

Ronald C. Hauf - [SDO-58-00](#)

On May 22, 2000, the Securities Division entered [SDO-58-00](#), Statement of Charges and Notice of Intention to Suspend Securities Salesperson Registration against Ronald C. Hauf, a registered securities salesperson, for alleged dishonest and unethical practices in violation of the Securities Act. The matters alleged in SDO-58-00 were settled in August 2000 with the issuance of a letter of caution. Ronald C. Hauf neither admitted or denied the Securities Division's allegations in the Statement of Charges.

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF determining  
Whether there has been a violation of the  
Securities Act of Washington by:

RONALD C. HAUF,  
Respondent.

SDO - 58 - 00

STATEMENT OF CHARGES AND NOTICE  
OF INTENTION TO SUSPEND SECURITIES  
SALESPERSON REGISTRATION

Case No. 99-11-361

THE STATE OF WASHINGTON TO: RONALD C. HAUF  
2004 W Lake Sammamish HWY NE  
Redmond, WA 98052

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Ronald C. Hauf, has engaged in dishonest and unethical practices in the securities business while employed as a registered securities salesperson for Salomon Smith Barney, Inc., and filed false statements with the Securities Division and that those practices and violations justify a twenty (20) day suspension of Respondent's securities salesperson's registration pursuant to RCW 21.20.110(1)(a) and (g). The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

Respondent

1. Ronald C. Hauf ("Hauf") is registered with the State of Washington as a securities salesperson and was affiliated with the Salomon Smith Barney, Inc. ("Salomon") office located at 717 W Sprague Ave., Suite 500 Spokane, WA 99201-3919, from July 31, 1993 until his resignation, effective October 21, 1999.

2. On or about November 19, 1999, the Washington State Securities Division began an investigation into Hauf's activities as they related to his resignation from Salomon and a related customer complaint.

STATEMENT OF CHARGES AND NOTICE OF  
INTENTION TO SUSPEND SECURITIES  
SALESPERSON REGISTRATION

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760



1 Hauf Failed to Execute Written Discretionary Agreements

2 11. Account documents maintained by Salomon did not include a discretionary agreement executed by  
3 either the Customer or the Customer's brother. Hauf failed to obtain written discretionary agreements for the  
4 Customer's account.

5 Hauf Filed False Licensing Statements

6 12. On or about October 21, 1999 Hauf was permitted to resign his position with Salomon. Salomon  
7 subsequently filed a Form U-5 indicating that Hauf had executed transactions in a customer's account without  
8 proper authority.

9 13. On or about March 13, 2000 Hauf became affiliated with Securities America, Inc., located at 1310  
10 North Maple Street, Spokane, WA 99201-2710. Securities America, Inc. submitted a Form U-4 for Hauf, which  
11 Hauf signed on March 13, 2000. Hauf answered "No" to question 23J(1) which asks whether the registrant has  
12 been permitted to resign after allegations were made accusing him of violations of investment-related statutes,  
13 regulations, rules or industry standards of conduct.

14  
15 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

16  
17 **CONCLUSIONS OF LAW**

18 Hauf, as described above, engaged in one or more dishonest or unethical practices in the securities business, as  
19 defined by WAC 460-22B-090(8), by executing transactions on behalf of a customer without authorization to do so.  
20 Such practice is grounds for a twenty (20) day suspension of his salesperson registration pursuant to RCW  
21 21.20.110(1)(g).

22 Hauf, as described above, engaged in one or more dishonest or unethical practices in the securities business, as  
23 defined by WAC 460-22B-090(9), by exercising discretionary power in effecting transactions for a customer account

1 without first obtaining written discretionary authority from the customer or the customer's agent. Such practice is  
2 grounds for a twenty (20) day suspension of his salesperson registration pursuant to RCW 21.20.110(1)(g).

3 Hauf, as described above, engaged in one or more dishonest or unethical practices in the securities business, as  
4 defined by WAC 460-22B-090, by providing false information to the Securities Division in connection with the transfer  
5 of his securities salesperson license. Such practice is grounds for a twenty (20) day suspension of his salesperson  
6 registration pursuant to RCW 21.20.110(1)(g).

7 Hauf, as described above, filed an application for registration that was false or misleading with respect to the  
8 material facts surrounding his termination from Salomon. Such practice is ground for a twenty (20) day suspension of  
9 his salesperson registration pursuant to RCW 21.20.110(1)(a).

10 **NOTICE OF INTENTION TO SUSPEND SECURITIES SALESPERSON REGISTRATION**

11 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends  
12 to order that the securities salesperson registration of Ronald C. Hauf be suspended for twenty (20) business days.

13 **AUTHORITY AND PROCEDURE**

14 This STATEMENT OF CHARGES AND NOTICE OF INTENTION TO SUSPEND SECURITIES  
15 SALESPERSON REGISTRATION is entered pursuant to the provisions of RCW 21.20.110 and is subject to the  
16 provisions of RCW 21.20.120, and is subject to the provisions of ch. 34.05 RCW. The respondent, Ronald C. Hauf may  
17 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
18 OPPORTUNITY FOR HEARING accompanying this order. If Mr. Hauf does not request a hearing in this matter, the  
19 Securities Administrator will make the foregoing Tentative Findings of Fact and Conclusions of Law permanent and  
20 enter an order suspending Mr. Hauf's securities salesperson registration for twenty (20) business days from the date of  
21 service of the Order upon him.

22 DATED this 22nd day of May 2000.

23 

24 DEBORAH R. BORTNER  
25 Securities Administrator

26 STATEMENT OF CHARGES AND NOTICE OF INTENTION TO SUSPEND SECURITIES SALESPERSON REGISTRATION 4

27 DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

Presented by:

---

Kristina L. Kneip  
Securities Examiner

Approved by:

---

Michael E. Stevenson  
Chief of Compliance

STATEMENT OF CHARGES AND NOTICE OF INTENTION TO SUSPEND SECURITIES SALESPERSON REGISTRATION 5

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760