

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006006356101**

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Michael Lee Storey, Respondent
General Securities Representative
CRD No. 2329188

Pursuant to NASD Rule 9216 of FINRA's 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 below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA 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 FINRA:

BACKGROUND

Michael Lee Storey entered the securities industry in June 1993 as a General Securities Representative of a FINRA member firm. Storey went on to associate with six other member firms, including SunAmerica Securities, Inc., where he was registered as a General Securities Representative from March 21, 2003 through October 31, 2005. Storey is not currently registered or associated with a FINRA member firm. He was last registered with AIG Financial Advisors, Inc. ("AIG") as a General Securities Representative from October 31, 2005 through approximately August 25, 2006, when AIG terminated his employment. The conduct which is the subject of this AWC occurred while Storey was registered with SunAmerica Securities, Inc. and AIG.

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RELEVANT PRIOR DISCIPLINARY HISTORY

Storey has not previously been the subject of any disciplinary action by FINRA, its predecessor, NASD, the Securities and Exchange Commission, another self-regulatory organization or any state regulator.

FACTS AND VIOLATIVE CONDUCT

1. While a representative of SunAmerica and AIG, Storey conducted business through Storey Financial Group (SFG), a company he owned and controlled.
2. CM was a customer of SFG. She intended to purchase a PL annuity through Storey. Storey instructed CM to transfer funds to SFG to effect the annuity purchase. On or about September 2, 2005, Charles Schwab & Co. Inc. sent a check for \$50,000 to SFG, for the benefit of CM, at CM's request. Storey never purchased the intended annuity for CM and he did not return the \$50,000 to her.
3. SK was a customer of SFG. In January 2006, SK decided to roll over funds from a prior employer's 401K plan into a PL variable annuity to be purchased through Storey and AIG. Storey instructed SK to transfer funds to SFG to effect the annuity purchase. Pursuant to SK's request, a check was issued to SFG, for the benefit of SK, in the amount of \$86,523 on February 14, 2006. SK also completed an application for the PL annuity. Storey never purchased the intended annuity for SK and did not return the \$86,523 to her.
4. The failure to purchase annuities or return the funds to CM and SK constituted conduct inconsistent with high standards of commercial honor and just and equitable principals of trade and a violation of Conduct Rule 2110 by Storey.

B. I also consent to the imposition of the following sanctions:

A bar from associating with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA 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 FINRA 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.)

Pursuant to NASD IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA'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 National Adjudicatory Council ("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 NASD Rule 9143 or the separation of functions prohibitions of NASD 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.

III.

OTHER MATTERS

I understand that:

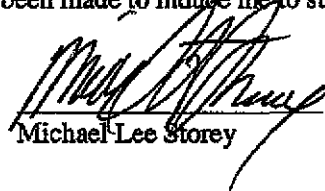
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and

C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
4. 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 finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

10/5/07
Date


Michael Lee Storey

Reviewed by:


Alan Baskin, Esq.
Counsel for Respondent
Bade & Baskin, PLC
80 East Rio Salado Parkway, Suite 515
Tempe, Arizona 85281
Phone Number: 480-968-1225

Accepted by FINRA:

11/20/07

Date

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

Helen G. Barnhill

Helen G. Barnhill

Regional Counsel

FINRA Department of Enforcement

370 17th Street, Suite 2900

Denver, CO 80202-5629

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