

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014042688401**

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

**RE: Michael Strasser, Respondent  
CRD No. 1456856**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Michael Strasser ("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**

Respondent first became registered with FINRA as a General Securities Representative ("GSR") through his association with a member firm in 1986. Subsequently, he was associated with various FINRA member firms where he was registered as a GSR. From February 2011 to March 2012, Respondent was associated with Financial West Group ("FWG"). He was not registered in any capacity during his association at FWG. From January 2014 to June 2014, Respondent was associated with Paulson Investment Company LLC ("Paulson") where he was registered as a GSR. From June 2014 to February 2015, Respondent was re-associated with FWG where he was registered as a GSR.

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

## **RELEVANT DISCIPLINARY HISTORY**

Respondent has the following disciplinary history:

- In June 2003, Respondent was suspended in all capacities for his failure to “comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance,” related to NASD arbitration No. 01-04781. The suspension was lifted on January 6, 2011.
- In November 2004, Respondent was suspended for his failure to “comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance,” related to NASD arbitration No. #02-06787. The suspension was lifted on January 6, 2011.

## **OVERVIEW**

Respondent failed to disclose a judgment on his Form U4, in violation of FINRA Rules 1122 and 2010, and Article V, Section 2(c) of the FINRA By-Laws.

## **FACTS AND VIOLATIVE CONDUCT**

In October 2012, while Respondent was not associated with any FINRA member firm, a judgment for \$2,105 was entered against him arising from certain fees on Respondent’s credit card accounts. Although Respondent received notice of the judgment in or around that time, he did not disclose the judgment on subsequent Form U4s. More specifically, Respondent did not disclose the judgment on a Form U4 filed on January 14, 2014, when Respondent associated with Paulson, and on a Form U4 filed on June 27, 2014, when Respondent associated with FWG. The judgment has since been satisfied.

The foregoing conduct constitutes a violation of FINRA Rules 1122 and 2010, and Article V, Section 2(c) of the FINRA By-Laws.

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

- A fine of \$2,500.00; and
- A suspension from association with any FINRA member firm in any capacity for ten (10) business days.

The fine shall be due and payable either immediately upon reassociation with a member firm following the ten (10) business 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.

**Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.**

**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.**

## **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 prejudice 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.**

**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 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. 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: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

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 Respondent 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 Respondent to submit it.


6/9/15  
Date (mm/dd/yyyy)

  
\_\_\_\_\_  
Michael Strasser, Respondent

Accepted by FINRA:

6/9/15  
Date

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

  
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Soo H. Im  
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