

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20110268807-01**

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Martin Robert Coyne, Respondent
CRD No. 2401192

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Martin Robert Coyne ("Coyne" or "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 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

From September 7, 1993 until March 10, 2011, Coyne was employed at a FINRA member firm, where he was registered as a Limited Representative with respect to Investment Company and Variable Contracts Products. On March 10, 2011, the FINRA member firm with which Coyne was associated terminated Coyne's employment and thereafter filed a Form U5 on March 31, 2011, terminating his registration as a result of the misconduct that is the subject of this AWC. Coyne has worked in the securities industry as a registered person for more than 17 years, all at the above member firm. Coyne is not currently associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of FINRA's By-Laws. He has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

Coyne converted to his own use a \$50,000 check of one customer (Violations of FINRA Rules 2150(a) and 2010).

1. On or around February 4, 2010, Coyne met with a prospective elderly customer and his son at a country club to which they all belonged. During the meeting, Coyne persuaded the customer to (a) write a check for \$50,000 (made payable to an affiliate of Coyne's employing member firm) and (b) sign documents that purported to relate to a variable annuity investment. Coyne subsequently never submitted these documents to his employer member firm, and the check was never cashed.
2. Shortly thereafter, and in furtherance of Coyne's deception, Coyne misled the customer by (1) informing him (without his son's knowledge) that the non-existent variable annuity contract was deemed unsuitable for him due to his age, and (2) persuading the customer to instead invest \$50,000 in a company of Coyne's (that did not exist).
3. The customer, unbeknownst to his son, then wrote Coyne a check for \$50,000 payable to "cash," on or around Feb. 9, 2010, which Coyne deposited into Coyne's personal bank account for the personal use of Coyne and a sibling.
4. In the events described above, the customer did not authorize the transfer of funds from the customer's checking account to Coyne's bank account for the personal use of Coyne and his family.
5. By converting and making improper use of his customer's funds, Coyne violated FINRA Rule 2150(a) and FINRA Rule 2010.

Coyne provided the customer a fictitious investment agreement purporting to reflect the customer's investment in a non-existent business of Coyne's, and Coyne provided the customer's relative three fictitious variable annuity statements, all in an effort to conceal Coyne's conversion of the customer's funds (Violations of FINRA Rule 2010).

6. In furtherance of Coyne's above deceptive plan, Coyne had the customer sign a bogus "Institutional Investor Program" agreement, dated Feb. 20, 2010, that purported, among other things, to guarantee a signing bonus and the greater of a 5 percent return on investment or the amount earned based on a particular annuity product, for a minimum three-year investment, plus return of the principal invested (all purportedly tax free).

7. A few months thereafter, the customer's son, still thinking at the time that his father had invested in a variable annuity, asked Coyne about the performance of his father's annuity. In response, Coyne, on three separate occasions, provided the customer's son three fictitious annuity statements purporting to relate to the customer's non-existent variable annuity investment, dated June 12, 2010, Sept. 12, 2010, and December 12, 2010.
8. By falsifying records, Coyne, in the conduct of his business, failed to observe high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

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

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

I understand that if I am barred 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 (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 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

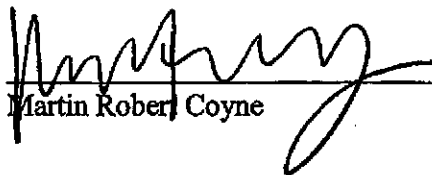
I understand that:

- 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 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 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 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.

5-11-11
Date


Martin Robert Coyne

Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by FINRA:

6/3/11
Date

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


Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection and
Market Intelligence