

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033296802**

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

RE: Scott Howard Altman ("Altman"), Respondent
General Securities Representative
CRD No. 1017265

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.

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

Altman entered the securities industry in November 1987, when he became associated with a FINRA-regulated entity as a General Securities Representative. He remained there until August 1989. Between August 1989 and March 2008, Altman was associated with two different FINRA-regulated entities as a General Securities Representative. In March 2008, Altman joined Wells Fargo Advisors, LLC ("Wells Fargo" or the "Firm") as a General Securities Representative, where he remained until June 2012, when his employment was terminated for initiating wire transfers and placing trades in a client account without first speaking with the client after receiving fraudulent wire instructions via email. Altman is currently associated with another FINRA-regulated entity.

RELEVANT DISCIPLINARY HISTORY

Altman has no prior disciplinary history.

OVERVIEW

On May 7, 2012 and May 9, 2012, Altman and DM, his sales assistant, received fraudulent emails from someone purporting to be a Firm customer (the "Customer") requesting two wire transfers. In actuality, the email requests were from an imposter. In order to fund the wire transfers, Altman effected four trades, totaling approximately \$110,570, in the Customer's account without her knowledge or authorization.

As a result, Altman violated FINRA Rule 2010 by making unauthorized trades in the Customer's account.

FACTS AND VIOLATIVE CONDUCT

Relevant Rules

FINRA Rule 2010 provides that "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade." A registered person's execution of unauthorized trades in a customer's account is considered conduct that is inconsistent with the just and equitable principles of trade and violates the high standard of commercial honor required of individuals associated with FINRA-regulated entities.

May 7, 2012 Transactions

On May 7, 2012, Altman received an email from the Customer's personal email account requesting the information necessary to initiate an outgoing domestic wire transfer. Altman forwarded this email to DM and assigned her the task of completing the transfer request. The email was actually sent by an imposter. Because the amount of the requested wire transfer was greater than the available cash in the Customer's account, Altman liquidated two mutual funds totaling \$26,000 in order to fund the wire transfer. Altman did so without the Customer's knowledge or authorization.

May 9, 2012 Transactions

On May 9, 2012, DM received an email from the same Customer's personal email account requesting the information necessary to initiate an international wire transfer. The email was actually sent by an imposter. Because the amount of the requested wire transfer was greater than the available cash in the Customer's account, Altman sold 600 shares of Security A and 600 shares of Security B, totaling approximately \$84,570, in order to fund the wire transfer. Altman did so without the Customer's knowledge or authorization.

Violations

Altman's execution of four transactions without the Customer's knowledge or authorization violated FINRA Rule 2010.

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

- A 20-business-day suspension from association with any FINRA member firm in all capacities; and
- A \$5,000 fine.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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.

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.

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: (i) testimonial obligations; or (ii) 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.

6-6-14
Date

Scott Howard Altman
Scott Howard Altman

Reviewed by:

Andrew J. Dorman, Esquire
Counsel for Respondent
Reminger Co., LPA
101 West Prospect Avenue, Suite 1400
Cleveland, OH 44115
(216) 430-2169

Accepted by FINRA:

6-16-14
Date

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

Richard R. Best
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