

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016050619701**

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

RE: Frank William Hoover, Respondent
General Securities Representative
CRD No. 249767

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

Frank William Hoover ("Hoover" or "Respondent") first became registered as a General Securities Representative ("GSR") in 1971. Subsequently, Hoover became registered as a Registered Options Principal and General Securities Supervisor. From January 1971 to August 2005, Hoover was registered as a GSR with several different FINRA member firms. From August 31, 2005 to July 11, 2016, he was registered as GSR with Wells Fargo Advisors, LLC ("Wells Fargo"). Since July 6, 2016, Hoover has been registered with another FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

In 1984, while registered with Paine Webber, Inc., Hoover settled with the NASD for failing to supervise two registered representatives who failed to make a bona fide public distribution of shares in an offering. Hoover was censured and fined \$2,000.

OVERVIEW

On March 2, 2016, while registered with Wells Fargo, Hoover effected an unauthorized transaction in a customer account in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In June 2015, Hoover inherited a brokerage account for customer MB from another registered representative. At that time, MB held \$50,000 in three mutual funds and received an automatic \$350 monthly distribution from the cash in her account.

On March 2, 2016, after Hoover received notice that MB had insufficient funds in her account to make the \$350 distribution, he sold \$2,500 worth of shares in one of her mutual funds to generate cash for her current and future monthly distributions. Hoover's sale of the mutual fund shares was not authorized by MB. He did not contact MB prior to selling the position or receive implied or express authorization from MB to sell the position.

FINRA Rule 2010 provides that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade." It is well established that unauthorized trading violates FINRA Rule 2010.

By effecting an unauthorized transaction in MB's account, Hoover violated FINRA Rule 2010.

OTHER FACTORS

In April 2015, Wells Fargo issued a disciplinary warning against Hoover. This warning was a factor in the determination of his sanctions.

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

- a suspension from association with any FINRA member firm in any capacity of 10 business days; 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; and

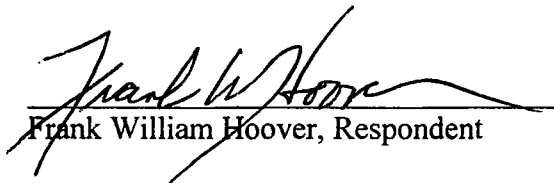
C. If accepted:

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

1/24/2017
Date

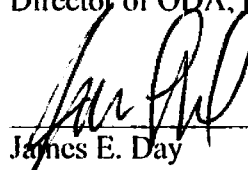

Frank William Hoover, Respondent

Accepted by FINRA:

3/6/17

Date

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



James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
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