

**NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E052003013101**

TO: Department of Enforcement
NASD

RE: Rita N. Raymer, Respondent
General Securities Representative
[CRD No. 2757002]

Pursuant to Rule 9216 of the NASD Code of Procedure, Respondent 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") 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 the 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 the 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:

Rita N. Raymer entered the securities industry on October 29, 1996 as a General Securities Representative of Trans Financial Investment Services, Inc., a member of NASD. Rita N. Raymer, during all periods mentioned herein, was associated with member firm UVest Investment Services, and was registered with NASD under Article V of the By-Laws as a General Securities Representative. Rita N. Raymer is not currently associated with any member firm and has not previously been the subject of formal disciplinary actions by any regulatory body.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under the 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 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:

1. During the period from September 2000 through January 2001, Rita N. Raymer, operating from a banking location, recommended and effected the unsuitable exchanges of fixed annuity contracts for variable annuity contracts in the accounts of eight bank customers.

In each instance, the customers were retired and communicated a need for current income to pay living expenses during retirement. The customers also wanted safe investments and had moderate to low risk tolerance. *The fixed annuities provided a guaranteed monthly amount of income, based on a 9.35% return for the first year and no less than 3% thereafter.* In contrast, the return provided by the variable annuities, after an initial six-month introductory rate period, fluctuated with the market and could not provide guaranteed monthly income. Because the variable annuity investments could not meet the investors' stated desires for safety and retirement income, the recommendations by Raymer that the customers exchange their fixed annuities for variable annuities were unsuitable.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2310(a) by Rita N. Raymer.

2. During the period from September 2000 to January 2001, Rita N. Raymer made misrepresentations or omitted material facts in the sale of variable annuity contracts to eight public customers referenced in paragraph 1 above. Raymer made the misrepresentations or omitted the material facts with the intent of deceiving the customers or with reckless disregard for the truth. Specifically, Raymer made the following misrepresentations or material omissions:

- Raymer misrepresented to each of the customers that additional amounts invested had been added to their original fixed annuity investment. In fact, Raymer exchanged the original fixed annuity investments for variable annuity investments and added the additional investments to the customers' new variable annuity contract. Because of Raymer's misrepresentations, the customers did not understand that the basic character of their investments had changed.

- Raymer guaranteed rates of return to each of the customers regarding their annuity investments. Raymer misrepresented to four customers that each would receive a 10% interest rate for the duration of the annuity investment. Additionally, Raymer misrepresented to one customer that the return of the annuity investment would be at least 3%, and misrepresented to another customer that he would earn a return between 12% and 37.5%. Raymer also misrepresented to two customers that each would receive a fixed rate of return.
- These misrepresentations were material and misleading. Although the fixed annuities sold by Raymer had one-year introductory rates of 9.35% and a guaranteed rate of 3% thereafter, Raymer switched all the customers to a variable product that had a very limited, guaranteed six-month introductory rate of 10%. After six months, the rate was no longer guaranteed and was subject to market fluctuation.
- Raymer failed to disclose that the variable annuity was not FDIC-insured. The original source of the investment funds for many of the customers were certificates of deposit that the customers invested through Raymer in fixed annuities, and which Raymer exchanged for variable annuities. Because of the customers' prior experiences with certificates of deposit, the lack of FDIC insurance was a material fact that Raymer should have disclosed.
- Raymer misrepresented or failed to disclose to each of the customers the nature of the investment. Raymer told two customers that their funds would not be invested in the stock market. Additionally, Raymer failed to disclose to six customers that their annuity funds were invested in the stock market. Based upon the representations and omissions of Raymer, each of the customers believed their funds were invested in safe, low-risk vehicles.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2120, and Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b5 thereunder, by Rita N. Raymer.

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

A bar of Rita N. Raymer from association with any member of NASD in any capacity.¹

¹ Although no monetary sanctions have been imposed in this disciplinary action, this does not preclude the customers from pursuing their own actions to effect such remedies.

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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 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.)

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.

8-01-2005
Date

Rita N. Raymer
Rita N. Raymer, General
Securities Representative

Reviewed by:

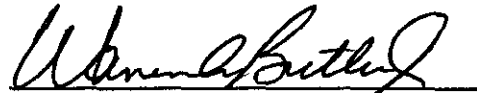
Counsel for Respondent

Accepted by NASD:

AWC01
Rev 09/10/04

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August 16, 2005
Date


Senior Vice President and
Regional Director

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