

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020067908701**

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

RE: Zachary Hansen (Respondent)
Former General Securities Representative
CRD No. 5553180

Pursuant to FINRA Rule 9216, Respondent Zachary Hansen 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 in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Hansen first registered with FINRA in 2008. In 2015, he associated with UBS Financial Services Inc. (CRD No. 8174) and became registered with FINRA as a General Securities Representative and an Investment Company and Variable Contracts Products Representative. On September 11, 2020, UBS filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on Hansen's behalf, stating that the firm had terminated him. Although Hansen is not currently registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

OVERVIEW

Between June 2018 and April 2020, while associated with UBS, Hansen communicated with two firm customers about securities-related business through text messages, without the firm's authorization or approval. As a result, these communications were not preserved as required by Section 17(a) of the Securities Exchange Act of 1934 (the Exchange Act) and Rule 17a-4(b)(4) thereunder. By causing UBS to maintain incomplete books and records, Hansen violated FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 4511 requires each member to make and preserve books and records in conformity with, among others, Section 17(a) of the Exchange Act and Exchange Act Rule 17a-4(b)(4), which requires member firms to maintain, for a period of not less than three years, the originals of all communications received and copies of all communications sent by the member relating to its business. A registered representative who causes his or her member firm to fail to comply with these recordkeeping obligations violates FINRA Rule 4511. FINRA Rule 2010 requires FINRA members and their associated persons, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.” A violation of FINRA Rule 4511 is also a violation of FINRA Rule 2010.

At all times during the relevant period, UBS’s employee conduct policies and written supervisory procedures provided that electronic business communications could only be transmitted through systems authorized and approved by the firm, in order to facilitate the firm’s preservation and supervision of such communications. During the relevant period, however, Hansen exchanged numerous text messages related to securities business with two firm customers. Hansen’s text messages included communications related to securities recommendations, account performance and transactions, and market events. Hansen exchanged these text messages, using his personal cell phone, despite lacking authorization and approval to do so. Therefore, the firm did not retain these text messages.

Through this conduct, Hansen violated FINRA Rules 4511 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a 45-calendar day suspension from associating with any FINRA member in all capacities; and
- a \$7,500 fine.

The fine shall be due and payable either 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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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 Exchange Act. Accordingly, he 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 in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives any right to claim bias or pre-judgment 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 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 its subject matter in accordance with FINRA Rule 8313; and
 4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

August 9, 2022

Date

Zachary Hansen

Zachary Hansen
Respondent

Reviewed by:

Andrew Shoemaker

Andrew R. Shoemaker
Counsel for Respondent
Shoemaker Ghiselli + Schwartz LLC
1811 Pearl Street
Boulder, Colorado 80302

Accepted by FINRA:

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

August 11, 2022

Date

Amanda Cox

Amanda Cox
Counsel
FINRA Department of Enforcement
120 West 12th Street, Suite 800
Kansas City, MO 64105