

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090183344-1**

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

RE: Ryan Keith Hardy, Respondent
Registered Representative
CRD No. 5494752

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I [Ryan Keith Hardy "Hardy" or "Respondent"] submit 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 me alleging violations based on the same factual findings described herein.

I

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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 February 2008 with Wachovia Securities, LLC ("Wachovia" or the "Firm"). Respondent was dually employed by Wachovia Bank, NA (the "Bank"), the Firm's banking affiliate. In April 2008, he passed the Series 6 and Series 63 Exams. Hardy remained with the Firm as a Licensed Financial Specialist until his termination in May 2009 by the Bank and the Firm.

Although Hardy is not currently registered or associated with any member firm, Respondent remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of FINRA's By-Laws. The conduct that serves as the basis for this action commenced prior to his termination of registration from a member firm and the AWC is being filed within two years after the effective date of Respondent's termination of registration with a FINRA registered broker-dealer.

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OVERVIEW

From December 2008 through May 2009, Respondent misappropriated approximately \$8,585 from the accounts of three Bank customers by closing their accounts and withdrawing their funds for his personal use. Respondent informed the Bank that he closed the customer accounts with the intention of opening new accounts so as to qualify for sales incentives. He maintained the customer funds in his desk at work and at his home. All monies were later returned by Hardy to the customers. Respondent was terminated from his employment with Wachovia and the Bank in May 2009. By virtue of his conduct Respondent violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

1. As a Bank employee, Hardy had authorization to open and close customer bank accounts.
2. On December 17, 2008, Hardy closed a bank account belonging to Bank Customer VS and withdrew the balance of \$3,000.10. Hardy personally retained the funds for 27 days.
3. On January 13, 2009, Hardy opened up a new account in Customer VS' name and deposited the \$3,000 he had previously withdrawn. Hardy closed this account on January 16, 2009 and withdrew the balance. The account's value was reduced to \$2,975.02, reflecting a \$25 fee incurred for closing the account plus two cents added for interest. Hardy personally retained these funds for four days.
4. On January 20, 2009 Hardy opened another account for Customer VS and deposited the \$3,000 he had previously withdrawn. He closed this bank account on January 26, 2009, withdrawing approximately \$3,000 in funds. Hardy maintained personal possession of the funds for 24 days and did not turn the money over to Customer VS.
5. On February 19, 2009, Customer VS inquired about the funds in her account and she was informed that the account had been closed.
6. The Bank's branch manager contacted Hardy, and told him about Customer VS' inquiry. Hardy immediately went to the branch office, and gave Customer VS \$3,000 in cash. Hardy explained that he forgot he was holding Customer VS' money, which he maintained he was keeping in his office desk drawer for safekeeping, until she inquired about it on February 19, 2009.

7. On April 6, 2009, Hardy closed an account belonging to Bank Customer CD, withdrawing \$2,496.53 in cash, without her knowledge or permission. Hardy personally retained the funds for two days. On April 8, 2009, Hardy opened a new account in Customer CD's name in the amount of \$2,496.53.
8. On May 6, 2009, Hardy closed the bank account belonging to Customer CD, without her knowledge or permission withdrawing \$2,496.63. He maintained personal possession of the funds and did not turn them over to Customer CD.
9. On April 13, 2009, Hardy closed a bank account belonging to Bank Customer MS, withdrawing \$3,087.93, without her knowledge or permission. Two days later on April 15, 2009, Hardy opened a new bank account for Customer MS, depositing the \$3,087.93 he had previously withdrawn.
10. Five days later on April 20, 2009, Hardy closed the bank account withdrawing \$3,087.94, without Customer MS' knowledge or permission. The next day on April 21, 2009, Hardy opened a new account for Customer MS and deposited the \$3,087.94.
11. On May 4, 2009, Hardy closed Customer MS' bank account, withdrawing \$3,087.96 in cash, without Customer MS' knowledge or permission. Hardy maintained personal possession of the funds and did not turn them over to Customer MS.
12. On May 8, 2009 during an interview with Bank investigative staff, Respondent acknowledged closing the bank accounts belonging to Customers VS, MS and CD. Hardy maintained that Customer VS wanted her bank account closed. Hardy further stated that Customer MS and Customer CD had no knowledge of his activity with their accounts, which he stated was to inflate his new account numbers for sales incentive purposes. Hardy said he targeted Customer MS and Customer CD because their bank accounts were dormant and they did not have on-line banking access. Hardy also stated that he took the funds from Customer MS and Customer CD to his home for safekeeping so as to eliminate the possibility of other Bank employees taking the funds from his desk.
13. Following his statement to Bank investigators, Respondent left the Bank offices and returned shortly thereafter with two envelopes containing all of the funds from Customer MS' account and Customer CD's account. The funds were returned to the customers.
14. The Firm terminated Hardy on May 8, 2009.

Respondent violated FINRA Rule 2010 in that he failed to observe high standards of commercial honor and just and equitable trade practices by converting customer funds.

I also consent to the imposition of the following sanction(s):

1. A bar from acting in any and all capacities with any member firm.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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).

The sanction(s) 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 AWC.

II

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; and
- C. If accepted:
 - 1. This AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me [the Firm] to submit it.

x 8/13/10
Date

x Ryan Hardy
Ryan Keith Hardy, Respondent

Accepted by FINRA:

9/27/10
Date

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

L Riefberg
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