

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090162695**

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

RE: Huckin Financial Group, Inc., Respondent
CRD No. 8593

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

Huckin Financial Group, Inc. ("HFG" or "Respondent") is based in Houston, Texas and has been a FINRA member since February 25, 1981. The firm is approved to conduct business in mutual funds, variable contracts and investment advisory services. The firm consists of eight registered persons in two branch offices.

RELEVANT DISCIPLINARY HISTORY

On September 25, 2006, HFG was fined \$600 and reprimanded by the Texas State Securities Board for maintaining broker-dealer and investment advisor records at branch offices that were not registered with the Texas Securities Commissioner.

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OVERVIEW

HFG failed to establish and implement an adequate supervisory control system, failed to conduct independent testing of its Anti-Money Laundering ("AML") compliance program, and improperly associated with a statutorily disqualified person, in violation of NASD Conduct Rules 3012, 3013, 3011(c), 2110, IM-3011-1 and Article III, Section 3(b) of FINRA's By-Laws.

FACTS AND VIOLATIVE CONDUCT

Failure to Establish and Implement Adequate Supervisory Control Procedures

In 2007, FINRA examined the books and records of HFG. On January 7, 2008, the firm was subject to a Compliance Conference for, among other things, failure to establish adequate supervisory control procedures, failure to conduct adequate Annual Reports and CEO Certifications and failure to submit its "Limited Size and Resources" exception.

In response to the exit conference of the 2007 examination, the firm stated by letter dated August 30, 2007 that it "has developed supervisory controls and procedures but apparently these items were not listed in those procedures. The firm is in the process of adding these items mentioned to our current supervisory control procedures." Despite the foregoing representation to FINRA, HFG did not make any noticeable amendments to its supervisory control procedures between the 2007 exam and FINRA's 2009 examination of its books and records.

Specifically, during 2007 and 2008, HFG had inadequate procedures for supervision of transmittal of customer funds or securities, supervision of customer changes of address, supervision of customer changes of investment objectives and reliance on the "Limited Size and Resources" exception.

In addition to the foregoing, HFG's 2007 and 2008 Annual Reports to Senior Management and CEO Annual Certifications were inadequate. The Annual Reports did not detail the firm's supervisory controls, did not evidence testing of the procedures and did not identify any weaknesses in the firm's procedures. Lastly, HFG also failed to submit its notification of its reliance on the "Limited Size and Resources" exception for the calendar year 2008.

As a result of the foregoing conduct, HFG violated NASD Conduct Rules 3012, 3013, 2110 and IM-3013.

Failure to Conduct an Independent Test of the AML Program

NASD Conduct Rule 3011, which became effective on April 24, 2002, required NASD members to develop and implement a written AML program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. §5311, *et seq.*, and the regulations promulgated thereunder. NASD Conduct Rule 3011(c) requires that member firms conduct independent testing of their AML programs for compliance with the Bank Secrecy Act on an annual basis or every two years depending on the member firm's business. NASD issued Notice to Members 02-21 in April 2002 to notify NASD members of this requirement. NASD reiterated this requirement in subsequent Notices to Members 02-47 (August 2002), 02-50 (August 2002), 02-78 (November 2002), 02-80 (December 2002), and 03-34 (June 2003).

HFG was on notice that it was required to conduct an independent test annually, yet HFG failed to conduct an independent test of its AML compliance program for 2007 and 2008.

As a result of the foregoing conduct, HFG violated NASD Conduct Rule 3011(c), IM-3011-1 and NASD Conduct Rule 2110.

Associating with a Statutorily Disqualified Individual

At various times from November 2007 through April 2008, HFG permitted RP, a statutorily disqualified person as defined under the Securities Exchange Act of 1934 and Article III of the FINRA By-Laws, to be associated with and conduct activities on behalf of the firm. Specifically, during the aforementioned time period, RP maintained an office inside of the premises of HFG, was routinely on-site at HFG and had regular contact with HFG customers.

As a result of the foregoing conduct, HFG violated Article III, Section 3(b) of FINRA's By-Laws and NASD Conduct Rule 2110.

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

Censure and a fine of \$25,000.

Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

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 it;
- 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:

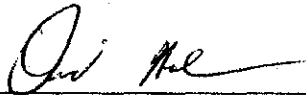
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;

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

The undersigned, on behalf of Huckin Financial Group, Inc., certifies that he is duly authorized to act on Huckin Financial Group, Inc.'s behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Huckin Financial Group, Inc. 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 Huckin Financial Group, Inc. to submit it.

Huckin Financial Group, Inc.

By:



David Huckin, President

5-9-11

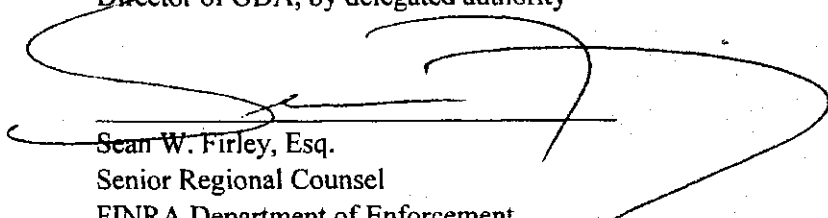
Date

Accepted by FINRA:

5/17/11

Date

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



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