

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

***** FOR IMMEDIATE RELEASE *****

Date: February 14, 2013

Contact Person: J. Campbell McLaurin III

ARKANSAS SECURITIES COMMISSIONER APPROVES A CONSENT ORDER REVOKING THE REGISTRATION OF MICHEAL MUNSON

On February 14, 2013, Arkansas Securities Commissioner A. Heath Abshure approved a Consent Order between the Staff of the Arkansas Securities Department ("Staff") and Micheal Munson ("Munson"). Under the terms of the Consent Order, Munson agreed to a revocation of his registration as a broker-dealer agent for various violations of the Arkansas Securities Act ("Act"), including unauthorized practice as an investment advisor representative, sale of unregistered securities, sale of securities by means of securities fraud, and client fund misappropriation. Munson waived his right to a hearing and entered into the Consent Order without admitting or denying the allegations set forth by the Staff.

The Consent Order found that Munson performed investment advisory services in Arkansas without first being registered as an investment advisor pursuant to the Act. The Consent Order further found that Munson sold unregistered securities, committed securities fraud, and misappropriated client funds as a result of his involvement in creating and recruiting investors for a real property bond designed to provide financing for a local church. One bond investor did not receive all interest payments when due and did not receive a return of the \$100,000 principal investment made in the bond. A detailed examination of related financial records by the Staff uncovered that Munson expended investor funds for various improper purposes, including repaying an outside party \$25,000 for money spent by Munson in effort to retrieve other investor funds he lost to a Ponzi scheme operating out of California.

A review of Munson's disciplinary history reveals a long line of customer complaints dating back to the early 2000s. The Central Registration Depository maintained by the Financial Industry Regulatory Authority shows thirteen different customer complaints alleging various types of improper conduct on Munson's part. The most recent customer complaint against Munson was lodged on November 10, 2011.

A copy of the order is available on the Arkansas Securities Department's website at www.securities.arkansas.gov, Order No. S-11-0299-13-OR03.