

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036393901**

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

RE: Edward Thomas Hill (CRD No. 2262864),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Edward Thomas Hill ("Hill" or "Respondent"), 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

On September 10, 1992, Hill first became registered with FINRA as a General Securities Representative ("GSR"). Thereafter, from June 6, 1996 to June 1, 2009, he was registered in that same capacity through Citigroup Global Markets Inc. (BD No. 7059) ("Citigroup").

On June 1, 2009, as a result of a mass transfer of personnel from Citigroup to Morgan Stanley (BD No. 149777) ("MS"), Hill became registered as a GSR with FINRA through an association with MS, where he worked in the firm's Kingston, New York branch office. From June 1, 2009 through March 5, 2013, he was registered in that same capacity through MS.

On March 19, 2013, MS filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") stating that Hill's termination was voluntary. His last date of employment was March 5, 2013.

On March 5, 2013, Hill became registered as a GSR through Wells Fargo Advisors Financial Network, LLC (BD No. 11025) ("Wells Fargo"). On June 4, 2013, he became registered as a General Securities Principal. He is currently registered in the same capacities through Wells Fargo.

RELEVANT DISCIPLINARY HISTORY

Hill does not have any relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

Hill removed documents regarding approximately 46 customers that contained nonpublic personal information from MS in anticipation of his move to a new firm, Wells Fargo. This conduct was not in compliance with SEC Regulation S-P or MS's written supervisory procedures. By reason of the foregoing, Hill violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Regulation S-P requires that member firms have procedures to, among other things, ensure the security and confidentiality of customer records and information and protect against unauthorized access to, or use of, customer records or information that could result in substantial harm or inconvenience to any customer. Further, Regulation S-P provides that member firms may not disclose any nonpublic personal information about a consumer to a nonaffiliated third party unless customers are provided certain notices and the customers are afforded a reasonable opportunity, before disclosure to any nonaffiliated third party, to opt out of the disclosure.

In March 2013, while registered with FINRA through an association with MS, and in anticipation of his move to a new firm, Wells Fargo, Hill removed documents regarding approximately 46 customers that contained nonpublic personal information from MS. Hill transported the documents from the offices of MS in his vehicle and stored the nonpublic customer information at issue in his home and then at a locked personal storage facility, thereby placing the records at risk. This conduct was not in compliance with SEC Regulation S-P or MS's written supervisory procedures, which indicated MS employees must not take confidential information when leaving the firm. Hill's last date of employment at MS was Tuesday, March 5, 2013. MS recovered the client documents from Hill on or about March 20, 2013. By reason of the foregoing, Hill violated FINRA Rule 2010.

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

- a Censure; and
- a \$5,000 fine.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is 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 imposed in this matter.

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 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.

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;
- 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; and
- 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.

07/21/2014

Date (mm/dd/yyyy)



Edward Thomas Hill

Reviewed by:

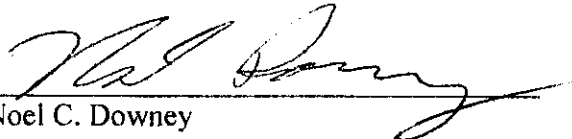


Jordan D. Becker, Esq.
Counsel for Respondent
Law Offices of Jordan D. Becker
29 Independence Street
Tarrytown, New York 10591
(646) 801-2085

Accepted by FINRA:

8/7/2014
Date

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



Noel C. Downey
Senior Regional Counsel
FINRA Department of Enforcement
581 Main Street -- Room 710
Woodbridge, NJ 07095
732-596-2042 (telephone)
202-721-6548 (facsimile)