

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. C05050028

TO: Department of Enforcement
NASD

RE: **Hampton F. Hook**, Respondent
General Securities Representative
[CRD No. 2398684]

Pursuant to Rule 9216 of the NASD Code of Procedure, Respondent submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against me alleging violations based on the same factual findings.

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by the NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. 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 allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which the NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Hampton F. Hook entered the securities industry on December 10, 1993 as a General Securities Representative of Morgan Keegan & Company, Inc. a member of NASD. Hampton F. Hook, during all periods mentioned herein, was associated with member firm Morgan Keegan & Company, Inc., and was registered with NASD under Article V of the By-Laws as a General Securities Representative. Hampton F. Hook is not currently associated with any member firm and has not previously been the subject of a formal disciplinary action by any regulatory body.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under the NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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 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 General Counsel, 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 Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the allegations or findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD 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 NASD:

1. During the period from on or about July 20, 1999, through on or about November 15, 1999, Hampton F. Hook loaned \$6,100.00 to public customers W and JF to be deposited into their account at Morgan Keegan for the purchase of shares of stock in the initial public offerings of two companies.

Such acts, practices, and conduct constitute separate and distinct violations of Federal Reserve Board's Regulation T §220 and NASD Conduct Rule 2110 by Hampton F. Hook.

2. During the period from on or about June 11, 1999, through on or about June 14, 1999, Hampton F. Hook guaranteed public customers W and JF against loss in connection with the purchase of 2,000 shares of Superior Energy Services, Inc. Hook made the guarantee orally to W and JF on June 11, 1999, and effected the guarantee on June 14, 1999 by canceling the transaction into Morgan Keegan's error account after a decrease in the price of the shares of Superior Energy Services, Inc.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2330(e) by Hampton F. Hook.

3. Hampton F. Hook opened a Morgan Keegan brokerage account for public customer AP by completing and signing a "New Account Approval" form on December 29, 1999, and a "Client Option Agreement and Approval" form on January 14, 2000. The information provided by Hook and contained on the forms was inaccurate in that:

- a.) the "New Account Approval" form reflected that the account was not operated by any person with trading authorization when in fact all transactions in the account were effected by Hook without the knowledge or consent of AP.
- b.) the "New Account Approval" form reflected that the broker did not have beneficial interest in the account when in fact all funds in the account were provided by Hook.

- c.) the "Client Option Agreement and Approval" form reflected that AP had more than three years investment experience in options, stocks and bonds when, in fact, AP had no investment experience and had never had a brokerage account.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Hampton F. Hook.

4. During the period from on or about January 19, 2000, through on or about April 14, 2000, Hampton F. Hook shared in the Morgan Keegan account of AP by funding all transactions with his own funds and keeping all but \$ 1,000.00 of the account proceeds for himself. Hook shared in the account without obtaining prior written authorization from his employer member firm Morgan Keegan.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and 2330(f)(1)(A)(i) by Hampton F. Hook.

5. During the period on or about January 19, 2000 through or about April 14, 2000, Hampton F. Hook executed nine unauthorized purchase and sale transactions in the Morgan Keegan account of AP without AP's knowledge or consent.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Hampton F. Hook.

6. During the period from on or about August 1, 1998, through on or about November 1, 2001, Hampton F. Hook exercised discretion in the Morgan Keegan accounts of public customers CR, P and CF, TH, and H and SB without having obtained prior written authorization from the subject customers and without prior written acceptance of the accounts as discretionary by his employer member firm.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2510(b) by Hampton F. Hook.

7. During the period from on or about August 1, 1998, through on or about December 31, 2000, Hampton F. Hook recommended purchase and sale transactions in various securities in the Morgan Keegan account of public customer CR without having reasonable grounds for believing that the frequency and nature of the recommended transactions were suitable for CR based on CR's financial situation, objectives, circumstances and needs.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2310 by Hampton F. Hook.

B. I also consent to the imposition, at a maximum, of the following sanctions:

A bar of Hampton F. Hook from association with any member of NASD in any capacity.¹

The sanctions imposed herein shall be effective on a date set by the NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

A. I understand that if I am barred or suspended from association with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1).

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, has been made to induce me to submit it.

4/27/05

Date

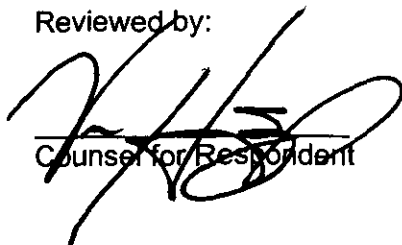


Hampton F. Hook, General
Securities Representative

¹ Although no monetary sanctions have been imposed in this disciplinary action, this does not preclude the customers from pursuing their own actions to effect such remedies.

Letter of Acceptance, Waiver,
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Reviewed by:


Counsel for Respondent

Accepted by NASD:

May 24, 2005

Date


Senior Vice President and
Regional Director

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