

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010025120102**

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

RE: Micheal D. Munson, Respondent
General Securities Principal and
General Securities Representative
[CRD No. 2374215]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Micheal D. Munson, 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

Munson entered the securities industry on July 2, 1993, as a General Securities Representative of a member of FINRA. During the time period mentioned herein, Munson was associated with Brookstone Securities, Inc. ("Brookstone" or the "Firm") and was registered with FINRA under Article V of the By-Laws as a General Securities Principal and a General Securities Representative. On July 14, 2011, Munson's employment with the Firm was terminated. Although Munson is not currently registered with a FINRA member firm, he is subject to the jurisdiction of FINRA, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons. On May 14, 2012, Brookstone filed an amendment to Munson's Form U5 to include an Initial Complaint Disclosure extending the two-year jurisdiction period.

RELEVANT DISCIPLINARY HISTORY

On February 14, 2013, the Arkansas Securities Commissioner entered a Consent Order, an agreement executed by Munson without admitting or denying the facts therein, revoking Munson's registration as a broker-dealer agent for various violations of the Arkansas Securities Act, including the unauthorized practice as an Investment Advisor Representative, sale of unregistered securities, sale of securities by means of fraud, and misappropriation of client funds.

FACTS AND VIOLATIVE CONDUCT

Munson failed to respond timely to requests for information and failed to appear for on-the-record testimony ("OTR") requested by FINRA staff, in violation of FINRA Rules 8210 and 2010. Munson's failures impeded the staff's investigation concerning a customer complaint alleging that Munson had misused a customer's funds.

Munson's Failure to Timely Respond

1. On August 14, 2012, FINRA Staff sent a FINRA Rule 8210 request for information to Munson regarding, among other things, the distribution of certain investment proceeds. The request for information was sent to Munson's attorney via certified mail, and copied via First Class U.S. Mail to Munson at his CRD residential address. On September 12, 2012, Munson's attorney contacted staff by telephone to advise that he was no longer representing Munson. FINRA staff then sent three additional FINRA Rule 8210 requests for information on September 13, 2012, September 28, 2012, and October 15, 2012 to Munson at his CRD residential address, via both certified mail and First Class U.S. mail. Munson failed to respond. FINRA then initiated a FINRA Rule 9552 proceeding against Munson based on his failure to respond. On March 20, 2013, approximately six months later, Munson finally provided FINRA staff a response, albeit untimely.

Such acts, practices, and conduct constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Micheal D. Munson.

Munson's Failure to Respond

2. On May 22, 2013, FINRA staff sent a FINRA Rule 8210 OTR letter to Munson's CRD residential address, via certified mail and First Class U.S. mail, requiring him to appear for testimony on June 11, 2013 in the New Orleans District Office. Munson subsequently informed staff that it would not be possible for him to appear because he could not afford to travel to New Orleans. FINRA staff did not release Munson from his obligation to appear for the June 11, 2013 OTR, nevertheless, he failed to appear for testimony on that date. On June 20, 2013, FINRA staff sent a second OTR request to

Munson's CRD residential address, via certified mail and First Class U.S. mail, requiring him to appear in the New Orleans District Office for an OTR scheduled for July 3, 2013. The second OTR request also offered to conduct the testimony by telephone if Munson was unable to travel to New Orleans, and required him to contact the staff by June 27, 2013 to confirm his appearance or to arrange for a telephonic OTR. Munson failed to contact the staff and failed to appear for testimony on July 3, 2013.

Such acts, practices, and conduct constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Micheal D. Munson.

B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA member in all capacities.

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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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).

The sanctions 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

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; 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. I 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. I 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.

I certify that I have 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 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 me to submit it.

9/11/13
Date (mm/dd/yyyy)

Micheal D. Munson
Micheal D. Munson, Respondent

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

September 16, 2013
Date

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

Sarah B. Belter
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