

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150478263-01**

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

RE: Conor Knox Hobert, Respondent
General Securities Representative
Uniform Securities Agent
CRD No. 6361123

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

Conor Knox Hobert ("Hobert or Respondent") entered the securities industry in June 2014 at the age of 22 when he became associated with Realty Capital Securities, LLC ("RCS" or the "Firm"), a FINRA member firm at that time.¹ In August 2014, Hobert became licensed as a General Securities Representative (Series 7), and in September 2014, he became licensed as a Uniform Securities Agent (Series 63). Hobert worked as a registered representative in RCS's office in Boston, Massachusetts.

On November 12, 2015, the Firm reported to FINRA on a Uniform Termination Notice for Securities Industry Registration (Form U5) that it terminated Hobert's association with the Firm as of that date due to "concerns regarding [his] role in communications involving impersonating shareholders for proxy voting."

¹ RCS filed a Form BDW (Broker Deal Withdrawal) with FINRA on January 22, 2016, and the Firm's registration was terminated in March 2016.

Since his termination from RCS, Hobert has not been registered with a FINRA regulated broker-dealer, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Hobert has no prior relevant disciplinary history with the Securities and Exchange Commission, any state securities agency, FINRA or any other self-regulatory organization.

OVERVIEW

Between May and September of 2015 (the "Relevant Period"), at the direction of his supervisor, Hobert impersonated three shareholders and cast false proxy votes on their behalf in connection with the annual shareholder meetings for various funds. Also at the direction of his supervisor, Hobert participated on several telephone calls where his supervisor impersonated two financial advisors or shareholders to cast at least 35 false proxy votes in connection with the annual shareholder meetings for various funds.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Hobert worked as an entry level, junior internal wholesaler at RCS, Hobert's first job out of college. His job responsibilities included contacting financial advisors to discuss investment opportunities in certain non-traded REITs and other funds. In 2015, RCS was retained by its affiliate, American Realty Capital ("AR Capital"), to conduct proxy solicitation services for the annual shareholder meetings of several AR Capital sponsored funds. RCS required its junior internal wholesalers to contact shareholders, and encourage them to record their vote with AR Capital's proxy tabulation service, BFS. For the various funds to achieve a quorum to hold the meetings, tens of thousands of shareholder votes were required. Accordingly, proxy season was a high-pressure environment, and RCS employees were encouraged to work long hours and make no less than 200 calls to shareholders per day. At one point, RCS management was monitoring the progress of the proxy solicitation calls every 30 minutes.

During the Relevant Period, Hobert made thousands of phone calls to shareholders and encouraged them to vote. But, on three occasions, at the direction of his supervisor, he impersonated three shareholders in phone calls with representatives of BFS and voted their shares in favor of Board and management proposals.

Also at the direction of his supervisor, Hobert participated on several telephone calls where Hobert introduced his supervisor as certain shareholders or their financial advisors. His supervisor then impersonated the shareholder or financial advisor and fabricated shareholder votes in favor of the proposals by the Board and management for the various AR Capital funds. None of the votes was authorized by the shareholders or their financial advisors.

FINRA Rule 2010 requires that members, in the conduct of their business, to "observe high standards of commercial honor and just and equitable principles of trade." Hobert violated FINRA Rule 2010 when he impersonated three shareholders and voted their shares without their knowledge or consent. Hobert also violated Rule 2010 by participating in phone calls where he knew that his supervisor was posing as shareholders and/or financial advisors and casting shareholder votes.

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

- A suspension from association with any FINRA member in any capacity for a period of two years.

Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

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 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; 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.

Date: October 27, 2017


Respondent

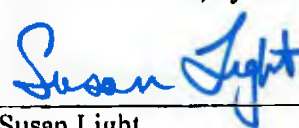
Reviewed by:


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Counsel for Respondent

Accepted by FINRA:

Date: Nov 3, 2017

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


Susan Light
Senior Vice President & Chief Counsel
FINRA Department of Enforcement
Brookfield Place
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By: _____