

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

Department of Enforcement,

Complainant,

v.

**Hansueli Overturf,
CRD No. 4138916,**

Respondent.

**DISCIPLINARY PROCEEDING
No. 2009016832501**

HEARING OFFICER: AP

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

December 13, 2011

INTRODUCTION

Disciplinary Proceeding No. 2009016832501 was filed on July 11, 2011, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondent Hansueli Overturf ("Overturf" or "Respondent") submitted an Offer of Settlement ("Offer") to Complainant on November 17, 2011. 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.

BACKGROUND

Overturf, (CRD No. 4138916) entered the securities industry in January 2000 and became registered with a member firm in March 2000 as a general securities representative. Overturf became registered with Raymond James Financial Services, Inc. ("Raymond James" or the "Firm") in July 2003. He voluntarily resigned from Raymond James on December 31, 2008. In January 2009, Overturf became registered as a general securities representative, general securities principal and a municipal securities principal at another member firm. That member firm terminated Overturf's employment on July 13, 2009.

On January 30, 2009, FINRA received a Form U5 reporting that, while employed as a registered representative with Raymond James, Overturf took an unauthorized loan from a customer and used the Firm's name on a personal website without the Firm's permission.

Respondent is no longer associated with a FINRA member. FINRA retains jurisdiction over Respondent pursuant to Article V, Section 4 of the FINRA By-Laws as the conduct which serves as the basis for this action commenced prior to her termination from a member firm and this action was filed within two years after the effective date of his last termination of registration from a member firm.

FINDINGS AND CONCLUSIONS

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

First Cause of Action

1. From December 2004 to March 15, 2006, Overturf engaged in real estate related OBAs without providing prompt written notice to his member firm.

2. From March 15, 2006 to December 2008, Overturf provided real estate services to Firm customers after the Firm instructed him that he was not permitted to do.

3. At all times relevant, the Firm required its employees to submit an outside business activity disclosure form and receive Firm approval prior to engaging in an outside business activity. In addition, employees were required to submit an outside business activity disclosure form notifying the Firm when the employee ceased engaging in an approved outside business activity.

4. On June 14, 2004, Overturf submitted an outside business activity disclosure form requesting that he be allowed to engage in a real estate partnership with PW, a Firm customer. In the outside business activity disclosure form, Overturf wrote that he and PW were to purchase real estate in a "50/50" partnership and the title to the properties would be held jointly. PW was to provide the capital to purchase the properties and Overturf was going to locate, find financing and manage the properties. The request was approved the next day.

5. On September 15, 2004, Overturf submitted an outside business activity disclosure form requesting that he be allowed to engage in an outside business activity as a mortgage broker. In the outside business activity disclosure form, Overturf wrote that he would "help real estate owners refinance existing mortgages, arrange for financing of new real estate purchases." The Firm approved this outside business activity.

6. On December 30, 2004, Overturf requested approval to engage in an outside business activity as a real estate agent. The Firm denied this request for fear that Overturf would solicit Firm customers.

7. On February 16, 2005, Overturf submitted an outside business activity disclosure form informing the Firm that he was no longer in a real estate partnership with PW or acting as a

mortgage broker. Overturf's engagement in these outside business activities was terminated as of March 1, 2005.

8. In March 2006, Overturf submitted an outside business activity disclosure form, requesting that he and his sales assistant be approved to provide various real estate services. On March 15, 2006, Overturf's request was approved with certain conditions. The Firm, orally and in writing, informed Overturf that he and his sales assistant could not provide any real estate service to any Firm customer. In addition, all real estate business had to be completely separate from his Firm business. These conditions remained in effect throughout the remainder of Overturf's employment at the Firm.

9. On September 19, 2006, Overturf informed the Firm that he and his sales assistant would no longer be directly involved in real estate activity, instead they would only make referrals to other real estate agents. The Firm again reminded Overturf that he could not provide any real estate services to any Firm customer.

10. In May 2008, the Firm approved Overturf's request to engage in an OBA to sell Zrii, an energy drink, with the proviso that Overturf not sell Zrii to any Firm customer or solicit any Firm customer to sell Zrii.

11. PW and RW (the "Ws") were Overturf's customers at the Firm from 2003 until Overturf resigned from the Firm. During that time, Overturf located and recommended that the Ws purchase properties, accompanied the Ws to look at potential investment properties, helped the Ws finance and re-finance properties, complete and process loan and other paperwork and negotiated with and served as a liaison for the Ws with sellers, real estate agents, real estate brokers and other related parties.

12. For example, on behalf of the Ws, Overturf orchestrated the purchase of a property in Mesa, Arizona ("Mesa") in April 2005 and the sale of that property, along with the sale of a previously purchased property in Mesa, in or about September 2005.

13. In 2006, Overturf, on behalf of the Ws, also orchestrated the purchase of properties in Cape Coral, Florida ("Cape Coral"), Philadelphia, Pennsylvania ("Philadelphia") and Kansas City, Missouri, in April 2006, May 2006 and October 2006, respectively. In addition, in May 2007, Overturf orchestrated the purchase of a condominium in Yuma Bay, Dominican Republic ("Yuma Bay").

14. In 2008, Overturf solicited the Ws to purchase and sell Zrii. The Ws purchased approximately \$1,800 of Zrii.

15. GS and MS (the "GSs") were Overturf's customers at the Firm from 2003 until Overturf resigned from the Firm. During that time, Overturf located and recommended that the GSs purchase properties, helped the GSs finance and re-finance properties, complete and process loan and other paperwork and negotiated with and served as a liaison for the GSs with sellers, real estate agents, real estate brokers and other related parties.

16. Specifically, between December 2004 and March 2006, Overturf orchestrated the purchase and sale of approximately eight properties for the GSs. The GSs purchased four properties in Florida, two properties in Oklahoma and one property in both Arizona and New Mexico. These transactions occurred before Overturf had sought or received Firm approval for this outside business activity.

17. Between March 2006 and December 2008, Overturf orchestrated the purchase and sale of approximately of an additional three properties for the GSs. These properties included a property in Florida that Overturf arranged for the GSs to sell to the Ws and a property in Mesa,

Arizona that Overturf arranged a sale from customer ES to the GSs. These transactions occurred after Overturf had been given approval for the outside business but had been specifically instructed not to engage in such business with Firm customers.

18. DD and CD ("the Ds") were Overturf's customers at the Firm from 2003 until Overturf resigned from Raymond James.

19. In or about 2006, Overturf recommended that the Ds purchase a property in Yuma Bay and referred the Ds to a real estate agent for that purpose.

20. In or about 2006, the Ds purchased the Yuma Bay property for which Overturf received a referral fee.

21. GSH was Overturf's customer at the Firm from 2003 until Overturf resigned from Raymond James.

22. In 2005 and 2006, Overturf located and recommended that GSH purchase properties in Cape Coral and referred GSH to a real estate agent for that purpose. GSH bought the properties in or about November 2005 and September 2006 and Overturf received a referral fee.

23. In 2007, Overturf recommended that GSH purchase a condominium in the Dominican Republic and referred GSH to a real estate agent for that purpose. GSH bought the properties in or about October 2007 and Overturf received a referral fee.

24. LM and her husband, RF, were Overturf's customers at the Firm from 2003 until Overturf resigned from Raymond James.

25. Overturf referred LM and RF to real estate agents to purchase property. As a result of those referrals, LM and RF purchased two properties in Albuquerque, New Mexico, in May 2005 and June 2005, respectively and one property in Oklahoma City, Oklahoma

("Oklahoma City") in May 2008. Overturf received a referral fee when they purchased each of these properties.

26. JK was Overturf's customer at the Firm from 2003 until Overturf resigned from Raymond James.

27. In June 2005 and January 2006, respectively, Overturf located and recommended that JK purchase a house in Cape Coral and a condominium in Yuma Bay. JK bought both properties. Overturf received a referral fee when JK purchased each of these properties.

28. In or about 2006, Overturf referred JK to a real estate agent in order to purchase a property in Oklahoma City. JK purchased the property and Overturf received a referral fee.

29. The BSs were Overturf's customers at the Firm from 2003 until Overturf resigned from Raymond James.

30. In or about August 2005 and September 2005 Overturf referred the BSs to real estate agents to purchase properties in Cape Coral. The BSs purchased two properties in Cape Coral and Overturf received a referral fee for each.

31. ES was a customer of Overturf's at the Firm. Overturf referred ES to real estate agents to purchase property in Mesa.

32. ES purchased property in Mesa and Overturf received a referral fee for each.

Second Cause of Action

33. The Firm's procedures prohibited its employees from borrowing funds from Firm customers.

34. On September 26, 2008, PW, Overturf's customer at the Firm, agreed to lend \$90,000 to Overturf. Overturf did not seek or receive permission from his Firm to borrow the funds.

35. To prevent the Firm from learning of the loan, Overturf instructed PW to wire the funds from his Individual Retirement Account ("IRA") at the Firm to his credit union account and then to Mrs. Overturf. Overturf re-paid the loan within a few months.

36. On January 14, 2008, RW, Overturf's customer at the Firm and PW's wife, agreed to lend \$50,000 to Overturf. Overturf did not seek or receive permission from his Firm to borrow the funds.

37. To prevent the Firm from learning of the loan, Overturf instructed RW to wire the funds from her IRA at the Firm to her credit union account and then to Mrs. Overturf. Overturf re-paid approximately \$20,000.

Based on the foregoing, Respondent violated NASD Rule 3030 and 2110, as alleged in the First Cause of Action and NASD Rules 2370 and 2110 based on the Second Cause of Action.

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:

1. Suspended for one year from association with any FINRA member in all capacities.
2. Fined in the amount of \$10,000.

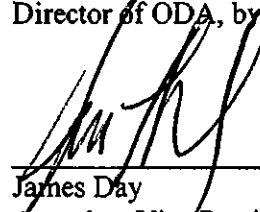
The fine shall be due and payable either immediately upon reassociation with a member firm following the one-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

A handwritten signature in black ink, appearing to read 'James Day', is written over a horizontal line.

James Day
Associate Vice President and Chief Counsel
FINRA Department of Enforcement
1801 K Street, NW
Washington DC 20006
Phone: (202) 974-2917
Fax: (202) 721-8303
Email: james.day@finra.org