

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070076901-01**

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REGISTRATION & DISCLOSURE

**To: Department of Enforcement
Financial Industry Regulatory Authority**

**Re: Michael Joseph Knapp
General Securities Principal
CRD No. 1303926**

Pursuant to Rule 9216 of FINRA Code of Procedure, I, Michael Joseph Knapp (Knapp) 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

Knapp entered the securities industry in May 1984, when he associated with a member of FINRA (f/k/a NASD). From December 18, 1990 through January 11, 2007, Knapp was associated with United Planners' Financial Services of America (UPFS), and registered with FINRA as a general securities principal.

Knapp is not currently associated with any FINRA member or registered with FINRA in any capacity. However, FINRA retains jurisdiction over Knapp pursuant to Article V, Section 4 of FINRA By-Laws

Relevant Prior Disciplinary History

Knapp has not been the subject of prior formal disciplinary action by FINRA. Knapp has been the subject of a Consent Order by the State of Minnesota relevant to this matter. *See In the Matter of Michael J. Knapp*, SE 2700065 (Feb. 13, 2007).

Overview

Knapp participated in the sale of Seaforth Meridian, Ltd. (Seaforth) limited partnership interests, which are securities, to customer M.J.J., without giving prior written notice to, or receiving prior written approval from, UPFS. This conduct violated NASD Conduct Rules 3040 and 2110.

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Knapp also failed to appear for an on-the-record interview (OTR) on June 8, 2007. This conduct violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Facts and Violative Conduct by Respondent

M.J.J. was a UPFS customer to whom Knapp provided financial services. In or about May 2005, Knapp brought to M.J.J.'s attention the Seaforth private placement. In June 2005, Knapp provided paperwork to M.J.J. to complete to purchase an interest in the Seaforth private placement. M.J.J. completed the paperwork to purchase an interest in the Seaforth private placement. Certain of the paperwork completed by M.J.J. bears Knapp's notary public stamp. M.J.J. invested \$108,000 in the Seaforth private placement.

A Seaforth Private Placement Memorandum (PPM), indicates that the Seaforth interests were limited partnership interests. For instance, the PPM states that the offering is for "Private Placement of Limited Partnership Interests." The PPM further suggests that it is being offered in conformity with Regulation D of the Securities Act of 1933. The PPM also uses terms such as "offering," "interests," "investment," and "investors." As such, the Seaforth limited partnership interests are securities.

After she invested in the Seaforth private placement, M.J.J. had subsequent meetings with Knapp regarding her investment. These meetings took place in M.J.J.'s office.

After FINRA staff opened this investigation on June 4, 2007, pursuant to and in accordance with NASD Procedural Rule 8210, FINRA staff sent a letter to Knapp, requesting his appearance for an OTR on June 8, 2007, in Kansas City, Missouri. Knapp informed the staff that he would not appear for his OTR. Knapp did not appear for his OTR.

Knapp, among other things, brought the Seaforth limited partnership investment opportunity to M.J.J.'s attention, provided paperwork for her to purchase the Seaforth investment, and had follow-up meetings with her regarding the investment. Knapp did not provide UPFS with written notice, prior to M.J.J.'s investment in Seaforth, describing in detail the proposed transaction and his proposed role therein. Further, UPFS did not approve, in writing, Knapp's participation in M.J.J.'s investment in Seaforth. As noted above, the Seaforth limited partnership interests are securities. Knapp's conduct violated NASD Conduct Rules 3040 and 2110.

Knapp received actual and constructive notice of the June 8, 2007 OTR. The June 4, 2007 letter, scheduling the OTR for June 8, 2007, was sent to Knapp's business and residential addresses, as listed in the Central Registration Depository. The letter was sent certified mail, return receipt requested, and first class mail. Knapp signed the receipts for the certified mailings, and the first class mailings were not returned. Knapp did not appear for his OTR on June 8, 2007. Knapp's conduct violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

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

a bar from association with any FINRA member in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to IM-8310-2(f), 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 FINRA Procedural Rule 9143 or the separation of functions prohibitions of FINRA Procedural 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 FINRA Procedural 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;

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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 Procedural Rule 8310 and IM-8310-2; 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.

D. 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.)

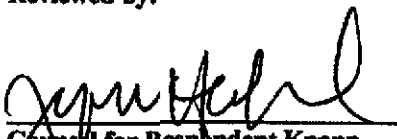
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

Date

8/30/2007


MICHAEL JOSEPH KNAPP

Reviewed by:


Counsel for Respondent Knapp

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Accepted by FINRA:

9-5-07
Date

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


Jeffrey A. Zissman, Regional Counsel