

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008016223101**

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

RE: John Donovan (CRD No. 3184971)
General Securities Representative, Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, John Donovan ("Respondent" or "Donovan") 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Respondent first became registered with FINRA in April 1999. Respondent was registered with FINRA as a General Securities Representative through an association with member firm Citigroup Global Markets Inc. (BD No. 7059) ("CGMI") from May 29, 2007 through December 3, 2008. On December 15, 2008 CGMI filed with FINRA a Uniform Termination Notice for Securities Industry Registration ("Form U5") terminating Respondent's registration. The Form U5 noted that his last date of employment was December 3, 2008, that it was a voluntary termination, and that he was under internal review at the time of his termination.

Since December 3, 2008, Respondent has been registered with FINRA as a General Securities Representative through an association with a member firm and is therefore subject to FINRA's disciplinary jurisdiction.

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Respondent has no formal disciplinary history with the Securities and Exchange Commission, any state securities agency, or any self-regulatory organization.

OVERVIEW

While he was associated with CGMI Donovan effected an unauthorized sale transaction in customer LT's CGMI account on or about September 11, 2008.

FACTS AND VIOLATIVE CONDUCT

- I. On or about September 11, 2008, Donovan effected the unauthorized sale of 3,606 shares of Lehman Brothers preferred stock from customer LT's CGMI account without LT's prior knowledge, authorization or consent. This sale of LT's Lehman Brothers position resulted in proceeds of approximately \$20,000. Based on the foregoing, Donovan violated NASD Conduct Rule 2110.
- B. Respondent also consents to the imposition of the following sanctions:
 - A suspension from association with any FINRA member in any and all capacities for ten (10) business days; and
 - A fine of \$5,000.

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

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondent;
- 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, Respondent 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.

Respondent 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

Respondent 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or

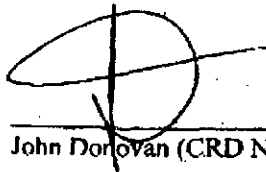
any other regulator against Respondent;

2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent'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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that Respondent 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent 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 Respondent to submit it.

12/3/10

Date



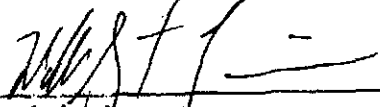
John Donovan (CRD No. 3184971)

Accepted by FINRA:

December 7, 2010

Date

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

A handwritten signature in dark ink, appearing to read "W. St. Louis", is written over a horizontal line.

William St. Louis
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