

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012866001**

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

RE: FISN, Inc., Respondent
(CRD No. 18498)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, FISN, Inc. ("FISN") submits 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 FISN alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. FISN hereby accepts and consents, 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

FISN has been a registered broker-dealer and FINRA member since 1987. The firm's only office is in Bethesda, Maryland, and it has eight registered representatives. FISN's business focuses on certificates of deposit ("CDs") and other fixed income products—including both corporate and government debt securities, although it sells some mutual funds and equity products as well. FISN does not have any relevant disciplinary history related to the conduct at issue herein.

OVERVIEW

From March 2009 through March 2011, FISN violated NASD Rule 2210 by using a website that included statements suggesting that FISN and the non-CD products it sold were federally insured, when in fact, they were not. The website also included statements regarding the CDs sold by FISN that were unwarranted and lacked a sound basis in fact. In addition, from March 2009 to November 2010, FISN used a brochure that described

some of the products and services offered by FISN in a way that was unwarranted and lacked a sound basis in fact.

FACTS AND VIOLATIVE CONDUCT

FISN Violated NASD Rule 2210 in Its Website.

From March 2009 through March 2011, FISN's website—www.fisn.com—contained information relating to the firm and the products it sold. In particular, the website contained information relating to CDs available for purchase through FISN. The website also contained information relating to fixed-income products such as corporate and government debt securities available from FISN. The firm's website, however, failed to comply with NASD Rule 2210 in several ways.

First, from March 2009 through March 2011, FISN used the name "Federally Insured Savings Network" in connection with its business. That name appeared at the top of most pages of its website and in explanatory text describing FISN's business. The use of the name "Federally Insured Savings Network," however, suggested that FISN was itself federally insured and that the products sold by FISN were federally insured when they were not.

Second, from March 2009 through June 2010, FISN listed numerous types of fixed-income securities in separate tables—such as corporate and government debt securities—under a webpage tab labeled "CD Alternatives." Referring to the various types of debt securities using the page title of "CD Alternatives," however, appeared to suggest that these investments had features and risks comparable to the features and risks of CDs when they did not.

Third, from March 2009 until June 2010, FISN's website stated that "FISN researches certificates of deposit (CDs) from across the nation to find the safest and the highest CD rates." From June 2010 through March 2011, FISN's website also stated that "FISN researches certificates of deposit (CDs) from across the nation to find the highest CD rates from safe, FDIC insured institutions." In addition, the FISN website stated that FISN "researches FDIC insured certificates of deposit (CDs), CD Alternatives and Bonds from across the nation to find the best investment opportunities that meet customer needs for safety and yield" and that the firm "publishes daily the best yields available online at www.fisn.com." These statements suggested that the rates found and published by FISN were actually the safest and highest rates and best yields available when they may not have been. As such, FISN's statements were unwarranted and lacked a sound basis in fact.

Therefore, during the period March 2009 through March 2011, FISN violated NASD Rule 2210 and FINRA Rule 2010.

FISN Violated NASD Rule 2210 in Its Investment Management Brochure.

From March 2009 to November 2010, FISN made available—both in hard copy and through its website—a brochure titled “FISN, Inc. Investment Management.” The brochure contained several statements that were unwarranted and lacked a sound basis in fact regarding FISN’s products and services. For example, the brochure stated that “First Internet Securities Network researches all market sources for the best and safest return in bonds, stocks and mutual funds.” In addition, the brochure stated in the same paragraph that “FISN focuses these resources on delivering what successful investment is all about - the highest return with the least risk in the right amount at the right time.”

Therefore, during the period March 2009 to November 2010, FISN violated NASD Rule 2210 and FINRA Rule 2010.

B. FISN also consents to the imposition of the following sanctions:

1. A censure;
2. A fine of \$20,000; and
3. The firm agrees to comply with the following undertakings:
 - a. Not later than 30 calendar days after notice that this AWC has been accepted, FISN will discontinue any use of “Federally Insured Savings Network.”
 - b. To the extent that FISN makes any advertising or sales literature, including FISN’s website (www.fisn.com or any other website controlled by FISN), available to the public or any customer more than 30 calendar days after notice that this AWC has been accepted, FISN must first submit such material to FINRA’s Department of Advertising Regulation for review. Any advertising or sales literature not submitted to FINRA’s Department of Advertising Regulation for review prior the 30th calendar day after notice that this AWC has been accepted, must be removed from the website or otherwise made unavailable to the public or any customer until after it has been submitted to FINRA’s Department of Advertising Regulation for review. The firm agrees that, upon receipt of comments from FINRA on any of the filed materials, unless notified otherwise by FINRA, FISN shall take all reasonable steps to withhold or cause to be withheld such material from further publication until the changes specified by FINRA have been made, and such material will be revised and re-filed prior to any use, unless otherwise agreed to by FINRA staff in its sole discretion. The requirements in this subparagraph b shall remain in effect for one year following notice that this AWC has been accepted.

- c. Unless FISN files a Uniform Request for Broker-Dealer Withdrawal (Form BDW) within 30 calendar days after notice that this AWC has been accepted, FISN must file an amendment to its Uniform Application for Broker-Dealer Registration (Form BD) to delete all references to “Federally Insured Savings Network.”

Within 30 days from the date of acceptance of this AWC, FISN shall certify in a letter signed by its President, that it has complied with these undertakings. For good cause shown and upon receipt of a timely application, FINRA staff may extend the deadlines set forth in these undertakings.

FISN agrees to pay the monetary sanction within 30 calendar days after notice that this AWC has been accepted. FISN has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

FISN specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

FISN specifically and voluntarily waives the following rights granted under FINRA’s Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- 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, FISN specifically and voluntarily waives 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.

FISN further specifically and voluntarily waives 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

FISN understands 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 FISN; and
- C. If accepted:
 - 1. This AWC will become part of FISN's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about FISN's 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. FISN 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. FISN 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 FISN's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. FISN may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. FISN understands that it 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.

The undersigned, on behalf of FISN, certifies that a person duly authorized to act on FISN's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that FISN has 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 FISN to submit it.

MARCH 13 2012
Date

THOMAS M. COAN
Respondent FISN, Inc.

By: Thomas M. Coan

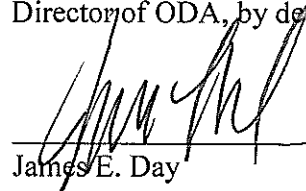
Reviewed by:

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Accepted by FINRA:

4/9/12
Date

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



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