

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

NO. 20100226030-01

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

RE: Carol Susan Bunevich, Respondent
Registered Representative
CRD No. 1731603

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Carol Susan Bunevich, ("Respondent") 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

At all times relevant to this AWC, Respondent was a FINRA Registered Representative at Fieldstone Services Corp. ("FSTN"). Respondent became registered at FSTN on July 29, 2002 and remained registered with FSTN until March 2, 2011. Pursuant to Article IV of FINRA's By-Laws, FINRA maintains jurisdiction over Respondent due to Respondent's registration at another FINRA member from April 11, 2014 to June 12, 2015.

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior disciplinary history.

SUMMARY

In connection with matter 20100226030, the Fixed Income Investigations Team of the Department of Market Regulation (the "staff") conducted a review of FSTN, and certain registered representatives at FSTN, for compliance with FINRA and SEC Regulations related to net capital requirements during the period of July 1, 2009 through December 31, 2009 (the "review period"). Based on this review, the staff determined the Respondent violated SEC Rule 15c3-1 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In connection with 20100226030, the staff concluded the following:

1. Between July 1, 2009 and August 7, 2009 (the "review period"), Respondent was one of three Executives (the "Executives") at FSTN responsible for the net capital requirements of the trading activity of the Executives and their employees (the "Trading Unit").
2. During the review period, the Trading Unit established a substantial position in specific high risk internote bonds (the "CIT bonds") by purchasing lists of bonds.
3. During the review period, FSTN did not maintain a sufficient capital cushion to permit the purchase, by the Trading Unit, of these CIT bonds and the concomitant applicable haircut required by the bonds. In purchasing the bonds, the Trading Unit established an overnight position worth approximately \$3,002,468.32 notional in CIT bonds at FSTN as of August 3, 2009.
4. On or about August 5, 2009, the Executives, including Respondent, agreed to move these bonds in three equal allotments into their personal accounts to avoid any further net capital deficiency by FSTN.
5. On August 7, 2009, an Executive (i.e. not Respondent) moved 2,676 CIT bonds, in 56 transactions, into their three personal accounts in three equal amounts. These 56 trades were executed at prices that were non-bona fide as the bonds were moved into the personal accounts at the prices that the bonds were originally purchased by FSTN. The Executive who moved the bonds did not re-calculate the prices for the bonds to reflect current market prices.
6. Respondent was not the Executive who executed the CIT bond trades, and was not informed by the Executive of the prices at which the bonds were moved into her personal account, nor was she informed of other trade details at the time the bonds were moved into her personal account.
7. The movement of the bonds into the Executives' personal accounts eliminated the net capital deficiency.
8. The Executives agreed to hold the securities for a period of time before re-selling the securities back to FSTN and, ultimately, to FSTN's customers.
9. As a result of the aforementioned conduct, the CIT bonds were moved into Respondent's personal account, with Respondent's permission, at non-bona fide prices and with an arrangement to sell the bonds back to FSTN to address FSTN's net capital deficiency, and to prevent additional net capital deficiencies, in violation of SEC Rule 15c3-1 (this conduct is commonly known as "parking"). By permitting this conduct to occur through her personal accounts, Respondent violated FINRA Rule 2010 and willfully caused a violation of SEC Rule 15c3-1.

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

A suspension in all capacities for six months and a fine of \$47,500.

The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Respondent acknowledges that if Respondent is barred or suspended from associating with any FINRA member, Respondent 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, as amended. Accordingly, Respondent 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.)

Respondent understands that this settlement includes a finding that Respondent willfully violated SEC Rule 15c3-1 of the Securities Exchange Act of 1934 and that under Article III, Section 4 of FINRA's By-Laws, this makes Respondent subject to a statutory disqualification with respect to association with a member.

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

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 her;
- 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 Chief Legal Officer, 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 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. 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: (i) testimonial obligations; or (ii) 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. I understand that I 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.

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 the AWC's 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, have been made to induce me to submit it.

6/12/2015

Date

Respondent

Carol Susan Buncvich

By: Carol Susan Buncvich

Name: CAROL SUSAN BUNCVICH

Title: Registered Representative

Reviewed by:

Robert Heim

Robert Heim, Esq.
Meyers & Heim, LLP
444 Madison Ave, 30th Floor
New York, NY 10022
ph (212) 355-7188

Accepted by FINRA:

7.24.15

Date

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

Justin Chretien

Justin Chretien
Chief Counsel
FINRA Department of Market Regulation