

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015047041301**

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

RE: Kevin Paul Hudak, Respondent
Former Registered Representative
CRD No. 4439153

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

Kevin Hudak entered the securities industry in July 2001 as a General Securities Representative. He left the industry in June 2005 and, after a brief hiatus, joined another FINRA member firm in February 2006 where he worked until June 2014, when he joined Foothill Securities, Inc. Hudak was registered with Foothill until he was terminated on September 14, 2015. Although Hudak is not currently associated with any FINRA member firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the Bylaws of the Corporation.

Hudak has no relevant disciplinary history.

OVERVIEW

From July 2014 through July 2015, Hudak used non-authentic customer signatures on at least 25 forms required by his firm in violation of FINRA Rule 4511 and 2010. In addition, Hudak provided false and misleading testimony regarding the forms in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 4511 requires member firms to make and preserve books and records as required under the FINRA rules, the Securities Exchange Act of 1934 and the applicable Exchange Act rules. FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Falsification of a firm's books and records, such as using non-authentic customer signatures on firm documents, violates FINRA Rules 4511 and 2010.

Hudak submitted 25 non-solicitation forms to his firm that had non-authentic customer signatures. These non-solicitation forms were required by his firm in order to process low-priced securities transactions for Hudak's customers. Hudak falsified these 25 non-solicitation forms by having customers sign blank forms, which he then photocopied and reused for future low-priced securities transactions. By virtue of this conduct, Hudak violated FINRA Rules 4511 and 2010.

FINRA Rule 8210 requires a registered person to respond fully, completely, and truthfully to a request for information from FINRA. Providing false testimony to FINRA violates Rules 8210 and 2010.

FINRA took Hudak's investigative testimony pursuant to FINRA Rule 8210 in July 2016. During that testimony, Hudak repeatedly denied asking customers to sign blank non-solicitation forms and copying customer signatures for use as if they were authentic. These denials were false. In fact, Hudak had asked customers to sign blank forms and had copied customer's signatures for use as if there were authentic. By providing false and misleading testimony, Hudak violated FINRA Rules 8210 and 2010.

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

- A bar from associating with any FINRA member in any capacity.

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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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.

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.

11-1-16
Date (mm/dd/yyyy)

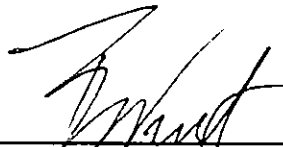


KEVIN PAUL HUDAK

Accepted by FINRA:

November 17, 2016
Date

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



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