

**NASD**  
**LETTER OF ACCEPTANCE, WAIVER AND CONSENT**  
**NO. E0220040700-01**

**TO:** Department of Enforcement  
NASD

**RE:** Ivan Cid Gonzalez, Respondent  
General Securities Representative  
CRD No. 2598229

Pursuant to Rule 9216 of NASD Code of Procedure, I, Ivan Cid Gonzalez ("Gonzalez"), 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 National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), 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 finding 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:

Gonzalez obtained his General Securities Representative (Series 7) license in April 1995 and his General Securities Principal (Series 24) license in March 2005. From on or about March 8, 1995 to January 6, 2005, Gonzalez was associated with NASD member American Express Financial Advisors, Inc. and its affiliate IDS Life Insurance Company (collectively, "AEFA") as a General Securities Representative. Gonzalez is not currently associated with any NASD member firm and has not been the subject of prior disciplinary action by NASD, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

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 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 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 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:

On or about November 18, 2003, Gonzalez recommended that customer RV purchase a variable universal life insurance product with a \$250,000 insured amount. On or about January 14, 2004, Gonzalez recommended that customer VF purchase a variable universal life insurance product with a \$250,000 insured amount. However, based on each customer's annual income and net worth, they did not have the financial ability to make the premium payments on the variable universal life insurance policies they purchased after the first year. Gonzalez's recommendations were made without having reasonable grounds for believing that they, and the resulting transactions, were suitable for the customers on the basis of their financial situation, investment objectives, and needs.

The aforementioned acts, practices and conduct constitute separate and distinct violations of Conduct Rules 2310 and 2110 by Gonzalez.

- B. I also consent to the imposition, at a maximum, of the following sanctions:
1. A \$7,925.15 fine (which includes disgorgement of commissions totaling \$2,925.12, that Gonzalez earned in connection with the relevant recommendations);
  2. A thirty (30) day suspension from associating with any member of NASD in

any capacity.<sup>1</sup>

The fine shall be due and payable either immediately upon reassociation with a member firm following the 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 re-entry as noted above.
- 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 associating 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.)

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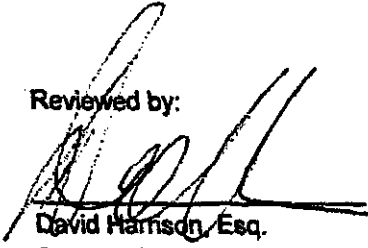
<sup>1</sup> The customers have received restitution.

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 us to submit it.

5/23/06  
Date

  
Ivan Cid Gonzalez, Respondent

Reviewed by:

  
David Harrison, Esq.  
Counsel for Respondent  
Spivak & Harrison  
1801 Century Park East, Suite 2230  
Los Angeles, CA 90067

Accepted by NASD:

8/16/06  
Date

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

  
David A. Greene  
Deputy Regional Chief Counsel  
NASD Department of Enforcement  
300 South Grand Ave., Suite 1600  
Los Angeles, CA 90071  
(213) 613-2634; (213) 617-1570

**NASD District Director**  
Lani M. Sen Woltmann, District Director  
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