

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E9B2004-19101

TO: Department of Enforcement
NASD

RE: Edward Carlsen, Sr., Respondent
CRD No. 40698

Pursuant to Rule 9216 of NASD Code of Procedure, Edward Carlsen, Sr., ("Carlsen") 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 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:

In or about August 1969, Carlsen became registered with NASD as a General Securities Representative (Series 7). Carlsen was registered with Advest, Inc. from January 31, 1994 until he was permitted to resign from such member firm on February 3, 2005 because his "investment policy [was] inconsistent with that of the firm." Carlsen is not presently associated with a member firm and has not previously been the subject of an NASD disciplinary action.

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:

From 1994 until 2002, Carlson recommended and engaged in numerous securities transactions in the accounts of several customers, and made unsuitable use of margin in their accounts, without having reasonable grounds for believing that those recommendations and resultant transactions were suitable for the customers based upon their financial situation, investment objectives and needs. This conduct violated IM-2310-2 and NASD Conduct Rules 2310 and 2110.

From 1994 until 2002, Carlson exercised discretion in the accounts of certain customers without written authorization. This conduct was in violation of NASD Conduct Rules 2510 and 2110.

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

- An eighteen month suspension from association with any member of NASD in any capacity; and
- A fine in the amount of \$40,000. The fine shall be due and payable, pursuant to the installment payment plan as designated on the attached Election of Payment form, beginning either immediately upon reassociation with a member firm following the eighteen month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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 re-entry as noted above 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.

25 MAY 005

Date

Edward Carlsen, Sr.

Edward Carlsen, Sr.,
Respondent

Reviewed by:

Paul K. Stecker

Paul K. Stecker,
Counsel for Respondent

Accepted by NASD:

7/29/05

Date

Gary Lipowitz
Gary Lipowitz,
Senior Vice President,
District Director

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