

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046087601**

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

RE: Christopher R. Hickman, Respondent
General Securities Representative
CRD No. 3267599

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Christopher R. Hickman ("Hickman" or "Respondent"), 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 Respondent 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

In 2001, Hickman first became registered with FINRA as a General Securities Representative. Between September 2009 and July 2, 2015, Hickman was registered in this capacity through Cetera Advisors LLC (CRD No. 10299). On July 2, 2015, Cetera filed a Form US disclosing that Hickman was terminated for "frequent short term fixed-income securities trading in customer accounts under Firm review."

Hickman is not presently associated with a FINRA member firm, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Hickman has no formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

Between May 2011 and April 2014 (the "Relevant Period"), Hickman engaged in an unsuitable pattern of short-term trading of Unit Investment Trusts ("UITs") in six customer accounts. Based on the foregoing, Hickman violated NASD Rule 2310 and FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Hickman engaged in an unsuitable pattern of short-term trading of UITs in six customers' accounts.

UITs are investment companies that offer shares of a fixed portfolio of securities in a one-time public offering, and terminate on a specified date. As such, they are not designed to be used as trading vehicles. In addition, UITs typically carry significant upfront charges, and as with mutual funds that carry front-end sales charges, short-term trading of UITs is presumptively improper.

During the Relevant Period, in connection with six customers' accounts, Hickman repeatedly recommended that the customers purchase UITs and then sell these products within a year of purchase. The UITs that Hickman recommended had maturity dates of 24 months or longer and carried sales charges of up to 3.95%. Nevertheless, on dozens of occasions, Hickman recommended that his customers sell their UIT positions less than a year after purchase. Indeed, the average holding period for the UITs purchased in these six customers' accounts was just 136 days. In addition, on several occasions, Hickman recommended that his customers use the proceeds from the short-term sale of a UIT to purchase another UIT with similar or even identical investment objectives. As a result of these transactions, the six customers at issue suffered losses of approximately \$115,989.75.

Based on the foregoing, Hickman violated NASD Rule 2310 and FINRA Rules 2111 and 2010.¹

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

- A fine of \$5,000; and
- A suspension from association with any FINRA member in all capacities for five months; and
- Restitution to the customers listed on Schedule A hereto in the total amount of \$115,989.75, plus interest.

The fine shall be due and payable either immediately upon reassociation with a

¹ FINRA Rule 2111 replaced NASD Rule 2310 on July 9, 2012.

member firm, 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.

Restitution is ordered to be paid to the customers listed on Attachment A hereto in the total amount of \$115,989.75, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from May 2011 until the date of payment. Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon reassociation with a member firm, 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. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Respondent cannot locate any customer identified in Attachment A after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanctions 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.

I.

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; 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 accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313;

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; 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.

06/07/17
Date (mm/dd/yyyy)


Christopher R. Hickman

Reviewed by:



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Accepted by FINRA:

June 9, 2017
Date

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

A handwritten signature in black ink, appearing to read "David F. Newman", is written over a horizontal line.

David F. Newman
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ATTACHMENT A
AWC NO. 2015046087601

CUSTOMER INITIALS	AMOUNT OF RESTITUTION
G.L.	\$54,568.15
R.C.	\$15,430.98
M.S.	\$19,350.17
L.J. & P.Z.	\$13,463.22
P.J.	\$13,177.23
TOTAL	\$115,989.75