

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025963101**

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

RE: Edward Daniel Hochard, Respondent
Investment Company and Variable Contracts Products Representative and Principal
CRD No. 1830418

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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.

L.

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

Edward Daniel Hochard ("Hochard") entered the securities industry in March 1988, when he was employed by First American National Securities, Inc. (now known as PFS Investments, Inc. ("PFS")). Hochard was first registered as an investment company and variable contracts products representative in June 1988, and was registered as an investment company and variable contracts products principal in December 1996. Hochard remained with PFS until December 2010. Hochard is not currently registered with a FINRA member firm and does not have a relevant disciplinary history.

OVERVIEW

Hochard personally purchased securities of an issuer in a private placement without providing prior written notice and obtaining approval from his FINRA member firm, in violation of NASD Conduct Rules 3040 and 2110. Hochard further opened and maintained a securities account with a FINRA member firm without providing notice to the FINRA member firm that he was employed by another FINRA member firm. Hochard also failed to provide notice of such account to his employing FINRA member firm, in violation of NASD Conduct Rules 3050 and 2110 and FINRA Rule 2010 (for conduct commencing on Dec. 15, 2008).

FACTS AND VIOLATIVE CONDUCT

Private Securities Transaction

Hochard is a longtime friend of the president of AMLI, a private company involved with research related to electromagnetics. AMLI sold common stock in a private offering that commenced in 2007. During 2007, while associated with PFS, Hochard personally purchased 1,000 shares of AMLI

common stock for the total amount of \$10,000, directly from AMLI in the private offering.

Hochard did not provide prior written notice to PFS of his intent to participate in the purchase of AMLI common stock in a private transaction, nor did he receive approval from PFS to purchase the AMLI common stock.

Such acts, practices and conduct constitute violations of NASD Conduct Rules 3040 and 2110 by Respondent Hochard.

Undisclosed Securities Account with another FINRA Member Firm

In October 2007, while associated with PFS, Hochard opened a Roth IRA account with another FINRA member firm. When Hochard completed the new account form to open the account he falsely answered "NO" to the question regarding "NASD Affiliation." Hochard then deposited the AMLI stock, which he had purchased without notice to PFS, into the account he opened at the other FINRA member firm. Hochard's account with the other FINRA member firm remains open and he continues to hold 10,000 shares of AMLI common stock in the account.¹ Hochard further failed to disclose to PFS that he had opened a securities account with another FINRA member firm.

PFS requires its representatives to complete an annual Attestations & Representations Report ("Report"). On March 31, 2008, Hochard completed his 2008 Report and submitted the report to PFS. Hochard indicated "NO" to the question: "Have you opened up an outside Brokerage Account for which [PFS] has not been notified?" On June 6, 2009, Hochard again answered "NO" to the question regarding outside brokerage accounts on his 2009 Report, which he provided to PFS. On November 2, 2010, Hochard once again marked "NO" for the question regarding outside brokerage accounts on his 2010 Report, which was also provided to PFS. Such representations were false and inaccurate.

Such acts, practices and conduct constitute violations of NASD Conduct Rules 3050 and 2110 and FINRA Rule 2010 (for conduct commencing on December 15, 2008) by Respondent Hochard.

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

- A \$15,000 fine; and
- A six-month suspension from associating with any FINRA member firm in all capacities.

The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month 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.

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).

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

¹ As indicated above, Hochard purchased 1,000 shares of AMLI. In September 2008 AMLI had a 10 for 1 split increasing the shares owned by Hochard to 10,000 shares.

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

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:

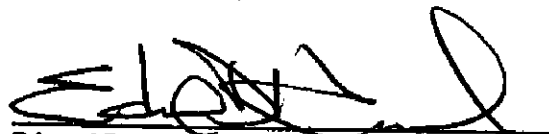
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

12-11-12

Date

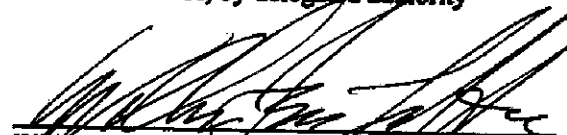

Edward Daniel Hochard, Respondent

Accepted by FINRA:

12/18/12

Date

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


William Brice La Hue, Senior Regional Counsel
FINRA, Department of Enforcement
One Securities Centre, Suite 500
3490 Piedmont Road, N.E.
Atlanta, Georgia 30305
(404) 239-6111; Fax: (404) 264-1586
E-Mail: brice.lahue@finra.org