

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100241125**

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

RE: Ryan G. Lockhart, Respondent
Former Registered Representative
CRD No. 4528122

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Ryan G. Lockhart 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 Ryan Lockhart 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

Ryan G. Lockhart, age 30, registered with Uvest Financial Services Group, Inc., a FINRA-regulated entity, in January of 2008, and with another FINRA-regulated entity, Essex National Securities, Inc., in May of 2010. He received his Series 7 and 66 registrations in February and March of 2008, respectively.

While working as a registered representative at Uvest and Essex, he also worked as a management trainee at First Commonwealth Bank, starting in October of 2006. He began working at the bank as a teller in February of 2004.

On August 2, 2010, Lockhart resigned from First Commonwealth Bank while under investigation for the theft of client funds. Essex National Securities, Inc. terminated him the same day, reporting on a Form U5 that it took action because Lockhart had left the bank under a pending theft investigation.

After leaving Essex National Securities and First Commonwealth Bank, Lockhart joined another FINRA-regulated entity in September of 2010 as a financial consultant. Lockhart resigned his position on May 25, 2011, after informing FINRA through counsel that he would not cooperate further with FINRA's investigation.

RELEVANT DISCIPLINARY HISTORY

Respondent has no disciplinary history.

OVERVIEW

Between February and July 2010, while registered with Uvest and then Essex, Lockhart signed six checks from the accounts of First Commonwealth Bank customers without authorization and deposited the proceeds, a total of \$13,500, into his own bank account.

On May 24, 2011, counsel for Lockhart informed FINRA that Lockhart would not appear for an interview and would not cooperate further with FINRA's investigation.

In transferring funds from bank customer accounts without authorization, Lockhart failed to meet the "high standards of commercial honor and just and equitable principles of trade" required of FINRA members in violation of FINRA Rule 2010. By refusing to cooperate with an authorized FINRA investigation, he violated FINRA Rule 8210.

FACTS AND VIOLATIVE CONDUCT

Conversion of Bank Customer Funds

Between February and July 2010, Mr. Lockhart cashed six checks from customer accounts without authorization, depositing the cash into his own account on each occasion:

1. On February 5, Ryan Lockhart signed a check for \$1,000 from the joint account of customers LF and EF payable to cash, handwriting LF's and EF's account number on the check; on the same day, Lockhart deposited \$1,000 into one of his own bank accounts.
2. On April 23, Lockhart signed a check for \$1,000, payable to cash, handwriting the account number of bank customer RV by hand; on the same day, he deposited \$800 in one of his own banking accounts.
3. On May 10, he signed a check for \$500, payable to cash, from the joint account of bank customers JL and JL, writing the customers' account number by hand; on the same day, he deposited \$500 into one of his own bank accounts.
4. On May 24, he signed a check for \$1,000 payable to cash, handwriting the account

number of bank customer RV on the check; Lockhart deposited \$1,000 the same day into one of his checking accounts.

5. On July 7, he signed a check for \$2,000 payable to cash, handwriting the account number for bank customer RV on the check; on the same day, Lockhart deposited \$2,000 into one of his bank accounts.
6. On July 28, Lockhart signed a check for \$8,000 from the joint account of bank customers JL and JL, handwriting their account number on the check; on the same day, Lockhart deposited \$8,000 into one of his bank accounts.

The six transactions totaled \$13,500. On August 2, 2010, bank officials informed Lockhart that he had withdrawn the funds without authorization. Lockhart subsequently offered to and did repay the amounts withdrawn from the customer accounts with interest. None of the withdrawals involved funds from an account held at a FINRA-regulated entity. Lockhart resigned from the bank on the evening of August 2.

In withdrawing \$13,500 from customer bank accounts without permission or authorization from the customers or the bank, Lockhart converted the funds. He therefore failed to "observe [the] high standards of commercial honor and just and equitable principles of trade" required of FINRA members under Rule 2010.

Failure to Cooperate

On March 25, 2011, the Enforcement Department served a written request via certified U.S. mail on Lockhart at the residential address set forth in FINRA's CRD System that he appear for testimony under oath on oral examination pursuant to FINRA Rule 8210 on May 12. At Mr. Lockhart's request, that date of the interview was rescheduled to May 26, which was confirmed in writing via certified U.S. mail served at the same address and email. On May 24, Lockhart's counsel notified FINRA staff verbally that Mr. Lockhart would not appear for an on-the-record interview and that he would resign from his broker-dealer and would not cooperate further with FINRA's investigation. This was confirmed in writing by Lockhart's counsel on May 26.

Under FINRA Rule 8210, members are required to cooperate with FINRA staff engaged in an "investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules," and to "testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding." By refusing to provide testimony or cooperate further with FINRA's investigation, Lockhart breached Rule 8210.

B. I also consent to the imposition of the following sanctions:

A bar from association with any member of FINRA in any capacity.

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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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 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 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:

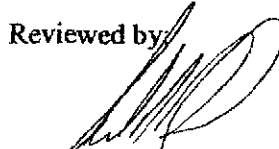
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

6/10/2011
Date


Ryan G. Lockhart, Respondent

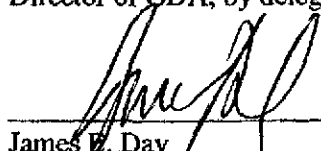
Reviewed by:


Joel R. Beck
Counsel for Respondent
The Beck Law Firm, LLC
2330 Scenic Highway
P.O. Box 958
Snellville, GA 30078
(678) 344-5342

Accepted by FINRA:

6/16/11
Date

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


James E. Day
AVP and Chief Counsel
FINRA Department of Enforcement
1801 K Street, NW
Washington, DC 20006
(202) 974-2917 (phone)
(202) 721-8303 (fax)