

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036075901**

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

**RE: Michael E. Logan, Respondent
Former General Securities Representative
CRD No. 2618789**

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

Michael Logan ("Respondent" or "Logan") entered the securities industry in June 1995 when he became registered as a Municipal Securities Representative with a FINRA member firm. He later became registered as a General Securities Representative ("GS") and a General Securities Sales Supervisor ("SU") with that same firm until he was discharged for failing to follow company policy on June 1, 2001. Subsequently, he was registered with three different FINRA member firms until he became registered as a GS with Brokers International Financial Services, LLC ("BIF") from August 13, 2007 through March 4, 2009, when he left voluntarily. On March 8, 2011, Logan became registered as a GS with Securities Management & Research, Inc. where he remained until October 5, 2012. Logan has not associated or registered with another FINRA member since October 5, 2012. Therefore, FINRA has jurisdiction over Logan until October 3, 2014, pursuant to Article V, Section 4 of its By-laws. Logan has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In December 2007, while he was registered with BIF, Logan recommended that RM, a client and close family member, purchase a Pacific Life Variable Annuity ("Annuity") for \$40,000. RM eventually purchased the annuity in January 2008, which he funded through a \$40,000 withdrawal from his IRA account. Subsequently, between approximately October 17, 2008 and January 23, 2009, while he was registered with BIF, Logan withdrew approximately \$17,239.50 from RM's Annuity in nine separate transactions, for Logan's personal use. As a result of the early liquidations from the Annuity, RM incurred \$841.61 in surrender charges.¹

RM had no knowledge of and had not consented to any of the withdrawals. In order to avoid detection of his misconduct, Logan changed RM's address of record for the Annuity, on or about October 2, 2008, to his BIF office address.²

By converting customer funds between October 17, 2008 and January 23, 2009, Logan engaged in improper use of customer funds, in violation of NASD Conduct Rule 2330. In addition he engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of NASD Conduct Rule 2110 (for the period prior to December 15, 2008) and FINRA Rule 2010 (for the period beginning December 15, 2008).

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

A bar from associating with a FINRA member in any capacity.

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

¹ Although such conduct is not the subject of this AWC, Logan continued to withdraw funds from the Annuity after he left BIF and while he was no longer registered or associated with a FINRA member firm. Specifically, between approximately April 4, 2009 and October 8, 2009, Logan withdrew approximately \$11,442.87 from RM's Annuity in ten separate transactions, for Logan's personal use.

² Subsequently on February 11, 2009, Logan changed the address of record to a P.O. Box, as he was no longer working at the BIF office address.

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 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.

Date

11/6/13


Michael E. Logan

Accepted by FINRA:

12.5.2013
Date

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



**Helen G. Barnhill
Senior Regional Counsel
FINRA Department of Enforcement
4600 S. Syracuse St., Suite 1400
Denver, CO 80237
Telephone: (303) 446-3111
helen.barnhill@finra.org**