

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 2007011402701

RECEIVED

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REGISTRATION & DISCLOSURE

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

RE: Robert Michael Bonner, Respondent
General Securities Representative
CRD No. 1332566

Pursuant to FINRA 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

Robert Michael Bonner entered the securities industry in October 1984 as an associated person of a member of FINRA. He became registered as an Investment Company / Variable Contracts Representative in February 1985, as a General Securities Representative in October 1996, and as a General Securities Principal in June 1997. From on or about April 25, 2002, until on or about December 15, 2006, he was registered through Fintegra, LLC ("Firm 1") as a General Securities Representative and Investment Company / Variable Contracts Representative. From on or about December 8, 2006, until on or about December 3, 2007, he was registered through PrimeVest Financial Services, Inc. ("Firm 2") as a General Securities Representative and Investment Company / Variable Contracts Representative.

On or about March 28, 2008, within two years after Firm 1 filed its original

Uniform Termination Notice for Securities Industry Registration ("Form U5") on behalf of Respondent Bonner, Firm 1 filed an Amended Form U5 on his behalf, disclosing that Firm 1 had received a complaint from customer LSB.

Respondent Bonner is not currently registered or associated with any member firm.

RELEVANT DISCIPLINARY HISTORY

Respondent Bonner has no formal disciplinary history.

OVERVIEW

From April 2004 until October 2007, Respondent Bonner engaged in outside business activities without providing prompt written notice to his employer firms. The undisclosed activities included the sales of four secured promissory notes to four investors for the total amount of \$2,300,000, the sales of three equity indexed annuities to three investors for the total amount of approximately \$398,774.41, and Respondent Bonner's employment as a bank trust officer.

From August 2006 until November 2007, Respondent Bonner engaged in private securities transactions without prior written notice to and approval from his employer firms. The undisclosed transactions included the sale of five unsecured promissory notes to five investors for the total amount of \$1,027,000.

In August 2007 Respondent Bonner borrowed \$900,000 from two customers of his employer firm through an intermediary.

FACTS AND VIOLATIVE CONDUCT

1. Outside Business Activity – CLPLLC Loan, May 2006

During the period from April 2002 until December 2007, while he was registered through Firm 1 and Firm 2, Respondent Bonner was also employed by FIB, a bank. His duties included providing investment advice to HM, a customer of FIB, regarding investments made by HMTMAA, her FIB Trust Managed Agency Account. HM was also a customer of Firm 1.

During a period beginning sometime before May 15, 2006, and continuing until on or about May 19, 2006, Respondent Bonner engaged in an outside business activity without providing prompt written notice to his employer member firm, Firm 1, in that he participated in the sale of a promissory note in the amount of \$400,000 from MN and GJB to HMTMAA. MN and GJB were engaged in real

estate development and conducted business as CLPLLC. The promissory note was secured by a Montana Trust Indenture.

Respondent Bonner was compensated by MN and GJB for his participation in the sale of the promissory note to HMTMAA through a check in the amount of \$4,000. At Respondent Bonner's request, the check was made payable to TR, a business operated by Respondent Bonner's wife, PJB. Respondent Bonner did not disclose to FIB or to HM that he was compensated for his participation in the loan transaction.

Such acts, practices and conduct constitute a violation of NASD Conduct Rule 3030 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of Conduct Rule 2110 by Respondent Bonner.

2. Private Securities Transactions – TPLLC Loans, August 2006

On or about August 11, 2006, Respondent Bonner, MN and GJB formed TPLLC, a limited liability company, for the purpose of engaging in real estate development. Respondent Bonner was a member of TPLLC. He received a 20 percent ownership interest in TPLLC as compensation for his introduction of prospective lenders to TPLLC.

During a period beginning before August 15, 2006, and continuing until on or about August 18, 2006, Respondent Bonner engaged in private securities transactions without prior written notice to and approval from his employer member firm, Firm 1, in that he participated in the sales to investors FLB, DAG and TAM of three promissory notes in the total amount of \$410,000 issued by TPLLC. FLB, DAG and TAM were customers of Firm 1. Each of the promissory notes stated that a parcel of land would serve as collateral, but when the notes were issued, the investors did not receive any security interests in land or other collateral to secure the notes. Respondent Bonner did not disclose to FLB, DAG or TAM that he was a member of TPLLC.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3040 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of Conduct Rule 2110 by Respondent Bonner.

3. Private Securities Transactions – TPLLC Loans, February to November 2007

During a period beginning before February 15, 2007, and continuing until on or

about November 21, 2007, Respondent Bonner engaged in private securities transactions without prior written notice to and approval from his employer member firm, Firm 2, in that he participated in the sale to investors CAB and HM of two promissory notes in the total amount of \$617,000 issued by TPLLC. CAB and HM were customers of Firm 2. Each of the promissory notes stated that a parcel of land would serve as collateral, but when the notes were issued, the investors did not receive any security interests in land or other collateral to secure the notes. Respondent Bonner did not disclose to CAB or HM that he was a member of TPLLC.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3040 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of Conduct Rule 2110 by Respondent Bonner.

4. Outside Business Activities – FSF Loans, February to July 2006

During a period beginning before February 28, 2006, and continuing until on or about July 11, 2006, Respondent Bonner engaged in outside business activities without providing prompt written notice to his employer member firm, Firm 1, in that he participated in the sale of two promissory notes to three investors in the total amount of \$1,400,000. The loans were arranged through FSF, a loan broker.

Respondent Bonner's duties as an FIB employee included directing investments for the bank as conservator for RR. On or about February 28, 2006, FIB, Conservator for RR, purchased a promissory note issued by SRW and TMW in the amount of \$200,000. The note was secured by a Montana Trust Indenture. Respondent Bonner was compensated by FSF for his participation in the sale of the promissory note through a check in the amount of \$4,000, payable to TR. Respondent Bonner did not disclose to FIB or RR that he was compensated for his participation in the loan transaction.

Respondent Bonner's duties as an FIB employee included providing investment advice to JAB, a customer of FIB, regarding investments made by JABMA, her FIB Managed Agency Account. As noted above, his duties also included providing investment advice to HM regarding investments made by HMTMAA, her FIB Trust Managed Agency Account. JAB and HM were also customers of Firm 1. On or about June 12, 2006, JABMA and HMTMAA purchased a promissory note issued by PD and MD in the amount of \$1,200,000. The note was secured by a Montana Trust Indenture. Respondent Bonner was compensated by FSF for his participation in the sale of the promissory note through a check in the amount of \$25,000, payable to TR. Respondent Bonner did not disclose to FIB, JAB or HM that he was compensated for his participation in the loan

transaction.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3030 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles or trade and a violation of Conduct Rule 2110 by Respondent Bonner.

5. Outside Business Activity – FSF Loan, November 2007

During a period beginning sometime before November 5, 2007, and continuing until November 28, 2007, Respondent Bonner engaged in an outside business activity without providing prompt written notice to his employer member firm, Firm 2, in that he participated in the sale of a promissory note to two investors in the amount of \$500,000. The loan was arranged through FSF.

On or about November 19, 2007, JABMA and TAM purchased the promissory note, issued by TCD. JAB and TAM were customers of Firm 2. The note was secured by a Montana Trust Indenture. Respondent Bonner was compensated by FSF for his participation in the sale of the promissory note through two checks in the total amount of \$10,000. At Respondent Bonner's request, the checks were made payable to CB and BLE, who were creditors of Respondent Bonner. Respondent Bonner did not disclose to FIB, JAM or TAM that he was compensated for his participation in the loan transaction.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3030 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles or trade and a violation of Conduct Rule 2110 by Respondent Bonner.

6. Loan From Customers – August 2007

On or about August 31, 2007, while Respondent Bonner was registered through Firm 2, he and his wife, PJB, borrowed \$900,000 from JAB and HM, who were customers of Firm 2 and of FIB. Firm 2 did not have written procedures allowing the borrowing and lending of money between its registered persons and its customers.

Respondent Bonner knew that FIB prohibited its employees from borrowing money from bank customers. In order to conceal from FIB the fact that he was borrowing money from JAM and HM, Respondent Bonner arranged for them to lend the money to JC, the owner of FSF, who in turn lent it to Respondent Bonner and PJB. JC was not a customer of Firm 2. On August 31, 2007, Respondent Bonner and PJB executed a promissory note payable to JC. On the same date, JC

executed an Assignment of Montana Trust Indenture and Promissory Note in favor of JAB and HMTMA, which was HM's Trust Managed Agency at FIB.

Such acts, practices and conduct constitute a violation of NASD Conduct Rule 2370 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of Conduct Rule 2110 by Respondent Bonner.

**7. Outside Business Activities – Sales of Equity Indexed
Annuities, January to May 2005**

During the period from on or about January 31, 2005, until on or about May 3, 2005, Respondent Bonner engaged in outside business activities without providing prompt written notice to his employer member firm, Firm 1, in that he participated in the sales to investors WRE, PLJ and LSB of three equity indexed annuities for the total amount of approximately \$398,774.41. LSB was a customer of Firm 1. The sales were made through MFGI, an insurance agency. Respondent Bonner was compensated for the sales through MFGI in amounts equal to one to two percent of the amounts invested.

On or about November 9, 2005, Respondent Bonner completed an Outside Activities Disclosure Form, as required by Firm 1. The Disclosure Form asked him to disclose all outside business activities, including insurance sales effected through an insurance agency other than Firm 1. Respondent did not disclose the equity indexed annuity sales effected through MFGI on the Disclosure Form.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3030 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles or trade and a violation of Conduct Rule 2110 by Respondent Bonner.

8. Outside Business Activity – Bank Trust Officer, April 2004 to December 2006

During the period from April 2004 to December 2006, Respondent Bonner engaged in an outside business activity without providing prompt written notice to his employer member firm, Firm 1, in that he was employed as a trust officer by FIB. Firm 1 was aware that Respondent Bonner was employed by FIB, but Respondent Bonner did not inform Firm 1 that he had assumed the duties of a trust officer.

Such acts, practices and conduct constitute a violation of NASD Conduct Rule 3030 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles or trade and a

violation of Conduct Rule 2110 by Respondent Bonner.

9. Outside Business Activity – Bank Trust Officer,
December 2006 to October 2007

During the period from December 2006 to October 2007, Respondent Bonner engaged in an outside business activity without providing prompt written notice to his employer member firm, Firm 2, in that he was employed as a trust officer by FIB. Firm 2 was aware that Respondent Bonner was employed by FIB, but Respondent Bonner did not inform Firm 1 that he was an FIB trust officer until October 2007.

Such acts, practices and conduct constitute a violation of NASD Conduct Rule 3030 by Robert Michael Bonner. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of Conduct Rule 2110 by Respondent Bonner.

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

Robert Michael Bonner shall be barred from associating with any member of FINRA in any capacity

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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).

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the 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 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 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.

4/9/09

Date

Robert M Bonner

Robert Michael Bonner
Respondent

Reviewed by:

Milton D. Kaporos
Counsel for Respondent

Accepted by FINRA:

May 1, 2009
Date

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

David Utevsky
David Utevsky
Senior Regional Counsel