

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Lester Westgard;)
Respondent.)

CONSENT AGREEMENT

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The North Dakota Securities Commissioner has advised the Respondent, Lester Westgard, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent, Lester Westgard, is a securities agent employed by and associated with Principal Financial Group, of which Principal Life Insurance Company is an affiliate company. Respondent is, and for all times relevant to this matter, has been registered as a securities agent with the North Dakota Securities Department.
2. Respondent solicited the sale of a variable annuity contract in or around December of 1999. In connection with the sale of the annuity, Respondent indicated in a written document titled "Representative's Report" (1) that replacement was not involved in the transaction and (2) that an existing annuity contract was not surrendered in connection with the purchase of the annuity issued by Principal Life Insurance Company.
3. The Securities Department has determined that the statements made in the Representative's Report were untrue and that each of these statements constitute a misrepresentation in connection with the offer or sale of a security.
4. Pursuant to N.D.C.C. § 10-04-15, no person may, in connection with the offer, sale or purchase of any security, make an untrue statement of material fact or a material omission of fact, or engage in a scheme or artifice to defraud investors. The facts set forth above demonstrate that Respondent engaged in 2 violations of this section.
5. Pursuant to N.D.C.C. § 10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to N.D.C.C. § 10-04-16(1).

6. Respondent acknowledges his right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.
7. Respondent, without admitting or denying the determinations of the Securities Commissioner, agrees to resolve this matter with the Securities Commissioner by this Consent Agreement.
8. The following Order is necessary and appropriate in the public interest and for the protection of investors.

NOW, THEREFORE, IT IS AGREED, THAT:

1. Respondent shall not engage in any fraudulent conduct in North Dakota in violation of N.D.C.C. § 10-04-15.
2. Respondent shall pay a civil penalty of \$4,800, made payable to the North Dakota Securities Department, pursuant to N.D.C.C. § 10-04-16(1).
3. This Agreement shall be effective upon signature of the Commissioner.

Signed and Sealed this 23rd day of October, 2006.

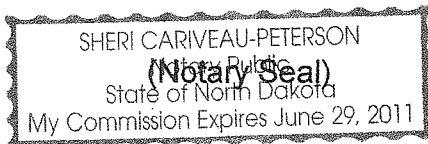


Karen J. Tyler
 Karen J. Tyler, Securities Commissioner
 North Dakota Securities Department
 State Capitol-5th Floor
 600 East Boulevard Ave.
 Bismarck, ND 58505-0510
 (701) 328-2910

Dated this 14 day of October, 2006.

Lester E. Westgard
 Lester E. Westgard
 Principal Financial Group
 1351 Page Dr., Suite 204
 Fargo, ND 58103

Subscribed and Sworn before me this 16 day of October, 2006.



Sheri Cariveau-Peterson
 Notary Public
 State: ND County: Cass
 My Commission Expires: 06/29/2011