

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025644101**

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

RE: Global Hunter Securities, LLC, Respondent
[CRD No. 123003]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Global Hunter Securities, LLC (hereinafter, "Global Hunter" or "the Firm") 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 Global Hunter alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Global Hunter 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

Global Hunter is registered with the Securities and Exchange Commission as a broker-dealer and has been a FINRA member since March 13, 2003. The Firm is headquartered in New Orleans, Louisiana. It currently employs approximately 100 registered individuals and has eight branch offices.

RELEVANT DISCIPLINARY HISTORY

On November 21, 2011, FINRA accepted an AWC (Case No. 20100243309) whereby Global Hunter was censured and fined \$8,500 fine for failing to transmit reportable order events to the Order Audit Trail System in violation of FINRA Rule 7450.

FACTS AND VIOLATIVE CONDUCT

1. During the time period, from January 1, 2010, through February 13, 2011, Global Hunter failed to establish and maintain an adequate system for the supervision of written communications of associated persons conducted in a foreign language. Specifically, during the stated time period, certain aspects of the Firm's research and investment banking businesses involved written communications in Mandarin Chinese, though the Firm lacked supervisory personnel with fluency in that language. As a result, the Firm lacked the ability to effectively monitor those communications.

As a result of such conduct, Global Hunter violated NASD Conduct Rules 3010, subparagraphs (a) and (d), and FINRA Rule 2010.

2. During the time period, from January 1, 2010, through December 31, 2010, Global Hunter failed to establish and maintain an adequate system for the monitoring of employee trading activity in accounts held at other FINRA member firms. Specifically, during the stated time period, Global Hunter failed to enforce its own procedures requiring that newly-hired personnel disclose their outside brokerage accounts, and the Firm failed to adequately monitor employee trading activity in such accounts. As a result of this failure, Global Hunter failed to identify improper trading activity by a member of its research department in an account held at another FINRA member firm.

As a result of such conduct, Global Hunter violated NASD Conduct Rules 3010, subparagraphs (a) and (b), and FINRA Rule 2010.

3. During the time period, from January 1, 2010, through December 31, 2010, Global Hunter did not have an information barriers program that was reasonably designed to detect and prevent the misuse of material, nonpublic information by employees.

In March 1990, the SEC's Division of Market Regulation issued a report (hereinafter, "SEC Report") identifying the necessary elements of an adequate Chinese Wall (now referred to as "information barriers") program. An information barriers program is intended to prevent misuse by a firm or its employees of material, nonpublic information that a firm may obtain through its investment banking business. The SEC Report stated that the minimum elements of an information barriers program include the "review of employee and proprietary trading, memorialization and documentation of firm procedures, substantive supervision of inter-departmental communications by the firm's compliance department, and procedures concerning proprietary trading when the firm is in possession of material, non-public information."

As a result of the SEC Report, the NYSE and NASD (n/k/a FINRA) issued a joint memorandum entitled “91-45 NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures” (hereinafter, “Joint Memo 91-45”). The memorandum explains the minimum elements of adequate information barrier policies and procedures under the requirements of the Securities Fraud Enforcement Act of 1988.

For firms that engage in investment-banking business, Joint Memo 91-45 states that the minimum requirements include, but are not limited to, the following three items: (i) written procedures for maintenance of a watch/restricted list; (ii) watch/restricted list documentation that includes the date and time a security was added to or deleted from the list and the name of a contact person who can answer specific questions regarding the timing of the addition or deletion of the security from the list; and (iii) the monitoring of employee trading in outside accounts for transactions in securities listed on the watch/restricted list.

As set forth in Joint Memo 91-45, a firm’s procedures should explain why, when, and how a security is added to the watch/restricted and the activities that are prohibited or restricted while a security is on the list.

During the stated time period, Global Hunter maintained a restricted list but did not maintain the list in the manner required by the Firm’s own procedures or by Joint Memo 91-45. Specifically, the Firm’s procedures required that an issuer’s security be added to the restricted list upon the establishment of an investment-banking relationship between the issuer and the Firm. The Firm, however, added securities to the list in a haphazard manner and, in some cases, several days after the investment-banking relationship had been established. In addition, the Firm’s documentation relating to the restricted list was inadequate. Contrary to the specific requirements of Joint Memo 91-45, the Firm’s restricted list did not reflect when the particular security was added to or removed from the list. The documentation also did not identify the contact person, such as the involved investment banker or research analyst, who was responsible for adding or removing the security, or identify a particular person who could answer specific questions regarding the timing of the addition or removal of the security from the restricted list. Additionally, as already mentioned, during the referenced time period, Global Hunter did not adequately monitor employee trading activity in accounts held at other FINRA member firms for transactions involving securities on the restricted list.

As a result of such conduct, Global Hunter violated NASD Conduct Rule 3010(b) and FINRA Rule 2010.

4. During the time period, from January 1, 2009, through February 14, 2011, Global Hunter issued equity security research reports that failed to comply with the disclosure requirements of NASD Conduct Rule 2711(h). Specifically:
 - a. Seventeen reports stated on the front page: "See analyst certification and other important disclosures at the end of this report." As stated in Notice to Members 04-18, a notation on the first page that refers readers to the "end of the report" is not sufficient.
 - b. Two reports did not disclose that the Firm had received compensation for investment banking services from the subject company in the past 12 months as required by NASD Conduct Rule 2711(h)(2)(A)(ii)(b).
 - c. Seven research reports failed to disclose that the Firm had managed or co-managed a public offering of securities for the subject company in the past 12 months as required by NASD Conduct Rule 2711(h)(2)(A)(ii)(a).
 - d. Twelve research reports contained the statement: "Global Hunter Securities, LLC does and seeks to do business with the companies covered in this research report." Such disclosure lacks the specificity required by NASD Conduct Rule 2711(h)(10).
 - e. Seventeen reports contained the statement: "the firm, its affiliates, or its employees may buy or sell securities of the company covered." As stated in Notice to Members 04-18, firms may not use conditional or indefinite language in research report disclosures.
 - f. Three reports did not contain adequate disclosures and information pertaining to price targets as required by NASD Rule 2711(h)(7).

As a result of such conduct, Global Hunter violated NASD Conduct Rule 2711(h), subparts (2), (7), and (10), and FINRA Rule 2010.

5. During the time period, from January 1, 2009, through February 14, 2011, Global Hunter failed to comply with the restrictions imposed under NASD Conduct Rule 2711(d)(2) with respect to relationships between its investment banking and research departments. During the stated time period, Global Hunter permitted its Chief Executive Officer to serve on the research analyst compensation committee, despite his substantial involvement in the Firm's investment banking business.

As a result of such conduct, Global Hunter violated NASD Conduct Rule 2711(d)(2) and FINRA Rule 2010.

6. At various times during 2010 and 2011, Global Hunter disseminated to prospective customers a promotional slide presentation regarding particular services offered by the Firm. The presentation was not fair and balanced and lacked required risk disclosures. In addition, the presentation did not provide a sound basis for evaluating certain representations made in the presentation regarding the services discussed.

As a result of such conduct, Global Hunter violated NASD Conduct Rule 2210(d)(1), subparts (A), (B), and (D), and FINRA Rule 2010.

7. During the time period, from January 1, 2009, through June 30, 2011, Global Hunter failed to obtain FINRA approval prior to effecting a material change in its business operations, in violation of NASD Rule 1017. NASD Rule 1017(a) requires a member firm to file an application with FINRA for approval of certain changes to its ownership, control, or business operations, including a material change to its business operations. NASD Interpretative Material IM-1011-1 establishes a safe harbor for certain business expansions, which are presumed not to be a material change in business operations. Relevant here, the safe harbor allows firms with 11 or more sales personnel to add 10 more such persons or to increase the number of such persons by 30%, whichever number is greater, over a year's time. IM-1011-1 provides that such personnel expansions are measured on a "12 month rolling basis," meaning that the number of sales personnel that a firm is allowed to add is based on the number it had 12 months earlier. During the stated time period, Global Hunter increased its sales personnel by 22 persons in excess of the limitations of the safe harbor provisions.

As a result of such conduct, Global Hunter violated NASD Rule 1017(a) and FINRA Rule 2010.

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

A censure and a fine in the amount of \$150,000.

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

Global Hunter specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Global Hunter 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, Global Hunter 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.

Global Hunter 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

Global Hunter 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 Global Hunter; and

C. If accepted:

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

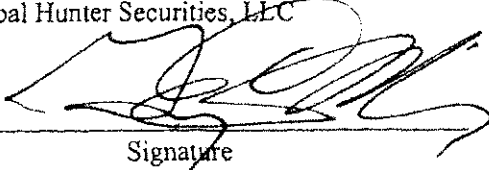
- D. Global Hunter may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Global Hunter understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement 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 Global Hunter, certifies that a person duly authorized to act on behalf of the Firm has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Global Hunter 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 Global Hunter to submit it.

1/30/2013
Date (mm/dd/yyyy)

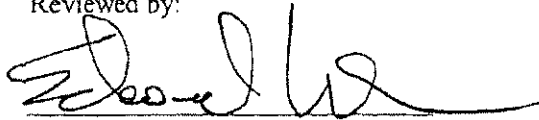
Global Hunter Securities, LLC

By:


Signature

GARY MEINDLER - General Counsel
Name/Title (please print)

Reviewed by:



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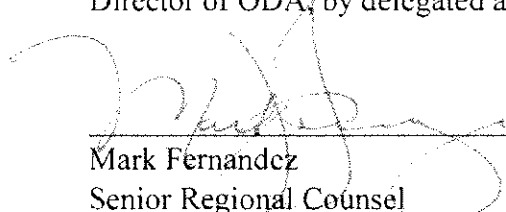
Counsel for Global Hunter Securities, LLC

Accepted by FINRA:

February 15, 2013

Date

Signed on behalf of the
Director of ODA by delegated authority

A handwritten signature in dark ink, appearing to read 'Mark Fernandez', is written over a horizontal line.

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