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

NO. 2010021967901

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

RE: James Michael Miranda, Respondent
General Securities Representative
CRD No. 2585792

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent James Michael Miranda ("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.

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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 as a General Securities Representative ("GSR") on or about May 11, 2007 through a FINRA member firm. From January 2, 2009 through July 13, 2010, Respondent was registered as a GSR through member firm K.C. Ward Financial ("K.C. Ward"). Since September 21, 2011, he has been registered through another member firm.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any prior disciplinary history.



OVERVIEW

Respondent engaged in unsuitable trading in customer RM's account by recommending purchases on margin of a sole stock resulting in an overconcentration in RM's account. The recommendations were made without reasonable grounds by Respondent for believing that they were suitable for RM. In February 2009, that one stock, US Steel Corporation (USX) constituted approximately 88% of RM's portfolio.

FACTS AND VIOLATIVE CONDUCT

In December 2008, RM opened an account with Respondent at KC Ward with approximately \$223,445. Between February 17, 2009 and February 23, 2009, Respondent purchased on margin approximately 81,000 shares of USX for approximately \$1.99 million in RM's account. Between February 17, 2009 and March 3, 2009, RM deposited an additional \$537,545 into his account to pay for the trade and to meet margin calls associated with the USX transactions. Due to the declining value of that investment and escalating margin calls, RM liquidated his USX position in early March 2009, suffering losses of approximately \$500,811. Thereafter, KC Ward and Respondent reached a settlement with RM related to the losses.

By reason of the foregoing, Respondent violated NASD Conduct Rule 2310 and FINRA Rule 2010.

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

- A thirty (30) day suspension in all capacities from association with any FINRA member firm; and,
- A fine of \$5,000.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

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

Respondent understands that if he is barred or suspended from associating with any FINRA member, 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, he 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

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.

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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 him;
 - 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 my 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 he 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 fair 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.

6-29-2012
Date (mm/dd/yyyy)

James Michael Mirenda
Respondent James Michael Mirenda

Reviewed by:

Michael P. Chimare, Esq.
Michael P. Chimare, Esq.
Sims Moss Kline & Davis LLP
129 Third Street
Mineola, NY 11501
(516) 739-9009

Counsel for Respondent

Accepted by FINRA:

7/13/12
Date

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

Vatshali Shetty
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FINRA, District 10
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