

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NOs. 2007008242801**

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

RE: John F. Hoschouer, Respondent
CRD No. 4690685

Pursuant to Rule 9216 of FINRA Code of Procedure, Respondent, John F. Hoschouer (Hoschouer) 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 Hoschouer alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Hoschouer 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

John F. Hoschouer was associated with World Group Securities, Inc. (WGS) from on or about July 24, 2003 through on or about May 21, 2007, where he was registered as both an Investment Company and Variable Contracts Products Principal and an Investment Company and Variable Contracts Products Representative. Hoschouer is not currently associated with a member of FINRA. In April 2007, Hoschouer entered into a Stipulation and Consent Order with the Utah Division of Securities for conducting seminars during which he made material misstatements and/or omissions. Under the terms of the Stipulation and Consent Order, Hoschouer was required to retake the Series 6 and 63 examinations and was fined \$5,000.00. Provided that Hoschouer complies with the terms of the Stipulation and Consent Order, \$4,000.00 of the fine will be waived. Hoschouer has no other relevant disciplinary history with the Securities and Exchange Commission, FINRA, other self-regulatory organizations, or state regulators.

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FACTS AND VIOLATIVE CONDUCT

A. Communications with the Public

1. NASD Conduct 2210(d)(1)(B) provides:

No member may make any false, exaggerated, unwarranted or misleading statement or claim in any communication with the public. No member may publish, circulate or distribute any public communication that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.

Rule 2210(a) defines "communications with the public" as consisting of, among other items, public appearances. Public appearances include participation in a seminar, forum, radio or television interview, or other public appearance or public speaking activity.

2. On May 17, 2006, Hoschouer participated in a "free" lunch and dinner seminar that targeted seniors. Approximately eleven individuals attended the lunch seminar and twenty-six individuals attended the dinner seminar. Hoschouer's role at both seminars was to introduce his WGS supervisor, AM, and make closing comments.

At both the lunch and dinner seminar, Hoschouer made false, exaggerated and misleading statements when introducing AM. Those statements included:

- i) AM managed offices in Utah, California, Nevada, Texas and Washington.
- ii) WGS was the third largest broker-dealer in the United States.
- iii) AM was a broker-dealer agent for two firms and that such association presents a "huge advantage" to clients.
- iv) AM was licensed with two broker-dealers and that there was only "1/10th of 1% of any financial representative that works with two broker dealers at the same time."
- v) AM was the "number one" financial advisor at WGS and is one of the "best" financial advisors in Utah and the Western United States.

- vi) AM had been the number one WGS producer for eight consecutive years.

Each of the above statements was false.

As a result of the above acts, practices and conduct, Hoschouer violated NASD Conduct Rules 2210 and 2110.

- B. Hoschouer also consents to the imposition of the following sanctions:

Hoschouer shall be suspended from associating with any member of FINRA in any capacity for a period of ten (10) business days. In addition, he will be fined \$5,000.00.

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.

Hoschouer understands that if he is suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, Hoschouer may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the ten (10) business day suspension. (See NASD Rules 8310 and IM-8310-1).

Hoschouer 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.

II.

WAIVER OF PROCEDURAL RIGHTS

Hoschouer specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against him;
- B. To be notified of the Formal 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, Hoschouer specifically and voluntarily waives 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.

Hoschouer further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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

Hoschouer 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 NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against him; and
- C. If accepted:
 - 1. this AWC will become part of Hoschouer's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Hoschouer's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and

the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and

4. Hoschouer 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. Nothing in this provision affects Hoschouer's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Hoschouer may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Hoschouer 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.

Hoschouer 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 Hoschouer has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce him to submit this AWC.

7/30/2008
Date


John F. Hoschouer

August 8, 2008
Date

Accepted by FINRA:

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


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