

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037771802**

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

RE: John Michael Bannon, Respondent
General Securities Representative
CRD No. 1062813

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Respondent John Michael Bannon, 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

In September 1982, Bannon first became registered with FINRA as an Investment Company Products/Variable Contracts Representative ("IR") through his association with a FINRA regulated firm. He then became registered with FINRA as a General Securities Representative ("GS") through his association with another FINRA regulated firm in January 1984.

In March 1985, Bannon became associated with Waterstone Financial Group, Inc. (BD No. 10078) ("Waterstone") where he was registered with FINRA as a GS and worked at a branch located in Chicago Heights, Illinois. In September 2009, Bannon voluntarily left Waterstone and became associated with Ausdal Financial Partners, Inc. (BD No. 7995) ("Ausdal") where he was also registered with FINRA as a GS. While associated with Ausdal, Bannon worked at branches located in Downers Grove, Illinois and Waxhaw, North Carolina.

On July 26, 2013, Ausdal filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") providing that Bannon had been discharged for

his "failure to disclose pending tax liens in a reasonable time."

Bannon is not currently registered or associated with a FINRA member firm. FINRA retains jurisdiction over Bannon pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

In July 2013, the Illinois Secretary of State Securities Department filed a Notice of Hearing to determine if Bannon's registration as an investment adviser representative and salesperson would be subject to revocation. The proceeding was based on Bannon's failure to pay the final assessment of a tax administered by the Illinois Department of Revenue. In August 2013, Bannon entered into a payment agreement with the Illinois Department of Revenue. As a result, the proceeding commenced by the Secretary of State was dismissed without prejudice.

Bannon does not have any disciplinary history with any other state securities agency, the Securities and Exchange Commission, FINRA, or any other self-regulatory organization.

OVERVIEW

Bannon violated FINRA Rules 8210 and 2010 by failing to appear for an on-the-record interview ("OTR") on April 10, 2015.

FACTS AND VIOLATIVE CONDUCT

During April 2015, FINRA was investigating allegations in a civil complaint that Bannon converted at least \$74,000 in customer funds. FINRA was also investigating, among other things: (1) Bannon's failure to disclose unsatisfied liens and judgments on his Uniform Application for Securities Industry Registration or Transfer ("Form U4"), (2) potential undisclosed and unapproved outside business activities, and (3) the above described action by the Illinois Securities Department. As part of its investigation, by letter dated March 23, 2015, FINRA requested that Bannon appear for an OTR pursuant to FINRA Rule 8210 at FINRA's Atlanta, Georgia office on April 10, 2015.

As he stated during a phone call with FINRA staff on April 6, 2015, and by this agreement, Bannon acknowledges that he received FINRA's request for testimony and that he will not appear for on-the-record testimony at any time. By refusing to appear for on-the-record testimony as requested pursuant to FINRA Rule 8210, Bannon has violated FINRA Rules 8210 and 2010.

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

- a bar from associating with any FINRA member in any and 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 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.

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.

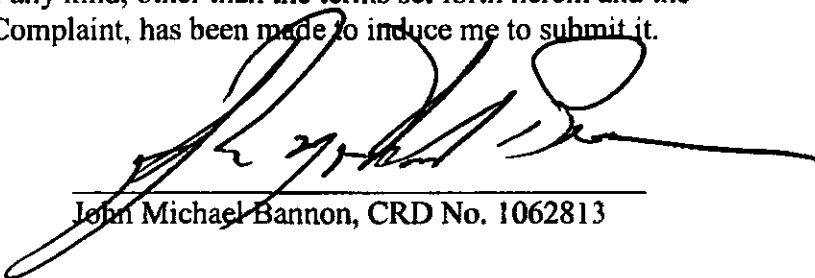
OTHER MATTERS

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 accordance with FINRA Rule 8313;
 - 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.

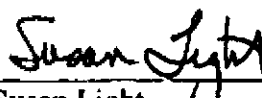
4/19/15
Date


John Michael Bannon, CRD No. 1062813

Accepted by FINRA:

5/8/15
Date

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


Susan Light
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