

State of Missouri
Office of Secretary of State

Case No. AP-07-24

IN THE MATTER OF:

CHARLES D. WOMBLE, CRD No. 519446

Respondent.

Serve at:

308 Noonan Drive
Pacific, Missouri 63069

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division (“Securities Division”) alleges that Respondent Womble committed an unethical business act when he falsified a form used to transfer a client’s account to another broker-dealer in violation of The Missouri Securities Act of 2003 (“The Act”).
2. Respondent Womble and the Securities Division desire to settle the allegations and the matters raised by the Securities Division in relation to Womble’s alleged violations of The Act.

JURISDICTION

3. Section 409.6-601(a), RSMo. (Cum. Supp. 2006), provides that the Securities Act of 2003 shall be administered by the Commissioner of Securities (the “Commissioner”).
4. Section 409.6-604(h), RSMo. (Cum. Supp. 2006) provides that the Commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under the Act.
5. Respondent Womble and the Securities Division stipulate and agree that the Commissioner has jurisdiction over Respondent Womble and these matters.
6. Respondent Womble and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2006), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

7. Respondent Womble waives his right to a hearing with respect to this matter.
8. Respondent Womble waives any rights that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order.
9. Respondent Womble specifically forever releases and holds harmless the Missouri office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.
9. Respondent Womble stipulates and agrees with the Securities Division that, should the Division determine that Respondent Womble misrepresented any of the facts contained herein the Missouri Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

10. Respondent Womble and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
11. Respondent Womble agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without a factual basis.
12. Respondent Womble agrees that this settlement between the parties, negotiated and reached in good faith, does not confer upon him the position of “prevailing party” under Missouri law.

STIPULATIONS OF FACT

13. Charles D. Womble (“Womble”) is a registered representative with Securities America Inc. (“SAI”), and has a business address of 308 Noonan Drive, Pacific, Missouri 63069. Womble is registered through the Central Registration Depository System (“CRD”) with CRD #519446.
14. SAI is a Missouri registered broker-dealer with a business address of 308 Noonan Drive, Pacific, Missouri 63069. SAI is registered through the CRD with CRD #10205.
15. On or about November 16, 2005, Womble notified his clients that he was ending his association with Walnut Street Securities and the new broker-dealer was SAI.
16. “MR”, who is a customer of Womble’s and whose account had been managed in a broker-dealer capacity by Walnut Street Securities since approximately 2000, received documents from Womble requiring MR’s signature to transition MR’s account to SAI. MR returned the documents to Womble on two occasions but without one of the signatures required to complete the transfer of MR’s account to SAI. Womble took MR’s signature from one document and physically transferred it onto the Account Transfer Form to complete the transfer of MR’s account.
17. On or about January 11, 2007, representatives of the Securities Division (the “Division”) conducted a routine audit at the office of Nicklas Financial Companies (“Nicklas Financial”). Nicklas Financial offers business and professional advice on insurance, benefit plans, and investments. Securities America is the broker-dealer for Nicklas Financial.
18. During the Division’s routine audit of Nicklas Financial, representatives of the Division reviewed certain files and discovered, among other things, that Womble was placed on heightened supervision for “reproducing a client signature,” specifically for “cutting and pasting” a client signature onto a document. When interviewed by an investigator with the Securities Division, MR stated no authority was given to sign his name and he was not aware that Womble had falsified the form.
19. Section 409.1-102(1), RSMo. (Cum. Supp. 2006), defines an “agent” as “an individual, other than a broker-dealer, who . . . represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities.”
20. Section 409.4-412(c), RSMo. (Cum. Supp. 2006), reads in part that, “If the commissioner finds that the order is in the public interest and subsection (d)(1) to (6), (8), (9), (10), or (12) and (13) authorizes the action, an order under this act may censure, impose a bar, or impose a civil penalty in an amount not to exceed a maximum of five thousand dollars for a single violation or fifty thousand dollars for several violations on a registrant”
21. Section 409.4-412(d)(13), RSMo. (Cum. Supp. 2006), reads in part that,

“A person may be disciplined under subsections (a) to (c) if the person

Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous ten years;
22. The Missouri Code of State Regulations, 15 CSR 30-51.170(1)(T), provides that the grounds for the discipline or disqualification of broker-dealers or agents shall include, in addition to other grounds, “dishonest or unethical practices in the securities business” that include:

Effecting any transaction in, or inducing the purchase or sale of, any security by means of any manipulative, deceptive or fraudulent device, practice, plan, program, design or contrivance.
23. This order is in the public interest, is consistent with the purposes intended by the Missouri Securities Act of 2003, and is authorized by Section 409.6-604(h) RSMo., (Cum. Supp. 2006).

CONCLUSIONS OF LAW

24. Respondent Womble committed an unethical business practice when he falsified the Account Transfer Form by submitting a non-original copy of MR’s signature without authority to do so.
25. Respondent Womble’s falsification of the form is a dishonest or unethical practice under MO 15 CSR 30-51.170(1)(T).
26. Respondent Womble’s actions described above are a violation of Section 409.4-412(d)(13), and RSMo. (Cum. Supp. 2006).

ORDER

WHEREAS, the Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent Womble and the Division, finds the following Order to be in the public interest and necessary for the protection of public investors and consistent with the provisions of Chapter 409, RSMo, *et seq.*

NOW, THEREFORE, it is hereby ordered that:

1. Respondent Womble is CENSURED as a broker-dealer agent in the State of Missouri;
2. Respondent Womble is ordered to reimburse the Division for the costs of the investigation in the amount of five hundred dollars (\$500). This amount shall be paid to the Missouri Secretary of State's Investor Education and Protection Fund. Respondent Womble shall deliver a check to the Securities Division upon the effective date of this Order made payable to the Missouri Secretary of State to be deposited into the Missouri Secretary of State's Investor Education and Protection Fund;
3. Respondent Womble is ordered to pay a civil penalty in the amount of five hundred dollars (\$500) to the State of Missouri for violation of Section 409.4-412(d)(13), RSMo. (Cum. Supp. 2006). Respondent Womble shall deliver a check to the Securities Division upon the effective date of this Order made payable to the State of Missouri, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri; and
4. Respondent Womble shall pay his own costs and attorney fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 15TH DAY OF AUGUST, 2007.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Lori J. Neidel
Chief Enforcement Counsel
Missouri Securities Division

Charles Womble