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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080124500-01**

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AUG 27 2009

FINRA
SAN FRANCISCO DISTRICT OFFICE

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

RE: Brian J. Hoshowski, Respondent
Limited Representative – Investment Company and Variable Contracts Products
CRD No. 2193295

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, 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 entered the securities industry in November 1991 as an associated person of a FINRA member. He first became registered in January 1992 as a Limited Representative – Investment Company and Variable Contracts Products ("IR"). From on or about September 20, 2001, through February 15, 2008, Respondent was associated with FINRA member Allstate Financial Services, LLC ("AFS"), where he was registered as an IR. Respondent has not since been associated with any other FINRA member.

RELEVANT DISCIPLINARY HISTORY

Respondent has no disciplinary history.

OVERVIEW

Respondent borrowed funds from his customers and engaged in private securities transactions without appropriate notice to and approval from his member firm. Respondent also refused to appear for testimony requested pursuant to FINRA Rule 8210.

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FACTS AND VIOLATIVE CONDUCT

1. Borrowing from Customers

From April 2007 through September 2007, Respondent borrowed a total of \$137,000 from three of his AFS customers. AFS's procedures did not allow registered representatives to borrow from customers unless the registered representative provided prior written notice to and received prior approval from the firm. At no time did Respondent provide any type of written notice to AFS concerning his borrowing activities. Respondent therefore violated NASD Rules 2370 and 2110.

2. Private Securities Transactions

From March 2007 through February 2008, Respondent engaged in private securities transactions, to wit, sales of promissory notes. There were a total of 16 investors and the aggregate value of all notes sold totaled approximately \$1.06 million. As to each note sale, Respondent failed to provide prior written notification to AFS. He therefore violated NASD Rules 3040 and 2110.

3. Failure to Appear for Testimony

On June 12, 2009, pursuant to FINRA Rule 8210, FINRA staff sent a letter to Respondent's counsel requesting that Respondent appear for testimony at FINRA's Seattle District Office on July 10, 2009. After requesting and receiving an extension, on August 3, 2009, Respondent informed FINRA staff through counsel that he would not provide the requested testimony. Respondent thereby violated FINRA Rules 8210 and 2010.

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

- A bar from association in any capacity with any FINRA member.

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 Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. 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).

Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 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.

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 response to public inquiries about Respondent's disciplinary record;
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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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.

8/25/09
Date


Brian J. Hoshowski, Respondent

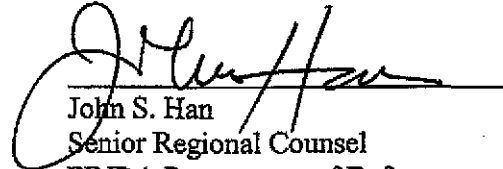
Reviewed by:


Christopher H. Kent, Esq.
Counsel for Respondent
Kent & Johnson, LLP
1500 SW Taylor Street
Portland, Oregon 97205
(503) 220-0717

Accepted by FINRA:

10/9/09
Date

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


John S. Han
Senior Regional Counsel
FINRA Department of Enforcement
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