

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070093612**

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

RE: Harold Earl Blondeau
General Securities Representative
(CRD No. 1439187)

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REGISTRATION & DISCLOSURE

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Harold Earl Blondeau ("Blondeau"), 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

Blondeau entered the securities industry in September 1985 as a registered representative with a FINRA member. In March 1997, he became employed with Morgan Keegan & Company, Inc. ("Morgan Keegan" or the "Firm"), a FINRA member, as a registered representative in the Firm's Raleigh, North Carolina branch office. His employment at Morgan Keegan was terminated on March 2007. Thereafter, he was employed as a registered representative with another FINRA member from March 2007 until October 2007. Blondeau is not currently employed in the securities industry.

FACTS AND VIOLATIVE CONDUCT BY RESPONDENT

On or about March 19, 2007, Enforcement initiated an investigation of whether Blondeau violated NASD Rules, specifically whether Blondeau engaged in unlawful conversion of customer funds.

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On December 29, 2008, Enforcement served Blondeau with a request letter pursuant to FINRA Rule 8210, of which Blondeau both acknowledged receipt and accepted service. The letter requested information pertaining to Enforcement's investigation, specifically whether Blondeau engaged in unlawful conversion from a Firm customer while employed at the Firm. The letter required that Blondeau submit a response to FINRA's Department of Enforcement no later than January 19, 2009.

By letter dated January 9, 2009, Blondeau's attorney responded on behalf of Blondeau and stated "I write on behalf of my client, Harold Earl Blondeau, in response to your letter of December 29, 2008. Mr. Blondeau has elected not to contest the allegations being investigated by FINRA and accordingly will not further respond to your letter[.]"

On February 3, 2009, Blondeau, through his attorney, again confirmed that he does not intend to cooperate with Enforcement's investigation.

FINRA Rule 8210 provides, in relevant part, that FINRA has the right to require a member firm or any person associated with a member firm "to provide information orally, in writing, or electronically...with respect to any matter involved in an investigation" and that "no member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule." FINRA Rule 2010 provides that "a member, in the conduct of his business shall observe high standards of commercial honor."

Based upon the foregoing, Blondeau violated FINRA Rules 8210 and 2010.

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

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 FINRA Rules 8310 and 8311.)

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 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 Rule 9143 or the separation of functions prohibitions of FINRA 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 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:

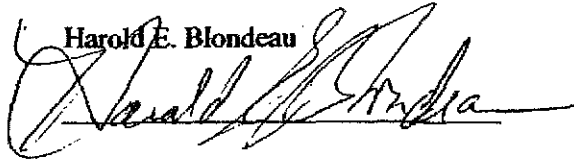
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; 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 allegation in this AWC or create the impression that the AWC is without factual basis. 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.

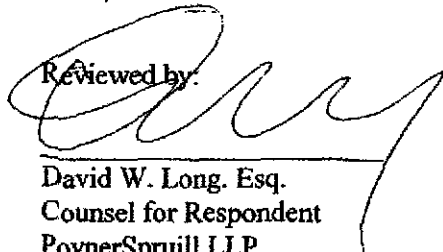
- D. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I also understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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I certify that a duly authorized representative has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce it to submit it.

3/11/09
Date

Harold E. Blondeau


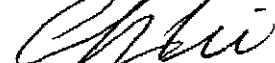
Reviewed by:


David W. Long, Esq.
Counsel for Respondent
PoynerSpruill LLP
301 Fayetteville Street
Suite 1900
Raleigh, NC 27601

Accepted by FINRA:

4/21/2009
Date

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


Chun Li, Senior Attorney
Scott Andersen, Director
Suzanne Elovic, Chief Counsel
FINRA Department of Enforcement
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