

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

RECEIVED

2009 JUN 26 P 5:06

REGISTRATION & DISCLOSURE

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

HUGH ANTHONY WILSON,
CRD No. 1460372

Respondent.

Disciplinary Proceeding
No. 2007010192301

Hearing Officer: SNB

ORDER ACCEPTING OFFER OF SETTLEMENT

INTRODUCTION

Disciplinary Proceeding No. 2007010192301 was filed on March 24, 2009, by the Department of Enforcement (Complainant) of the Financial Industry Regulatory Authority (FINRA). Respondent Wilson submitted an Offer of Settlement (Offer) to Complainant on June 15, 2009. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

000001180 2009

BACKGROUND

Respondent Wilson entered the securities industry in December 1985, when he was associated with a FINRA member. Wilson first became registered with FINRA as an investment company and variable contracts products representative in December 1986. Wilson was registered with several FINRA member firms during the period from 1987 through October 2004. Wilson became dually registered with Ameriprise Financial Services, Inc. (Ameriprise) and IDS Life Insurance Company (IDS) in December 2004, as a general securities representative and an investment company and variable contracts products representative. Wilson remained registered by Ameriprise and IDS until August 2007. Wilson is not currently associated with a FINRA member, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

Commencing in 2006 and continuing into 2007, Wilson, while associated with Ameriprise, fraudulently misrepresented to multiple Ameriprise customers and another investor (who thought she was investing through Ameriprise) that Wilson had an options trading account or other unspecified investment that would double their funds in four to six weeks. Through these misrepresentations, Wilson convinced at least four investors, three of whom were Ameriprise customers, to invest in aggregate \$73,500, advising them to make their checks or wires payable to him. Wilson then cashed their checks, failed to apply the investors' funds as directed, and failed to return the funds with the promised returns. Wilson thereby misused customer funds in violation of NASD Conduct Rules 2330(a) and 2110, and the funds of another investor in violation of NASD Conduct Rule 2110. Wilson further made fraudulent misrepresentations, in violation of Securities Exchange Act of 1934 Section 10(b), and Rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120. Additionally, Wilson failed to respond to FINRA's requests for information during the course of its examination, in violation of NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Customer K. B.

Customer K.B. began a business relationship with Wilson in early 2004, and subsequently opened an account at Ameriprise with Wilson. In December 2005, Wilson recommended that K.B. invest in an equity investment that required a \$5,000 minimum investment and promised "high returns." K.B. gave Wilson a check dated December 20, 2005, in the amount of \$5,000, for the investment. Several weeks later, Wilson indicated to K.B. that the investment had produced the promised return of \$5,000 and this sum was deposited into K.B.'s account. In early 2007, Wilson contacted K.B. and advised him that he had another "investment opportunity" that would earn a 100 percent return in four to six weeks. Based upon Wilson's representations, K.B. gave Wilson three checks, each in the amount of \$5,000 (\$15,000 in aggregate), made payable to Wilson to invest in the "investment opportunity" recommended by Wilson. In addition, K.B. gave Wilson cash on four separate occasions in the amounts of \$2,000, \$3,000, \$5,000 and \$5,000 to invest in the "investment opportunity" recommended by Wilson. In total, K.B. invested \$30,000 with Wilson, in addition to the initial \$5,000 investment in 2005. Wilson cashed K.B.'s checks and took the cash payments. Wilson gave K.B. three checks, each in the amount of \$10,000, but when K.B. tried to deposit them, they were returned for insufficient funds. Wilson failed to apply K.B.'s funds as directed, and failed to return any of K.B.'s principal or pay K.B. any return on his investments other than the initial \$5,000.

Investor P. O.

P.O. inherited \$20,000 that she wanted to invest and intended to open an account with Wilson at Ameriprise. In or about September 2006, P.O. met with Wilson. Wilson advised P.O. to invest the \$20,000 in an options trading account that he managed. Wilson represented to P.O. that her investment would double in thirty days. On or about September 15, 2006, P.O. wrote a personal check in the amount of \$20,000 made payable to Wilson, which Wilson cashed. In or about November 2006, Wilson gave P.O. a check for \$40,000, but when P.O. attempted to deposit the check it was returned due to

insufficient funds. Wilson failed to return P.O.'s funds until in or about July 2007, when he repaid P.O. her principal of \$20,000. Wilson failed to pay P.O. any return on her investment.

Customers D. R. and L. R.

D.R and L.R. maintained an account at Ameriprise, which was serviced by Wilson. In January 2007, Wilson recommended that D.R. and L.R. invest \$15,000 into an unspecified investment. On or about January 26, 2007, based upon Wilson's recommendation, D.R. and L.R. wired Wilson \$15,000 to be invested on their behalf. Pursuant to Wilson's instructions, D.R. and L.R. wired the \$15,000 from an account at SunTrust Bank to a bank account titled to Wilson's wife. Wilson failed to apply the proceeds as directed, and has not returned D.R. and L.R.'s principal or paid any return on their investment.

Customer K. W.

Customer K.W. maintained an account at Ameriprise with Wilson. On or about March 31, 2006, K.W. gave Wilson a check in the amount of \$3,500 made payable to Wilson for the purpose of investing in an options trading program recommended by Wilson. Wilson cashed the check, failed to apply the proceeds as directed and failed to return K.W.'s principal or pay any return on her investment.

Materiality and Scienter

Wilson misrepresented to K.B. and P.O. that they would double their investments in four to six weeks. Wilson further misrepresented to K.B., P.O., D. R. and L. R., and K.W. that he would invest their funds as represented, that he would repay their investments, and that they would earn returns on their investments. The false statements made by Wilson to K.B., P.O., D. R. and L. R., and K.W. were material to their investment decisions and were made in connection with the intended purchase of securities. Wilson acted with scienter in connection with the misrepresentations to K.B., P.O., D. R. and L. R., and K.W., in that he knowingly or recklessly failed to purchase the intended investments, misused the investors' funds, and failed to return their funds with interest as promised.

Wilson, directly or indirectly, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce, or of the mails: 1) employed devices schemes or artifices to defraud; 2) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or 3) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers or prospective purchasers in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and NASD Conduct Rules 2110 and 2120.

Wilson misused the funds of customers K.B., D.R and L.R., and K.W., in that he failed to deposit their funds into their Ameriprise accounts and purchase investments as directed. Respondent Wilson further failed to return the funds of customers K.B., D.R and L.R., and K.W. as promised, in violation of NASD Conduct Rules 2330(a) and 2110.

Wilson misused the funds of investor P.O., who was not an Ameriprise customer, in that he held P.O.'s funds for ten months before returning the funds to P.O., in spite of his representations that her investment would be for thirty days, in violation of NASD Conduct Rule 2110.

FINRA's Investigation

In August 2007, FINRA initiated an investigation concerning Wilson's termination from Ameriprise and his dealings with his customers. FINRA determined that it needed a written statement from Wilson regarding his dealings with investors. Wilson's last known residential address, as reflected in the Central Registration Depository (CRD), shows two addresses: [REDACTED]

First Request for Information

By letter dated June 30, 2008, sent via first class and certified mail to Wilson at his residential CRD addresses located in Morrisville, North Carolina and Hartford, Connecticut, Wilson was requested, pursuant to NASD Procedural Rule 8210, to provide a written statement regarding the allegations disclosed on his Uniform Termination Notice for Securities Industry Registration (Form U5).

The June 30, 2008 letter set a deadline of July 14, 2008, for the submission of the requested written statement. The June 30, 2008 letter sent via certified mail to the Morrisville, North Carolina address was returned indicating that it was "unclaimed." The June 30, 2008 letter sent via certified mail to the Hartford, Connecticut address was also returned indicating that it was "unclaimed." The June 30, 2008 letters sent by first class mail to the Morrisville, North Carolina and Hartford, Connecticut addresses were not returned. Wilson did not respond by the July 14, 2008 deadline.

Second Request for Information

By letter dated July 14, 2008, sent via first class and certified mail to Wilson at his residential CRD addresses, Wilson was again requested, pursuant to NASD Procedural Rule 8210, to provide a written statement regarding the allegations disclosed on his Form U5. The July 14, 2008 letter set a deadline of July 28, 2008, for the submission of the requested written statement. The July 14, 2008 letter sent by first class mail to the Hartford, Connecticut address was returned "undeliverable." The July 14, 2008 letter sent by first class mail to the Morrisville, North Carolina address was not returned. The July 14, 2008 letter sent by certified mail to the Morrisville, North Carolina address was returned indicating that it was "unclaimed." The July 14, 2008 letter sent by certified mail to the Hartford, Connecticut address was returned indicating that it was "undeliverable." Wilson did not respond by the July 28, 2008 deadline. To date, FINRA has not received any response to the foregoing requests for a written statement.

Wilson's failure to respond to FINRA's requests for information during the course of its examination violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Based on the foregoing, Respondent violated Securities Exchange Act of 1934 Section 10(b), and Rule 10b-5 thereunder. Respondent further violated NASD Conduct Rules 2110, 2120 and 2330(a) and NASD Procedural Rule 8210. Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

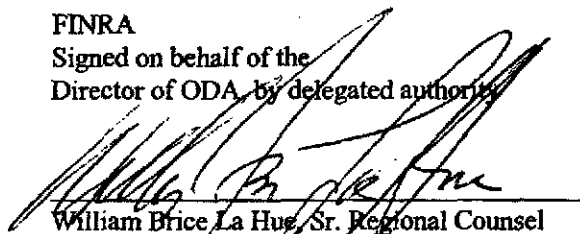
SANCTIONS

It is ordered that Respondent be barred from association with any FINRA member in any capacity. 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 Order.

SO ORDERED.

FINRA

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



William Brice La Hue, Sr. Regional Counsel
FINRA Department of Enforcement
One Securities Centre, Suite 500
3490 Piedmont Road, N.E.
Atlanta, Georgia 30305
(404) 239-6111; Fax: (404) 264-1586
E-Mail: brice.lahue@finra.org