In the Matter of:

Herbert H. Hafen (CRD #867068),
a/k/a Elias Herbert Hafen, E. Herbert Niggebrugge,
and Elias Niggebrugge,

Respondent. ODS File 19-008

FINAL ORDER


Findings of Fact

1. On December 30, 2019, the Enforcement Division of the Department filed, with the Administrator, an Enforcement Division Recommendation ("Recommendation") in support of the issuance of an order barring Respondent from registration under the Act in any capacity and from association with any broker-dealer or investment adviser registered under the Act.

2. On December 30, 2019, the Administrator issued a Notice of Opportunity for Hearing in accordance with 660:2-9-1 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (effective November 1, 2018) ("Rules") and Section 1-411 of the Act. In the notice, Respondent was advised of his right to request a hearing and his obligation to file an answer to the Recommendation within fifteen (15) days after service of the notice. Respondent was further advised in the notice that failure to file an answer and request for hearing in compliance with 660:2-9-2 of the Rules would result in the issuance of an order barring Respondent from registration under the Act in any capacity and from association with any broker-dealer or investment adviser registered under the Act.

3. On December 30, 2019, the Administrator also issued a Notice of Service on the Administrator and Affidavit of Compliance in which she attested that a copy
of the Notice and Opportunity for Hearing, with the Recommendation attached, and a copy of the Notice of Service on the Administrator and Affidavit of Compliance, were sent to the last known address of Respondent on December 30, 2019, by certified mail, return receipt requested, delivery restricted, in compliance with Section 1-611 of the Act.

4. On January 7, 2020, Respondent signed the return receipt for the December 30th mailing.

5. Respondent’s deadline to file an answer to the Recommendation and request a hearing has expired, and no answer or request for hearing has been filed.

6. Respondent is an individual who resided in Connecticut at all material times.

7. Respondent has also been known as “Elias Herbert Hafen,” “Elias Niggebrugge,” and “E. Herbert Niggebrugge.”

8. From March 29, 2018, until September 13, 2018, Respondent was registered under the Act as an agent of Wells Fargo Clearing Services, LLC (CRD #19616) (“Wells Fargo”). The Form U5 filed by Wells Fargo states that Respondent “was discharged after admitting to entering into financial arrangements with clients that were not approved by the firm.”

9. Respondent was registered under the Act as an agent of Morgan Stanley (CRD #149777) from June 1, 2009, until April 3, 2018, and as an agent of Morgan Stanley & Co., LLC (CRD #8209) from January 18, 2008, until June 1, 2009. Prior to that time, Respondent was registered under Oklahoma’s securities laws as an agent of other broker-dealers.

10. During the years 2011 through 2018, Respondent received a total of $325,000 from a senior client residing in Oklahoma (“Client”) in a series of seven separate transfers from the Client’s personal bank account to Respondent’s personal bank account. The transferred funds originated in the Client’s IRA account at Morgan Stanley, and these distributions from the Client’s IRA were taxable.

11. The Client transferred these funds to Respondent based on Respondent’s false representation that the money would be invested in securities for the Client.

12. Respondent spent the Client’s funds on Respondent’s personal expenses and those of his family.

13. Respondent did not invest the transferred funds for the Client.
To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Conclusions of Law

1. Respondent has engaged in dishonest and unethical practices in the securities business by failing to observe high standards of commercial honor and just and equitable principles of trade in conducting business with the Client, in violation of 660:11-5-42 of the Rules.

2. The Administrator is authorized under Section 1-411 of the Act to impose a bar on Respondent.

3. It is in the public interest for the Administrator to bar Respondent from registration under the Act and from association with any broker-dealer or investment adviser registered under the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

Order

IT IS HEREBY ORDERED that Respondent is barred from registration under the Act in any capacity and from association with any broker-dealer or investment adviser registered under the Act.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 11th day of March, 2020.

(SEAL)

MELANIE HALL, ADMINISTRATOR
OKLAHOMA DEPARTMENT OF SECURITIES
CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 15th day of March, 2020, a true and correct copy of the above and foregoing Final Order was sent by certified mail, return receipt requested, delivery restricted, to:

Herbert H. Hafen
286 Indian Rock Road
New Canaan, CT 06840

[Signature]
Brenda London, Paralegal