

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E112004042001

TO: Department of Enforcement
NASD

RE: Charles R. Snyder
CRD No. 429761

Pursuant to Rule 9216 of NASD Code of Procedure, I 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:

Charles R. Snyder ("Snyder") (CRD No. 429761) first became registered with the NASD on June 25, 1979 as a registered general securities registered representative (Series 7). Snyder has been registered with member firm, First Financial Planners Securities, Inc. ("FFP") (BD No. 16337) since April 12, 1995; he remains registered with FFP. Snyder has a prior NASD disciplinary history. On or about October 23, 1997, Snyder entered into an *Offer of Settlement with NASD wherein he was censured and fined \$25,000 for engaging in private securities transactions in violation of NASD Rules 3040 and 2110.*

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:

In April 2001, customers FR and MR met with Snyder and discussed using proceeds from the sale of their rental property in order to purchase securities. In July 2001, FR and MR had not sold their rental property and so Snyder recommended that they borrow funds from a home equity line of credit to purchase variable universal life contracts ("VULs"). In November 2001, as a result of Snyder's recommendation, they each purchased VULs using \$64,000 in home equity proceeds and paid their first-year premiums on those contracts. After the first year, however, they had still not sold the rental property and could not afford to make any additional premium payments. Snyder suggested that they reduce the face amounts of their VUL contracts, which were \$500,000 for FR and \$300,000 for MR, to \$100,000 each. The customers followed Snyder's recommendation, significantly reducing their benefits under those contracts.

In March 2002, Snyder recommended that customer EB borrow funds from a home equity line of credit to purchase a variable annuity and mutual funds. Customer EB, who was 76 years old at the time, then purchased the recommended securities using \$175,000 in home equity line proceeds. Over the next three years, the payments for customer EB's home equity line increased to the point that he had to liquidate the variable annuity contract and use his own money to pay off the home equity line of credit.

Given the financial situation, needs and objectives of customers FR, MR and EB, Snyder did not have reasonable grounds for believing that the above-referenced recommendations, and the resulting transactions, were suitable. This conduct constitutes separate and distinct violations of NASD Conduct Rules 2310 and 2110, and IM-2310-2.

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

- A three-month suspension from association with a member firm in any capacity;
- A \$25,000 fine; and
- An order to pay restitution to customers FR and MR in the amount of \$13,678, plus interest in the amount of \$3,431.86, and to customer EB in the amount of \$10,000, plus interest in the amount of \$2,262.49. Satisfactory proof of payment of the restitution or of reasonable documented efforts undertaken to effect restitution shall be provided to NASD staff no later than 90 days after acceptance of this AWC. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Snyder cannot locate any customers listed above

after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Snyder shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

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

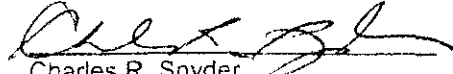
III.

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 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 I propose to pay any fine imposed.
- 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.)

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.

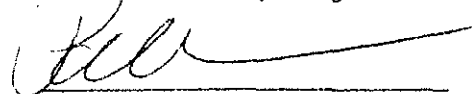
4/22/06
Date


Charles R. Snyder

Accepted by NASD:

5/2/06
Date

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



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