

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E8A2004089001

TO: Department of Enforcement
NASD

RE: Robert M. Racusen
Registered Representative
CRD No. 1601853

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 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:

Robert M. Racusen ("Racusen") entered the securities industry in 1986 as a Municipal Securities Representative of a member of NASD. In January 1988, Racusen became a General Securities Representative with another NASD member firm. Between May 1990 and January 2002, Racusen was registered in the same capacity, with nine different NASD member firms. From August 2002 to August 2004, Racusen was registered in the same capacity with Chicago Investment Group, LLC ("Member"), an NASD member firm. Racusen is not currently registered with a member of NASD.

Racusen has a previous disciplinary history. On October 1, 2004, NASD accepted an AWC pursuant to which NASD found that Racusen effected transactions in the securities accounts of a public customer without the customer's consent or authorization. Racusen committed the violation while he was subject to heightened supervision required by the States of Indiana and Texas because of the number of customer complaints made against Racusen. Racusen was fined \$7,500 and suspended for one year from association in any capacity with any member of NASD.

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 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 March 2004, A.G. and S.G. maintained a securities account at the Member that was serviced by Racusen.
2. At the direction of A.G., Racusen sold or caused the sale of 20,000 shares of Dauphin Technology Inc. (DNTK) on or about March 8, 2004, and sold or caused the sale of 5,000 shares of DNTK on or about March 11, 2004. The total proceeds from the sale of the DNTK shares were approximately \$6,463.47.
3. A.G. directed Racusen to send him the proceeds from the March 2004 sales of DNTK shares.
4. Instead, on or about March 11, 2004, Racusen purchased or caused the purchase of 10,000 shares of Oxford Ventures Inc. (OXFV) for \$6,842.50 in the account of A.G. and S.G., without the knowledge or consent of A.G. or S.G., and in the absence of written or oral authorization to Racusen to exercise discretion in said account, in violation of NASD Rule 2110 by Racusen.
5. On or about January 4, 2005 and again on January 25, 2005, NASD staff, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210, sent a written request for information concerning the allegations set forth in the paragraphs above. Racusen failed to timely respond to the two written requests, in violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.

- B. I also consent to the imposition, at a maximum, of the sanctions of a bar from association with any NASD member in any capacity.

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

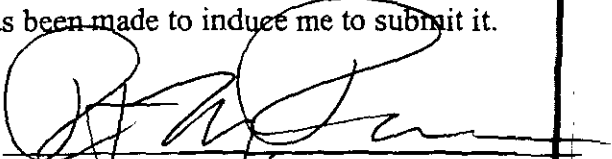
- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.
- B. I 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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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.

9-29-05

Date


Robert M. Racusen
Registered Representative

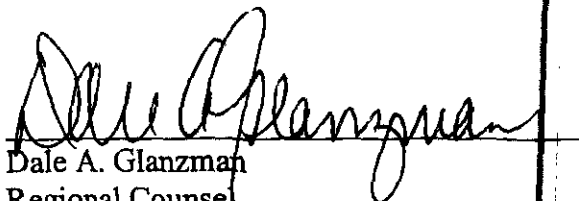
Reviewed by:

Counsel for Respondent

Accepted by NASD:

10-12-05

Date


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