

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. C48050005 - DISTRICT 9 NEW JERSEY

TO: Department of Enforcement
NASD

RE: Myrle C. Grose, Respondent
CRD No. 2265918

Pursuant to Rule 9216 of NASD Code of Procedure, Myrle C. Grose ("Grose") submits 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 National Adjudicatory Council ("NAC"), pursuant to NASD 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 positions in litigation 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:

Grose became registered with NASD on or about August 24, 1992, as an Investment Company Products/Variable Contracts Representative (Series 6). On or about January 5, 1993, Grose became registered with NASD as a General Securities Representative (Series 7). During the relevant time period, Grose was registered as a General Securities Representative (Series 7) with the following member firms:

<u>Firm Name</u>	<u>Dates of Employment</u>
Nationwide Advisory Services	June 12, 2000 to December 20, 2002
Next Financial Group	January 10, 2003 to December 18, 2003
Allstate Financial Services, LLC	April 2, 2004 to October 8, 2004

On or about October 8, 2004, Allstate Financial Services, LLC terminated Grose's registration and filed a Form U-5 terminating his employment on October 12, 2004. He is not currently associated with a member firm. Grose has not previously been the subject of formal disciplinary action.

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.

Further, I specifically and voluntarily waive any right to claim bias or prejudice 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 Rule 9143 or the separation of functions prohibitions of 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, 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, to the entry of the following findings by NASD:

From in or about 2000 through in or about 2004, Grose misappropriated approximately \$1.2 million from 25 customers. The customers gave Grose the funds in order to invest in securities. Instead, Grose converted the funds to his own use and benefit. This conduct was in violation of Conduct Rules 2110 and 2330(a).

On or about November 17, 2004, December 1, 2004 and December 15, 2004, NASD staff mailed Grose letters requesting, pursuant to NASD Procedural Rule 8210, information related to the above-mentioned misconduct. Grose failed to respond to those requests for information in violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.

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

A bar from association with any member of NASD in any capacity.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

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 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.

1-11-05
Date

Myrtle C. Grose Jr.
Myrtle C. Grose

Reviewed by:

Rebecca L. Freeland
Rebecca L. Freeland, Esq.
Counsel for Respondent

Accepted by NASD:

1/14/05
Date

Gary Liebowitz
Gary Liebowitz,
Senior Vice President,
District Director

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