pursuant to NASD Procedural 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 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 allegation 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 or other legal proceedings in which NASD is not a party.



I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

I entered the securities industry in March 1987 when I associated with NASD member firm NYLIFE Securities Inc. (NYLIFE). From March 22, 1987 through June 6, 2004, I was associated with NYLIFE as a sales representative and registered with NASD as a investment company/variable contracts representative and direct participation programs representative.

I am not currently associated with any NASD members or registered with NASD in any capacity. However, NASD retains jurisdiction over me pursuant to Article V, Section 4 of NASD By-Laws. I have not been the subject of prior formal disciplinary action by 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.

Furthermore, 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.

In addition, I 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.

II. ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the allegations or 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:

Private Securities Transactions
NASD Conduct Rules 2110 and 3040

1. In March 2000, while employed by NYLIFE, Lombard engaged in one private securities transaction totaling \$25,000 by personally investing in the stock of Telemarket Resources, Inc. as more fully set forth on Exhibit A attached hereto.
2. In March 2000, while employed with NYLIFE, Lombard engaged in seven private securities transactions by participating in the sale of a total of \$256,000 in the stock of Telemarket Resources, Inc. to seven customers as more fully set forth on Exhibit A attached hereto. More precisely, Lombard put the seven customers in touch with the sellers of Telemarket Resources, Inc. stock. Lombard also facilitated the sales by having the customers make the checks payable to Lombard, and then issuing checks from his own bank account to the sellers of Telemarket Resources, Inc. stock.
3. Lombard participated in these transactions without notifying NYLIFE of these transactions and his proposed role therein and without receiving prior written approval for these transactions from NYLIFE.
4. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3040 by Lombard.

- B. I also consent to the imposition, at a maximum, of the following sanctions:

1. a six-month suspension from association with any member firm of NASD; and
2. a fine of \$5,000. This fine shall be due and payable either immediately upon reassociation with an NASD member following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

III. OTHER MATTERS

- A. I understand that 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 NASD, nor does it reflect the views of NASD or its staff.
- B. I agree to pay any monetary sanctions imposed on me upon notice that this AWC has been accepted and that such payments are due and payable and have attached an Election of Payment form showing the method by which I propose to pay any fine imposed.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that if I am barred or suspended 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 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, 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.

12/23/2004
Date

Herman F. Lombard
Herman F. Lombard

Reviewed by:

Counsel for Respondent Lombard

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Accepted by NASD:

January 25, 2005
Date

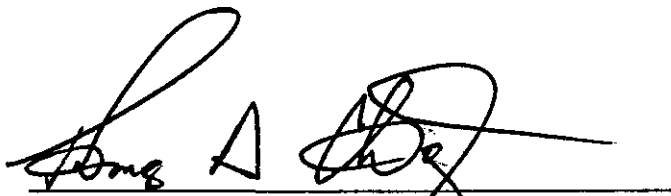

Thomas D. Clough, District Director
Signed on behalf of the Director of ODA, by
delegated authority

EXHIBIT A

Herman F. Lombard's Private Securities Transactions

Customer	Date	Investment Amount
T.T.	03/14/00	\$ 50,000
D.&P.W.	03/14/00	\$ 5,000
L.&C.Z.	03/15/00	\$ 50,000
J.H.	03/15/00	\$ 25,000
J.&C.T.	03/15/00	\$100,000
T.D.	03/15/00	\$ 25,000
N.&C.H.	03/16/02	\$ 1,000
H.L.	03/16/00	\$ 25,000
Total		\$281,000