

**NASD OFFICE OF HEARING OFFICERS**

**Department of Enforcement,**

**Complainant,**

**v.**

**Michael Steven Thannert,  
Investment Company/Variable Contract  
Products Representative  
(CRD No. 4452543)**

**Respondent.**

**Disciplinary Proceeding No. 20050033391-01**

**Hearing Officer - \_\_\_\_\_**

**COMPLAINT**

Upon information and belief, Complainant alleges as follows:

**JURISDICTION**

1. From September 7, 2001 through November 18, 2005, Respondent Michael Steven Thannert was associated with NASD member Farmers Financial Solutions, LLC and registered with NASD as an investment company/variable contract products representative. Thannert has not been associated with any NASD members or registered with NASD in any capacity since November 18, 2005.

2. On November 23, 2005, Farmers filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5") for Thannert.

3. This complaint is being filed within two years of the November 23, 2005 Form U-5 filing for Thannert. Accordingly, NASD has jurisdiction over Thannert pursuant to Article V, Section 4 of the NASD By-Laws.

## **FIRST CAUSE OF COMPLAINT**

### **Misuse of Customer Non-Securities Funds NASD Conduct Rule 2110**

4. On February 15, 2005, customer M.W. gave Thannert \$700.16 in cash with instructions to make a payment on an insurance policy.
5. On July 11, 2005, customer R.M. gave Thannert a check for \$2,241.20 with instructions to make a payment on an insurance policy.
6. On July 26, 2005, customer N.A. gave Thannert \$650.00 in cash with instructions to make a payment on an insurance policy.
7. Thannert did not use the funds received from these customers to pay for insurance policies, as the customers had instructed.
8. By misusing his customers' funds, which the customers intended to use to purchase non-securities products, Thannert violated NASD Conduct Rule 2110.

## **SECOND CAUSE OF COMPLAINT**

### **Failure to Respond to Requests for Information NASD Procedural Rule 8210 and NASD Conduct Rule 2110**

9. On December 15, 2005, NASD staff sent Thannert a written request for information, citing NASD Procedural Rule 8210, seeking material and relevant information regarding his alleged misconduct while associated with Farmers ("First Request"). NASD staff sent the First Request by certified mail, return receipt requested, and first class mail to Thannert's last two known residential addresses, as listed in CRD ("First CRD Address" and "Second CRD Address").

10. The certified mailing to the First CRD Address was returned, marked "Return to Sender, Unclaimed, Unable to Forward." The first class mailing to the First CRD Address was not returned. The certified mailing to the Second CRD Address was not returned. The first class mailing to the Second CRD Address was returned, marked "Return to Sender, Not Deliverable as Addressed, Unable to Forward."

11. Accordingly, NASD staff completed service of the First Request upon Thannert in accordance with NASD Procedural Rule 8210.

12. Thannert's response to the First Request was due by December 30, 2005. Thannert did not respond to the First Request.

13. On January 9, 2006, NASD staff sent Thannert a second request for information, citing NASD Procedural Rule 8210, seeking material and relevant information regarding his alleged misconduct while associated with Farmers ("Second Request"). NASD staff sent the Second Request by certified mail, return receipt requested, and first class mail to Thannert's First CRD Address and Second CRD Address.

14. The certified mailing to the First CRD Address was returned, marked "Return to Sender, Unclaimed, Unable to Forward." The first class mailing to the First CRD Address was not returned. The certified and first class mailings to the Second CRD Address were both returned, marked "Return to Sender, Not Deliverable as Addressed, Unable to Forward."

15. Accordingly, NASD staff completed service of the Second Request upon Thannert in accordance with NASD Procedural Rule 8210.

16. Thannert's response to the Second Request was due by January 23, 2006. Thannert did not respond to the Second Request.

17. On January 27, 2006, NASD staff sent Thannert a third request for information, citing NASD Procedural Rule 8210, seeking material and relevant information regarding his alleged misconduct while associated with Farmers ("Third Request"). NASD staff sent the Third Request by certified mail, return receipt requested, and first class mail to Thannert's First CRD Address, Second CRD Address and another potential address for Thannert obtained by NASD staff during the investigation ("Third Address").

18. The certified mailing to the First CRD Address was returned, marked "Return to Sender, Unclaimed, Unable to Forward." The first class mailing to the First CRD Address was not returned. The certified and first class mailings to the Second CRD Address were both returned, marked "Return to Sender, Not Deliverable as Addressed, Unable to Forward." The receipt for the certified mailing to the Third Address was returned bearing the signature of "Debbi Joos." The first class mailing to the Third Address was not returned.

19. Accordingly, NASD staff completed service of the Third Request upon Thannert in accordance with NASD Procedural Rule 8210.

20. Thannert's response to the Third Request was due by February 10, 2006. Thannert did not respond to the Third Request.

21. Through this conduct, Thannert violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

**PRAYER FOR RELIEF**

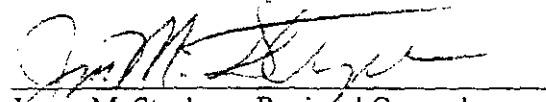
WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Procedural Rule 8310(a) be imposed, including that Thannert be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- B. order that the Thannert bear such costs of the proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Procedural Rule 8330; and
- C. order any other fitting sanction.

**NASD DEPARTMENT OF ENFORCEMENT**

Date: August 28, 2006

By:

  
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