

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF : DANIEL E. BRUNETTE

FILE NO. 0400697

CONSENT ORDER OF WITHDRAWAL

TO THE RESPONDENT: Daniel E. Brunette (CRD#: 813924)
7644 William Penn Place
Indianapolis, Indiana 46204

C/o Ogilive Security
Advisors Corporation
900 N. Michigan Avenue Suite 1860
Chicago, Illinois 60611

C/o Tammy J. Meyer Lewis Wagner
LLP Attorneys At Law Suite 200
501 Indiana Avenue
Indianapolis, Indiana 46202

WHEREAS, Respondent on the 23rd day of May 2006 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated October 26, 2005 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

2. That on October 5, 2004, NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. CAF040075 imposed the following sanctions:
 - a. censure;
 - b. fine of \$10,000; and
 - c. suspension in all capacities for five (5) business days.
3. That the AWC found:

{Variable Compliance (“VCL”)}

- a. Variable life insurance is a hybrid product containing both insurance and securities elements. Variable life guarantees a minimum death benefit but, unlike non-variable life insurance, also provides a variable death benefit and a variable cash value reflecting the value of separate, segregated accounts of the insurance company. The separate accounts funding the contracts permit investments in underlying investment portfolios that are registered as a unit investment trust. Through those portfolios, which are invested in securities, the customer bears an investment risk. Because owners of variable life insurance contracts assume investment risks, the contracts are securities within the meaning of the federal securities laws.
- b. VCL is a type of variable life insurance issued by Northwestern Mutual and sold by NMIS registered representatives. VCL offers a guaranteed death benefit and the opportunity to pay optional premiums to purchase variable paid-up additional insurance or to increase the policy's value. While it provides a guaranteed death benefit floor, both the cash value and the value of the death benefit vary depending on the performance of the separate accounts selected by the policyholder. Policyholders incur insurance charges for the death benefit and other charges that are deducted from the premiums paid.
- c. Between January 1, 1998 and May 1, 2001, Northwestern Mutual (Respondent's then current employer) sold over 113,000 VCL policies, in a total face amount of over \$37 billion.

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- d. In letters to four of his clients, the Respondent failed to clearly describe the product referenced in the letters as a variable life insurance policy. In a letter dated January 17, 1998, to customers Mr. and Mrs. R.W.T, he referred to VCL as “a variable Private Pension Plan.” In a letter dated May 18, 1998, to customers Mr. and Mrs. S.J.F., he referred to VCL as “Northwestern Mutual Private Pension Plans,” “variable Private Pension Plan,” and a “savings vehicle.” In a letter dated June 8, 1999, to customers Mr. and Mrs. S.G., he referred to VCL as “Private Pension Plans.” In a letter dated May 10, 2000, to customer Mr. J.A., he referred to VCL as “Private Pension Plans” and a “retirement program” and he compared VCL to “a jumbo Roth IRA.”
 - e. In 1994 Northwestern Mutual cautioned the Respondent for using inappropriate terms to describe variable life insurance policies, including “private pension plans” and “retirement plans,” without clearly describing the product as life insurance in letters to his clients.
 - f. By making the statements in sub-paragraph d above in communications with customers, the Respondent violated NASD Conduct Rules 2210 and 2110.
4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
 5. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a salesperson **in the State of Illinois** is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.

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WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand dollars (\$1,000.00). Said amount has been paid by certified or cashier's check, made payable to the Office of the Secretary of State, Investors Education Fund.

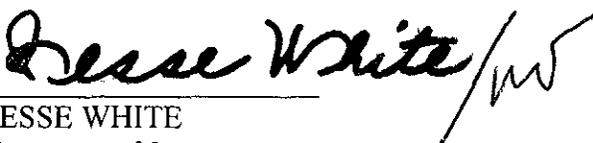
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of One Thousand dollars (\$1,000.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Investors Education Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.
2. The Respondent is levied costs of investigation in this matter in the amount of One Thousand dollars (\$1,000.00), payable to the Office of the Secretary of State, Investors Education Fund, and on May 8th 2006 has submitted One Thousand dollars (\$1,000.00) in payment thereof.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED this 25th day of May 2006.



JESSE WHITE
Secretary of State
State of Illinois