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FINANCIAL INDUSTRY REGULATORY AUTHORITY 7 A 7 01
OFFICE OF HEARING OFFICERS

REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

Herbert Tyrone Hunt
CRD No. 1632226

Respondent.

Disciplinary Proceeding
No. 2007011831101

Hearing Officer SNB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 16, 2009

INTRODUCTION

Disciplinary Proceeding No. 2007011831101 was filed on about December 15, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondent Herbert Tyrone Hunt submitted an Offer of Settlement (Offer) to Complainant on June 4, 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

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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.

BACKGROUND

Herbert Tyrone Hunt became registered as a General Securities Representative (Series 7) in March 1987 and worked in that capacity for different FINRA members. In November 2006, Hunt became registered with Sanders Morris Harris (SMH), where he worked until January 11, 2008 when he was terminated. Hunt is not currently registered with a FINRA member. FINRA has jurisdiction to file this complaint pursuant to Article V, Section 4 of its By-Laws, which provides for a two-year period of retained jurisdiction with respect to the conduct that commenced prior to the termination of registration.

FINDINGS AND CONCLUSIONS

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

1. In February 2007, WM was a 65-year-old customer of SMH whose account was assigned to Hunt. WM was neither a member of Hunt's immediate family nor a financial institution in the business of providing credit, financing, or loans.
2. On or about February 27, 2007, Hunt borrowed approximately \$5,500 from WM. The loan was evidenced by a promissory note signed by Hunt with a due date of May 10, 2007. Hunt has not repaid the loan.
3. When Hunt received the loan from WM, SMH had written procedures generally forbidding registered representatives from borrowing money from or lending money to

customers. To the extent that they were allowed at all, loans to or from customers other than immediate family members or financial institutions required prior review and approval by SMH's compliance department. Hunt failed to obtain prior approval of the loan from SMH's compliance department.

4. Based on the foregoing, Hunt violated NASD Rules 2370 and 2110.

5. Pursuant to NASD Procedural Rule 8210, FINRA sent Hunt written requests for information and documentation relating to, among other things, his handling of the securities account of WM.

6. On or about March 14, 2008, FINRA staff sent Hunt a request that he provide documents and information by March 26, 2008, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail, by certified mail, return receipt requested, and by Federal Express delivery to Hunt's address of record as contained in the records of the Central Registration Depository ("CRD address"). The first class and certified mailings were not returned to FINRA staff. The Federal Express delivery was delivered to Hunt's CRD address.

7. On or about April 1, 2008, FINRA staff sent Hunt the same request that he provide documents and information by April 11, 2008, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Hunt's CRD address of record. The first class mailing was not returned to FINRA staff. The certified delivery receipt was returned, signed "Rebecca Hunt."

8. Hunt failed to fully and timely respond to the written requests for documents and information described in Paragraphs 5 through 7.

9. Based on the foregoing, Hunt violated NASD Conduct Rule 2110 and Procedure Rule 8210.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently 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

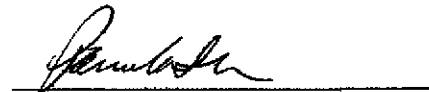
It is ordered that Respondent be suspended from association with any FINRA member in any capacity for 18 months and fined \$5,000.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

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



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