

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E0420040447-01

To: Department of Enforcement
NASD

Re: Bruce Allan Hager
General Securities Principal
(CRD No. 1358936)

Pursuant to Rule 9216 of the NASD Code of Procedure, I, Bruce Allan Hager (Hager), 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:

Hager entered the securities industry in December 1984. From August 1, 1997 through October 11, 2004, Hager was associated with NASD member ProEquities, Inc. (ProEquities) as a sales representative and was registered with NASD as a general securities principal, which registration remains in full force and effect, although Hager is currently associated with another NASD member firm.

Hager has been the subject of prior formal disciplinary action by NASD not relevant to this matter. See AWC No. C04990019.

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:

Outside Business Activities
NASD Conduct Rules 2110 and 3030

1. From about April 2000 to about September 2000, Hager received compensation from a law firm for services relating to a company called Intellisol, while Hager was employed by ProEquities.
2. Hager did not provide prompt written notice to ProEquities about the above-referenced services or the compensation he received for the services.
3. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 3010 and 2110 by Hager.

Providing Misleading Information To NASD
NASD Procedural Rule 8210 and NASD Conduct Rule 2110

4. On January 18, 2002, NASD staff sent Hager a request for information pursuant to and in accordance with NASD Procedural Rule 8210, inquiring whether he had engaged in any outside business activity from 1998 through 2002. Hager did not identify the consulting services he provided relating to Intellisol. Hager also did not identify the compensation he received from the law firm for those services.
5. The staff took Hager's on-the-record interview (OTR) on August 22, 2005. In the course of the OTR, Hager admitted that he did not disclose the above-referenced services he provided relating to Intellisol. He also admitted that he did not disclose the compensation he received for those services.
6. Such acts, practices and conduct constitute separate and distinct violations of NASD Procedural Rules 8210 and NASD Conduct Rule 2110 by Hager.

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

1. a bar from association with any NASD member firm in any and all capacities.

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

- A. 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.

12/28/05
Date

Bruce Allan Hager
Bruce Allan Hager

Reviewed by:

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Counsel for Bruce Allan Hager?

Accepted by NASD:

1-11-06
Date

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

Jeffrey A. Ziesman
Jeffrey A. Ziesman, Regional Counsel

NASD District Director

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