

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036030001**

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

RE: Laradorbecker Securities Corporation
Member Firm
CRD No. 104440

Cindy Leah Hanerhoff
General Securities Principal
CRD No. 1084549

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Laradorbecker Securities Corporation ("Laradorbecker" or the "firm") and Cindy Leah Hanerhoff ("Hanerhoff") (collectively "Respondents") 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 Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondents 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

Laradorbecker is currently, and was during all times relevant hereto, a member of FINRA and registered as a broker/dealer with the Securities and Exchange Commission. The firm, which registered with FINRA in January 2001 and is headquartered in The Woodlands, Texas, currently employs ten registered representative and two non-registered fingerprint persons. Laradorbecker is approved to conduct business in corporate debt securities, over-the-counter securities, U.S. government securities, mutual funds, and variable contracts. The firm is also approved to engage in proprietary trading and underwriting services.

Hanerhoff entered the securities industry in October 1982, when she associated

Hanerhoff entered the securities industry in October 1982, when she associated with a FINRA member firm. Hanerhoff subsequently associated with four other member firms, including Laradorbecker where she has been associated since January 2001. During her career in the securities industry, Hanerhoff acquired Series 7, 24 and 63 securities licenses. Hanerhoff at all times relevant hereto and currently serves as Laradorbecker's President and Chief Compliance Officer ("CCO").

Laradorbecker is currently registered with FINRA, and Hanerhoff is currently associated with the firm. Accordingly, both remain subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Laradorbecker

Laradorbecker's prior relevant disciplinary history includes the following:

On June 10, 2009, FINRA issued a Letter of Acceptance, Waiver and Consent (No. 2007010409101), in which Laradorbecker was fined \$8,000 for buying corporate bonds from (and selling corporate bonds to) customers at unfair prices in violations of NASD Conduct Rules 2110 and 2440 and IM-2440; failing to show the time of entry on certain brokerage orders in violations of SEC Rule 17a-3 and NASD Rules 2110 and 3110; and having an inadequate supervisory system to ensure compliance with applicable rules regarding fair pricing of securities in violation of NASD Rules 3110 and 3010.

Hanerhoff

Hanerhoff has no prior relevant disciplinary history.

OVERVIEW

Laradorbecker, acting through Hanerhoff, permitted an individual, who had been suspended in her capacity as a FINOP and ordered to requalify by examination prior to resuming work as a FINOP following her suspension, to act as its FINOP throughout the individual's suspension and without her ever requalifying by examination.

FACTS AND VIOLATIVE CONDUCT

NASD Membership and Registration Rule 1021(a) requires all persons engaged or to be engaged in the investment banking or securities business of a member who are to function as principals to be registered as such with FINRA in the category of registration appropriate to the function to be performed as specified in NASD Rule 1022.

NASD Rule 1022 requires any person who performs any of the following functions on behalf of a member firm to be registered as a Limited Principal—Financial and Operations:

- (A) final approval and responsibility for the accuracy of financial reports submitted to any duly established securities industry regulatory body;
- (B) final preparation of such reports;
- (C) supervision of individuals who assist in the preparation of such reports;
- (D) supervision of and responsibility for individuals who are involved in the actual maintenance of the member's books and records from which such reports are derived;
- (E) supervision and/or performance of the member's responsibilities under all financial responsibility rules promulgated pursuant to the provisions of the Act;
- (F) overall supervision of and responsibility for the individuals who are involved in the administration and maintenance of the member's back office operations; or
- (G) any other matter involving the financial and operational management of the member.

FINRA Rule 2010, formerly NASD Rule 2110, provides that “[a] member, in the Conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.”

However, during the period from November 7, 2012 to January 23, 2013, Laradorbecker, acting through its President and CCO Hanerhoff, permitted an individual, who had been suspended in her capacity as a FINOP and ordered to requalify by examination prior to resuming work as a FINOP following her suspension, to act as its FINOP throughout the individual’s suspension and without her ever requalifying by examination. The individual was responsible for final preparation of Laradorbecker’s reports submitted to FINRA, performed all of its financial responsibilities under SEC and FINRA rules, and was generally involved in the financial management of the firm.

Specifically, upon receipt of the relevant underlying information such as banks statements and expense invoices from Laradorbecker, the suspended and disqualified individual calculated the firm’s net capital, reconciled its bank accounts and prepared the firm’s financial documents, including the firm’s general ledger, balance sheet, profit and loss statement, trial balance, haircut computations, and bank reconciliations. Additionally, the individual prepared and submitted monthly and quarterly FOCUS filings on behalf of Laradorbecker via FINRA’s eFocus system.

In her capacity as CCO, Hanerhoff was responsible for ensuring that each of Laradorbecker's associated persons had the requisite securities licenses.

As a result of the foregoing conduct, Laradorbecker and Hanerhoff violated NASD Membership and Registration Rule 1021 and FINRA Rule 2010.

- B. Respondents also consent to the imposition of the following sanctions:

Laradorbecker is censured and fined \$10,000.

Hanerhoff is suspended from association with any FINRA member firm in a principal capacity for one month and fined \$10,000.

Respondents agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondents have submitted Election of Payment forms showing the method by which they propose to pay the fines imposed.

Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Respondent Hanerhoff understands that if she is barred or suspended from associating with any FINRA member in a principal capacity, she becomes 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, she may not be associated with any FINRA member in a principal capacity during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because she is subject to a statutory disqualification during the one-month suspension, if she remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondents;
- 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, Respondents specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, 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.

Respondents 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

Respondents 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 Respondents; and
- C. If accepted:
 - 1. this AWC will become part of Respondents’ permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents’ 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. Respondents 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. Respondents 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 Respondents': (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. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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 the Respondent Laradorbecker, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the Firm 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.

Laradorbecker Securities Corporation

November 4, 2014
Date

By: 
Name: CINDY L. HANERHOFF
Title: PRESIDENT

Respondent Hanerhoff certified that she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that she 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 her to submit it.

November 4, 2014
Date


Cindy Leah Hanerhoff, Respondent

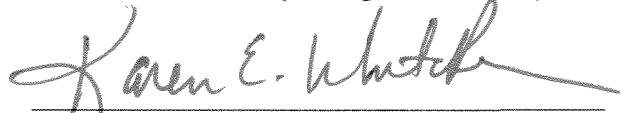
Reviewed by:

Counsel for Respondents

Accepted by FINRA:

11/19/2014
Date

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

A handwritten signature in dark ink, appearing to read "Karen E. Whitaker", written over a horizontal line.

Karen E. Whitaker
Senior Regional Counsel
FINRA Department of Enforcement
12801 North Central Expressway, Suite 1050
Dallas, TX 75243
PH: 972-716-7610; FAX: 972-716-7612
Email: karen.whitaker@finra.org