

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035712201**

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

RE: Huntington Investment Company, Respondent
Member
CRD No. 16986

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Huntington Investment Company ("Huntington" 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 it alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Huntington 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

Huntington was approved for FINRA membership on January 2, 1986 and the firm's registration remains in effect. The firm operates pursuant to SEC Rule 15c3-3(k)(2)(ii) when conducting a securities business on a fully disclosed basis and pursuant to SEC Rule 15c3-3(k)(2) (i) when conducting a securities businesses in mutual funds on a wire order basis. The firm employs 1,175 registered representatives and currently has 16 offices of supervisory jurisdiction ("OSJ") and 644 non-OSJ branch offices.

RELEVANT DISCIPLINARY HISTORY

On October 10, 2008 Huntington accepted an AWC in which the firm was censured and fined \$6,000 for violation of MSRB Rule G-14. During the period of January 1, 2007 through March 31, 2007 the firm failed to report information regarding 71 purchase and sale transactions effected in municipal securities to the Real-time Transaction Reporting System ("RTRS") in the manner prescribed by Rule G-14 RTRS Procedures and the RTRS Users Manual. Specifically, the firm

failed to report information about such transactions within 15 minutes of Time of Trade to an RTRS Portal. These transactions constituted more than six percent of the transactions reviewed that the firm was required to report to the RTRS during the review period.

OVERVIEW

Huntington, from March 28, 2011 through January 30, 2012 (the "Initial Review Period"), failed to: (1) provide notice to the MSRB via EMMA that no preliminary official statement or official statement were to be prepared for bond anticipation note offerings in violation of MSRB Rule G-32; (2) timely file advance notice refunding documents with the MSRB via EMMA in violation of MSRB Rule G-32; (3) adopt, maintain, and enforce written supervisory procedures ("WSPs") reasonably designed to ensure compliance with MSRB Rules in violation of MSRB Rule G-27(c); and (4) disclose political contributions in violation of MSRB Rule G-37. Following the initial examination, from January 31, 2012 until September 4, 2013 (the "Follow-up Review Period"), Huntington failed to: (5) timely file advance notice refunding documents with the MSRB via EMMA in violation of MSRB Rule G-32; and (6) adequately enforce its revised WSPs in violation of MSRB Rule G-27(c).

FACTS AND VIOLATIVE CONDUCT

Failure to Disclose Certain Information with the MSRB

1. MSRB Rule G-32 provides special rules for offerings exempt from Exchange Act Rule 15c2-12 where no official statement or preliminary official statement has been prepared. When an offering is exempt from Exchange Act Rule 15c2-12 and no statements exist, the underwriter must make an appropriate disclosure to EMMA on or before the closing date of the offering that neither an official statement nor a preliminary official statement has been prepared.
2. Huntington was engaged in bond anticipation note offerings exempt from SEC Rule 15c2-12 during the Initial Review Period and therefore the firm was subject to MSRB Rule G-32.
3. During the Initial Review Period, Huntington failed to provide notice to the MSRB via EMMA that no preliminary official statement or official statement were to be prepared for bond anticipation note offerings the firm participated in.

As a result of the foregoing conduct, Respondent Huntington violated MSRB Rule G-32.

Failure to File Advance Refunding Documents

1. MSRB G-32 provides, in pertinent part, that “[i]f a primary offering advance refunds outstanding municipal securities and an advance refunding document is prepared, each underwriter in such offering shall, by no later than five business days after the closing date, submit: (A) the advance refunding document to EMMA; and (B) all information required to be submitted by Form G-32 relating to the advance refunding document as required under subsection (b)(vi) of this rule and as set forth in the EMMA Dataport Manual.”
2. During the Initial Review Period, Huntington engaged in advance refund offerings, and failed to file advance refunding documents with the MSRB via EMMA in each of the three advance refunding offerings that the firm participated in as the sole or senior underwriter.
3. After examination, during the Follow-up Review Period, Huntington continued its violative conduct by not filing three advanced refunding documents with the MSRB via EMMA, and filing another five advance refunding offerings late by an average of 14 days.

As a result of the foregoing conduct, Respondent Huntington violated MSRB Rule G-32.

Failure to Establish and Maintain Adequate Written Supervisory Procedures

1. MSRB Rule G-27(c) requires the adoption and enforcement of WSPs that are reasonably designed to ensure that a broker-dealer conducts its municipal securities activities in accordance with MSRB rules.
2. During the Initial Review Period, Huntington’s WSPs were deficient because, although the firm’s procedures partially outlined the firm’s responsibilities with regard to filings to be made with the MSRB and disclosures to be provided to customers, the firm’s procedures failed to provide an adequate system for ensuring that such responsibilities were met.
3. During the Follow-up Review Period, Huntington failed to enforce its newly-revised WSPs, resulting in its continued violation of MSRB G-32 by failing failing to make three required disclosures via EMMA to the MSRB and by filing late another five disclosures via EMMA to the MSRB.

As a result of the foregoing conduct, Respondent Huntington violated MSRB Rule G-27(c).

Failure to Disclose Political Contributions

1. MSRB Rule G-37 requires disclosure of contributions made by Municipal Finance Professionals (“MFPs”) or non-MFP executives, unless the contributions

are made "to an official of an issuer for whom such person is entitled to vote if all contributions by such person to such official of an issuer, in total, do not exceed \$250 per election."

2. During the Relevant Period, Huntington failed to disclose four political contributions made by a non-MFP executive at the firm. Three of the political contributions, which totaled between \$2,500 and \$3,500, were made during the third quarter of 2010. The fourth political contribution was for \$1,000 and was made during the fourth quarter of 2011.

As a result of the foregoing conduct, Respondent Huntington violated MSRB Rule G-37.

B. The firm also consents to the imposition of the following sanctions:

A censure and a fine of \$25,000.

The firm agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. The firm has submitted an Election of Payment form showing the method by which the firm proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that the firm 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

Huntington 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, Huntington 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.

Huntington 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

Huntington 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 the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm'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 the firm'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. Huntington 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. The firm 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 the firm's: (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. Huntington may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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.

<remainder of page intentionally left blank>

The undersigned, on behalf of Huntington, certifies that a person duly authorized to act on its behalf has read and understood all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it 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 the firm to submit it.

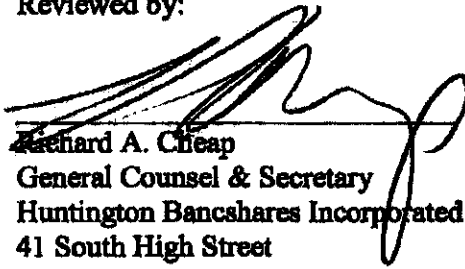
1/29/14
Date (mm/dd/yyyy)

Respondent

Huntington Investment Company

By: 

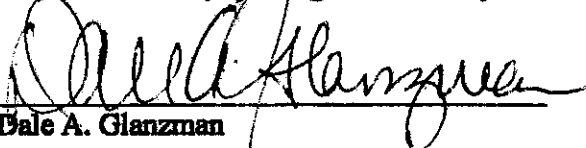
Reviewed by:


Richard A. Cheap
General Counsel & Secretary
Huntington Bancshares Incorporated
41 South High Street
Columbus, Ohio 43287
(p) 614.480.4647
(f) 614.480.5485

Accepted by FINRA:

02/20/2014
Date

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


Dale A. Glanzman
Senior Regional Counsel
FINRA Department of Enforcement
55 W. Monroe St., Suite 2700
Chicago, IL 60603
(p) 312.899.4312; (f) 312.899.4600