

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012031202901**

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

RE: Joel William Carlson (CRD 2844760)
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Joel William Carlson ("Carlson" or "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.

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

Joel William Carlson was first registered as an investment company and variable contracts products limited representative with a FINRA regulated firm in 1997. He was last registered with Sagepoint Financial, Inc., from 2005 to February 8, 2012, when the firm filed a Form U5 terminating his registration. FINRA retains jurisdiction over Respondent pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated broker-dealer and this AWC has been filed within two years after the effective date of Respondent's last termination of registration from a FINRA regulated broker-dealer.

FACTS AND VIOLATIVE CONDUCT

1. From approximately March 2010 to January 2012, Carlson solicited nine firm customers to give him a total of at least \$734,000. He fraudulently misrepresented to them that he would safely invest their money in securities. Instead of investing his customers' money, Carlson misappropriated it and converted it to his own personal use.

2. The customers gave Carlson personal checks that he instructed be made payable to an entity that he controlled. Carlson then deposited the customers' checks in a bank account that he controlled in the name of the entity. With the exception of one customer whose investment he refunded in full, with interest, in January 2012, Carlson has not re-paid the customers their money.
3. The nine persons who gave Carlson money were between 68 and 90 years old at the time of their investments. With the exception of the youngest victim, all of the investors were retired. A 90-year-old investor had an annual income of \$80,000 and gave Carlson \$100,000. One investor gave Carlson a total of \$213,580 in four payments from 2010 to 2012, the largest investment of any person. She was 76 years old at the time of her first payment to Carlson, single, retired, and had an annual income of \$30,000 and net assets of \$575,000.
4. Another investor was 85 years old when she gave Carlson \$50,000 to invest. According to her account application forms, she had an annual income of \$50,000 and total net worth of \$50,000. The youngest investor to give money to Carlson was 68 years old and was employed as public school teacher earning \$50,000 per year. She gave Carlson \$64,000.
5. Carlson told another investor that the investor could get a 10 percent bonus if he transferred money from an existing account he held at Sagepoint to an annuity. In reliance on Carlson's representations, the investor, who was retired and 80 years old at the time, withdrew \$72,000 from a securities account and gave Carlson a check for that amount payable to the entity Carlson controlled. Carlson told the investor to make the check payable to his business entity because the bonus would not be available if the investor paid the money directly to the annuity provider. Carlson deposited the \$72,000 check in an account he controlled and did not invest in the annuity.
6. By engaging in the foregoing misconduct, Carlson directly or indirectly, by use of means or instrumentalities of interstate commerce, intentionally or recklessly (i) employed a device, scheme or artifice to defraud, or (ii) made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (iii) engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit in connection with the purchase or sale of a security, in willful violation of Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and in violation of FINRA Rules 2010 and 2020.
7. By misappropriating and converting his customers' money to his personal use, Carlson also violated FINRA Rules 2150(a) and 2010.

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

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

Respondent understands that this settlement includes a finding that he willfully violated Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and that under Article III, Section 4, of FINRA's By-Laws, this makes him subject to a statutory disqualification with respect to association with a member.

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, 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).

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

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 Respondent;
- 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.

III.

OTHER MATTERS

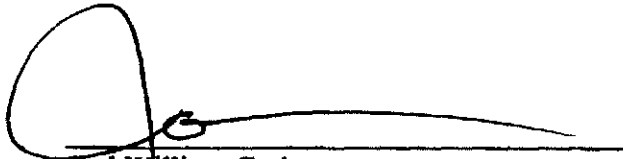
Respondent understands that:

- 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 Respondent;
 - 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full 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 him to submit it.

3/24/12

Date



Joel William Carlson

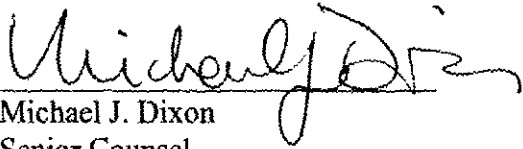
Reviewed by:

Leny K. Wallen-Friedman
Wallen-Friedman & Floyd, P.A.
527 Marquette Avenue, Suite 860
Minneapolis, MN 55402
Tel. 612-341-9893
Fax. 612-343-4818
Counsel for Respondent

Accepted by FINRA:

April 10, 2012
Date

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


Michael J. Dixon
Senior Counsel
Department of Enforcement