

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037970601**

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

RE: George Bussanich, Respondent
CRD No. 4552414

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

George Bussanich was registered with various FINRA-regulated firms beginning on April 23, 2004 when he first obtained a Series 7 (General Securities Representative) license. On May 14, 2004, Bussanich passed the Series 63 (Uniform Securities Agent State Law Examination). On October 4, 2006, Bussanich registered with Kovack Securities Inc. (CRD No. 44848) ("Kovack" or the "Firm") where he remained until he was terminated on December 31, 2011, for his failure to disclose an outside business activity.

FINRA retains jurisdiction over Bussanich pursuant to Article V, Section 4 of the FINRA By-Laws because (1) this AWC has been filed within two years after the effective date of Bussanich's last termination of registration from a member firm; and (2) this action charges Bussanich with failing to respond to FINRA requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

RELEVANT DISCIPLINARY HISTORY

On July 5, 2013, FINRA issued an AWC in which Bussanich was suspended for thirty days and fined \$5,000 for participating in an outside business activity without having sought prior approval from the Firm, in violation of NASD Rules 3030 and 2110 and FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

In September 2013, FINRA opened an investigation into whether Bussanich engaged in certain other undisclosed outside business activities and/or private securities transactions away from Kovack, including ones involving Kovack customers. In connection with FINRA's investigation, the FINRA Staff requested documents, information, and testimony from Bussanich. Bussanich failed to comply with FINRA's requests.

On October 22, 2013, FINRA sent Bussanich a written request, pursuant to FINRA Rule 8210, for documents and information with a due date of November 5, 2013. On November 5, 2013, FINRA received a small portion of the requested documents and information from Bussanich. Bussanich never produced the balance of the requested documents and information.

On November 12, 2013, the Staff sent Bussanich a written request, pursuant to FINRA Rule 8210, requesting that he appear for on-the-record testimony on an agreed upon date of November 22, 2013. On November 21, 2013, Bussanich told the FINRA Staff that he would not appear for testimony on November 22, 2013. Bussanich did not appear for testimony on November 22, 2013.

As a result of the foregoing conduct, Bussanich violated FINRA Rule 8210.

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

- A bar from associating 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 prejudice 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 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.

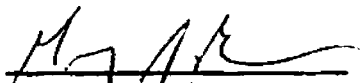
11/26/2013

Date (mm/dd/yyyy)



George Bussanich

Reviewed by:



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Accepted by FINRA:

12/03/2013

Date (mm/dd/yyyy)

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



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