

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012031107102**

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

RE: George Bussanich
CRD No. 4552414

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, George Bussanich, submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violation 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

George Bussanich ("Bussanich") has been registered with various FINRA regulated firms since April 23, 2004 when he obtained his Series 7 license and became registered at First Montauk Securities. On May 14, 2004, Bussanich also obtained his Series 63 license. On October 4, 2006, Bussanich joined Kovack Securities Inc. ("Kovack" or the "firm") where he was registered until December 31, 2011 when his registrations were terminated for failing to disclose outside business activities.

Bussanich is not currently registered or associated with a FINRA member firm. FINRA retains jurisdiction over Bussanich pursuant to Article V, Section 4(a), of the FINRA By-Laws because the conduct that serves as the basis for this action commenced prior to Bussanich's termination of registration from a FINRA member firm, and this AWC has been filed within two years after the effective date of Bussanich's last termination of registration from a FINRA member firm.

FACTS AND VIOLATIVE CONDUCT

On October 18, 2011, during a routine branch audit, Kovack discovered that Bussanich was engaged in an outside business activity. Bussanich subsequently admitted to working for and being compensated by his father's physical therapy business throughout the entire duration of his registration with Kovack since 2006.

Bussanich was required by the firm to complete annual compliance attestations. The annual compliance attestations from 2010 and 2011 reflect that Bussanich failed to disclose his outside business activities. Further, the firm's written supervisory procedures required that any outside business activity be disclosed and approved by the firm prior to a registered representative engaging in that business activity.

As a result of the foregoing, Bussanich violated NASD Rules 3030 (for misconduct before December 15, 2010) and 2110 (for misconduct before December 15, 2008) and FINRA Rules 3270 (for misconduct beginning December 15, 2010) and 2010 (for misconduct beginning December 15, 2008).

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

1. A thirty-day suspension from the industry in all capacities; and
2. A \$5,000.00 fine.

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 fine shall be due and payable either immediately upon re-association with a member firm following the thirty-day 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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

D. I 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 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.

6-25-13
Date


George Bussanich, Respondent

Accepted by FINRA:

7/5/13
Date

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



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FINRA – Department of Enforcement
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