

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

vs.

SEAN K. HANNON
(CRD No. 4296260),

Respondent.

Disciplinary Proceeding
No. 2010022695501

Hearing Officer – MC

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: April 11, 2012

INTRODUCTION

Disciplinary Proceeding No. 2010022695501 was filed on January 30, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (“FINRA”) (“Complainant”). Respondent Sean K. Hannon submitted an Offer of Settlement (“Offer”) to Complainant dated April 2, 2012. 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

From May 18, 1998 through August 28, 2002, Hannon was associated with a FINRA member. He acquired a Series 7 license in January 2001, a Series 63 license in September 2001, and a Series 65 license in October 2006. Hannon was not associated with a FINRA member between September 2002 and August 2008. On September 18, 2008, former FINRA member WallStreet*E Financial Services, Inc. filed a Form U4 for Hannon, commencing his association with the firm as of September 4, 2008. Hannon reacquired a Series 7 license in October 2008 and a Series 63 license in December 2008. On April 30, 2010, WSE filed a Form U5 for Hannon, terminating his association with the firm as of that date. Hannon currently is not associated with a FINRA member. Although Hannon is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because: (a) the Complaint was filed within two years after the effective date of termination of his registration with WSE, namely April 30, 2010; and (b) the Complaint charges him with failing to appear for on-the-record testimony during the two-year period after the date when he ceased to be registered or associated with a member.

On October 6, 2011, pursuant to Article VI, Section 3 of FINRA's By-Laws and FINRA Rule 9554, FINRA suspended Hannon from association with any member for his failure to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of his compliance. The suspension arose out of an Arbitration Award against Hannon.

On November 30, 2011, pursuant to Article VI, Section 3 of FINRA's By-Laws and Rule

9554, FINRA suspended Hannon from association with any member for his failure to comply with another arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of his compliance. The suspension arose out of another Arbitration Award against Hannon.

FINDINGS AND CONCLUSIONS

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

1. Sean K. Hannon failed to provide investigative testimony on two occasions, in violation of FINRA Rules 8210 and 2010.
2. From May 18, 1998 through August 28, 2002, Hannon was associated with a FINRA member.
3. He acquired a Series 7 license in January 2001, a Series 63 license in September 2001, and a Series 65 license in October 2006.
4. Hannon was not associated with a FINRA member between September 2002 and August 2008.
5. On September 18, 2008, former FINRA member WallStreet*E Financial Services, Inc. (“WSE”) filed a Form U4 for Hannon, commencing his association with the firm as of September 4, 2008.
6. Hannon reacquired a Series 7 license in October 2008 and a Series 63 license in December 2008.
7. On April 30, 2010, WSE filed a Form U5 for Hannon, terminating his association with the firm as of that date.
8. Hannon currently is not associated with a FINRA member.

9. Although Hannon is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because: (a) the Complaint was filed within two years after the effective date of termination of his registration with WSE, namely April 30, 2010; and (b) the Complaint charges him with failing to appear for on-the-record testimony during the two-year period after the date when he ceased to be registered or associated with a member.

10. In 2011 and 2012, FINRA staff was investigating allegations of misconduct asserted against Hannon in an arbitration initiated by EH and NH and in an arbitration initiated by MP.

11. Specifically, EH and NH alleged that Hannon had recommended unsuitable investments to them, made excessive trades in their accounts, omitted to disclose material facts to them about the trading, and provided them with false account summaries; and MP alleged that Hannon had recommended unsuitable investments to her, made unauthorized and excessive trades in her account, and omitted to disclose material facts to her about the trading.

12. On June 21, 2011 and again on August 9, 2011, pursuant to FINRA Rule 8210, the staff sent a letter to Hannon, wherein the staff requested that he provide it with certain information for its investigation.

13. In an August 23, 2011 letter, Hannon provided the staff with a written response to the information requests.

14. After reviewing Hannon's response, the staff determined that it needed to take Hannon's testimony.

15. Accordingly, on November 15, 2011, in connection with the investigation and pursuant to FINRA Rule 8210, the staff sent a letter to Hannon, wherein the staff requested that

he provide investigative testimony at the FINRA Florida District Office (“Office”) on December 14, 2011 (the “November 15th Request”).

16. The staff sent the November 15th Request to Hannon by certified and first class mail to his residential address reflected in the CRD (“CRD Address”) – the most current address for him known by the staff.

17. The mail receipt for the certified mailing of the November 15th Request indicates that the letter was delivered on November 22, 2011; the signature on the receipt is illegible. The United States Postal Service (“USPS”) has not returned the first class mailing of the November 15th Request to the Office.

18. Hannon did not appear for, or provide, testimony on December 14, 2011.

19. On December 21, 2011, in connection with the investigation and pursuant to FINRA Rule 8210, the staff sent a letter to Hannon, wherein the staff requested that he provide investigative testimony at the Office on January 11, 2012 (the “December 21st Request”).

20. The staff sent the December 21st Request to Hannon by e-mail and by certified and first class mail to his CRD Address.

21. The mail receipt for the certified mailing of the December 21st Request indicates that the letter was delivered on or about December 27, 2011; the signature on the receipt is illegible. The USPS has not returned the first class mailing of the December 21st Request to the Office.

22. Moreover, Hannon acknowledged receipt of the December 21st Request in a December 21, 2011 e-mail to the staff.

23. Hannon did not appear for, or provide, testimony on January 11, 2012.

24. Hannon’s failure to provide testimony has impeded the staff’s investigation.

25. FINRA Rule 8210 requires persons associated with a member and others subject to its jurisdiction to provide documents, information, and investigative testimony to FINRA in connection with, among other things, an investigation or examination.

26. FINRA Rule 2010 requires associated persons, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.”

27. Hannon failed to provide investigative testimony on December 14, 2011 and January 11, 2012, as requested by the staff in accordance with, and pursuant to, FINRA Rule 8210.

Based on the foregoing, Respondent violated 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 association with any FINRA member in all capacities.

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

A handwritten signature in black ink, reading "Michael A. Gross". The signature is written in a cursive style and is positioned above a horizontal line.

Michael A. Gross, Esq.
Senior Regional Counsel
Authorized House Counsel
Member of Ohio Bar Only
FINRA – Department of Enforcement
Crystal Corporate Center
2500 N. Military Trail, Suite 302
Boca Raton, FL 33431-6324
(561) 443-8125; (561) 443-7998 (fax)
michael.gross@finra.org