

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009016742001**

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

RE: Michael Rozenbaum ("Rozenbaum"), Respondent
Registered Representative
CRD No. 5366210

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent 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 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

Rozenbaum was born in [REDACTED]. Rozenbaum first entered the securities industry in September 1999 as a software development program manager for UBS Paine Webber, where he was employed until July 2000. After working for Standard & Poor's from August 2000 to October 2002, and then working outside the securities industry, Rozenbaum returned to the securities industry in June 2007, when he became employed by Edward Jones ("the Firm"). He was employed by Edward Jones until his employment was terminated on or about January 5, 2009. While employed by Edward Jones, Rozenbaum obtained the Series 7 and Series 66 licenses.

After being terminated from Edward Jones, Rozenbaum was employed as a registered representative by GunnAllen Financial Inc. from February 2009 to September 2009. Rozenbaum has not been employed with a FINRA registrant since on or about September 17, 2009.

Rozenbaum remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws as his alleged misconduct occurred while Rozenbaum was associated with a

000003356 2010

FINRA registrant and this AWC has been filed within two years following the termination of Respondent's employment with a FINRA registrant.

RELEVANT DISCIPLINARY HISTORY

Rozenbaum has no prior disciplinary history.

OVERVIEW

While employed by the Firm, on or about December 2, 2008, Rozenbaum misappropriated funds from a customer in the name of "EK" by depositing into his personal bank account a \$5,000 check that the customer had sent for deposit into her IRA account, and thereby converting these funds to his own use. Rozenbaum's conduct violated NASD Rules 2330(a) and 2110.

FACTS AND VIOLATIVE CONDUCT

During the period from October 2008 through January 2009, Rozenbaum was employed as a registered representative in the Firm's branch office in Union, New Jersey.

In or about November 2008, Rozenbaum and his customer EK agreed that EK would deposit \$5,000 into her Roth IRA securities account at the Firm to fund a mutual fund purchase.

On or about December 2, 2008, EK's check was received by mail in the Union, New Jersey office. On the day the check arrived, Rozenbaum opened the mail that arrived in the office. The check was drawn on EK's account at ING-Direct and EK's name and address were printed on the upper left-hand corner of the check. The check was written payable to "EDWARD JONES CARE OF MICHAEL ROZENBAUM."

On or about December 2, 2008, Rozenbaum endorsed EK's check and deposited it into his personal bank account at TD Bank, thus converting the check to his own use and benefit.

Customer EK did not authorize Rozenbaum to deposit her funds into his bank account.

The Firm subsequently made EK whole. Rozenbaum subsequently reimbursed the Firm.

At all times relevant herein, NASD Rule 2330(a) required that no member "or person associated with a member shall make improper use of a customer's securities or funds." At all times relevant herein, NASD Rule 2110 required that members and associated persons observe "high standards of commercial honor and just and equitable principles of trade."

By reason of the conduct described above, Rozenbaum misappropriated funds from his customer EK and therefore failed to adhere to high standards of commercial honor and just and equitable principles of trade. Rozenbaum's conduct violated NASD Rules 2330(a) and 2110.

B. Respondent also consents to the imposition of the following sanction:

A bar from association with any FINRA registrant.

Respondent understands that if he is barred or suspended from associating with any FINRA registrant, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Respondent may not be associated with any FINRA registrant in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanction 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.

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 him;
- 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 him; 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 him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about his 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.

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 he 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.

12/15/2010
Date (mm/dd/yyyy)

[Signature]
Respondent

Accepted by FINRA:

12/21/10
Date

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

[Signature]
Susan Light
Senior Vice President and Chief Counsel
FINRA Department of Enforcement
14 Wall Street - 14th Floor
New York, New York 10005
Phone (646) 315-7333
Fax (646) 315-7441