

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

DEPARTMENT OF ENFORCEMENT,

Complainant

v.

Herbert T. Hunt,
Registered Representative
(CRD No. 1632226)

Respondent.

Disciplinary Proceeding
2008015021001

Hearing Officer AHP

**Order Accepting Offer of
Settlement**

Date: November 23, 2010

INTRODUCTION

Disciplinary Proceeding Number 20088015021001 was filed on September 9, 2010, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Herbert Hunt submitted an Offer of Settlement (Offer) to Complainant, dated October 26, 2010. 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.

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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.

BACKGROUND

Between November 2006 and January 2008, Hunt was registered as a general securities representative with Sanders, Morris Harris Inc., a FINRA registered firm. On September 19, 2008, the firm filed an Amended Form U5 on behalf of Herbert Hunt with regard to a customer complaint made by AJ and DJ. Although Hunt has not been associated with a FINRA firm since January 2008, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date of the amendment to the Form U5 and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA registered firm and with failing to appear for on-the-record testimony during the two-year period after the date upon which he ceased to be associated with a FINRA firm.

FINDINGS AND CONCLUSIONS

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

- During all relevant times, DJ was a member of the public who maintained two securities accounts with Hunt's firm. Respondent Hunt was responsible for servicing those accounts.
- From approximately January 2007 until November 2007, Respondent Hunt effected approximately 113 discretionary transactions in the two accounts of public customer DJ, without having obtained prior written authorization from DJ and prior written acceptance of the accounts as discretionary by his firm.
- Such acts, practices and conduct constitute separate and distinct violation of NASD Conduct Rules 2510 and 2110 by Respondent Hunt.
- On or about July 7, 2009, FINRA staff sent Hunt a letter requesting that he appear for an on-the-record interview pursuant to and in accordance with the provisions of Rule 8210. The interview was scheduled to take place in Chicago on July 21, 2009. The request for Hunt to appear at his on-the-record interview was sent by first class mail and certified mail to Hunt's CRD address. The letter sent by first class mail was never returned, while the letter sent to the same address by certified mail was delivered. The United States Postal Service return receipt card appears to have been signed by Hunt on July 17, 2009.
- On or about July 18, 2009, Hunt faxed a letter to the staff stating the following:

This is to confirm our conversation on Friday, July 17, 2009 wherein I informed you that I would not be attending the upcoming on-the-record interview at your office in Chicago on July 21, 2009. I understand that my failure to attend will most likely result in a violation of FINRA Rule 8210. Additionally, I understand that my failure to attend will most likely result in my being barred from the securities industry.

- On or about July 21, 2009, Hunt failed to appear in Chicago for his on-the-record interview.
- The acts, practices and conduct described above constitute separate and distinct violations of Rules 8210 and 2010 by Hunt.

Based on the foregoing, Respondent has violated NASD Rules 2510 and 2110 and FINRA Rules 8210 and 2010.

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 barred from associating with any FINRA firm 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



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