

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006006753101**

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REGISTRATION & DISCLOSURE

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

RE: Donna M. Shurot, Respondent
General Securities Representative
CRD No. 1443423

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

Donna M. Shurot entered the securities industry in August 1992 as an associated employee of Morgan Stanley DW Inc. On March 23, 1993 she became registered with Morgan Stanley as a General Securities Representative. Shurot left Morgan Stanley's employ on January 7, 2005 and became registered with Bank of American Investment Services, Inc. ("BAI") as a General Securities Representative. BAI terminated Shurot's employment on October 16, 2006. The conduct which is the subject of this AWC occurred while Shurot was registered with BAI. Shurot has not previously been the subject of any disciplinary action.

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FACTS AND VIOLATIVE CONDUCT

Misuse of Customer SM's Funds

1. On December 15, 2005, BAI customer SM wrote a check for \$58,000 to purchase a life insurance policy. SM made the check payable to BAI, although BAI policy required that checks to purchase insurance products be payable to the insurance company. SM gave the check to Shurot, SM's financial advisor. Shurot wrote her own BAI account number in the memo portion the check.
2. On December 15, 2005, Shurot caused the \$58,000 check to be deposited into her own personal account at BAI. On the same day Shurot transferred \$58,479 from her personal account to her IRA account, which she also held at BAI. When BAI discovered the deposit of SM's check into Shurot's account on October 19, 2006, it required Shurot to withdraw \$58,000 from her IRA account, plus interest, which BAI then credited to SM's account.
3. BAI has no record of receiving a life insurance application for SM and SM did otherwise receive a life insurance policy.
4. As a result of the foregoing, Shurot violated Conduct Rule 2330 and also engaged in conduct inconsistent with high standards of commercial honor and just and equitable principals of trade in violation of Conduct Rule 2110.

Unauthorized Transaction and Misuse of Customer GB's Funds

1. On or about June 8, 2006, Shurot caused Morgan Stanley to transfer \$6,712 from customer GB's account to Shurot's own personal account at BAI. She did so by completing a form entitled "request for redemption" and including instructions on the form that the funds were to be withdrawn from GB's account and made payable to an account at BAI, which belonged to Shurot.
2. As a result on August 29, 2006, Morgan Stanley transferred \$6,712 from GB's Morgan Stanley account into Shurot's personal account at BAI. GB, who had been a customer of Shurot's at Morgan Stanley, had died on April 29, 2006. Shurot did not have authorization from GB's estate to transfer the funds into her account. On or about September 8, 2006, BAI reversed the transaction and the funds were returned to the account of GB's estate at BAI.

3. As a result of the foregoing, Shurot violated Conduct Rule 2330 and also engaged in conduct inconsistent with high standards of commercial honor and just and equitable principals of trade in violation of Conduct Rule 2110.

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.

2/1/08
Date

Donna Shurot
Donna M. Shurot

Accepted by FINRA:

2/21/08
Date

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

Helen G. Barnhill
Helen G. Barnhill
Regional Counsel
FINRA Department of Enforcement
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