

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E0720050201

TO: Department of Enforcement
NASD

RE: Invest Financial Corporation, Member Firm
CRD No. 12984

Pursuant to Rule 9216 of NASD Code of Procedure, Invest Financial Corporation ("IFC") 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 IFC alleging violations based on the same factual findings.

IFC understands 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 IFC; and
3. If accepted:
 - a. this AWC will become part of IFC's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against IFC;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about IFC's 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. IFC 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 IFC's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

IFC also understands that its 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:

IFC has been a member of the NASD since 1982. Within the past five years, IFC has not been the subject of relevant disciplinary action by the Securities and Exchange Commission, NASD, other self-regulatory organizations, or state regulators.

I.

WAIVER OF PROCEDURAL RIGHTS

IFC specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against IFC;
- 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, IFC specifically and voluntarily waives 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.

IFC further specifically and voluntarily waives 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. IFC hereby accepts and consents, 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:

1. Trade Reporting Violations - MSRB Rule G-14

During the period May 1, 2005 through July 31, 2005, IFC failed to report accurately to the Municipal Securities Rulemaking Board ("MSRB") certain municipal bond transactions, as required by MSRB Rule G-14. Specifically, IFC failed to report in a timely manner 14 of 344 municipal trades; failed to report accurately customer trade prices in 137 of 163 customer municipal trades; and failed to report accurately the capacity in which the firm conducted the transaction in 308 of 344 municipal trades.

The aforementioned acts, practices and conduct constitute separate and distinct violations of MSRB Rules G-14 by IFC.

2. Confirmation Violations - MSRB Rule G-15

At or before the completion of a transaction in municipal securities with or for the account of a customer, MSRB Rule G-15(a)(i)(A) requires a broker, dealer or municipal securities dealer to give or send to the customer a written confirmation that discloses certain specified information regarding the transaction, including, among other things, the capacity in which the broker, dealer, or municipal securities dealer acted. During the period May 1, 2005 through July 31, 2005, in connection with 308 of 344 municipal transactions, IFC sent customers written confirmations that incorrectly indicated that the firm acted as an agent for transactions in which the firm acted as a principal.

The foregoing acts, practices and conduct constitute separate and distinct violations of MSRB Rule G-15(a)(i)(A)(1) by IFC.

B. IFC also consents to the imposition, at a maximum, of the following sanctions:

1. A censure; and
2. A fine in the amount of \$10,000.

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

III.

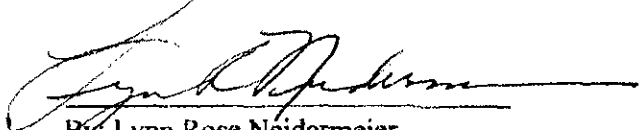
OTHER MATTERS

- A. IFC understands that it may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. IFC understands that it 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. IFC agrees to pay any monetary sanctions imposed on it 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 IFC proposes to pay any fine imposed.
- C. IFC specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

IFC certifies that it has read and understands all of the provisions of this AWC and has 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 IFC to submit it.

INVEST FINANCIAL CORPORATION

10/11/06
Date


By: Lynn Rose Neidermeier
Its President

Accepted by NASD:

10/16/06
Date

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


Cynthia A. Kittle
Senior Regional Attorney
NASD Department of Enforcement
300 South Grand Ave., Suite 1600
Los Angeles, CA 90071
(213) 613-2616; (213) 617-1570

NASD District Director
Daniel J. Stefek, District Director
NASD, District 7
3490 Piedmont Road, N.E.
Atlanta, GA 30305
(404) 239-6128