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**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

**NO. 20070096901**

REGISTRATION & DISCLOSURE

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

RE: William Joseph Boyle, Respondent  
Registered Representative  
CRD No. 2402547

Pursuant to Rule 9216 of FINRA Code of Procedure, William Joseph Boyle ("Boyle" or "Respondent") 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 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**

Boyle was born in [REDACTED] Boyle's employment in the securities industry began in 1993 and he became a general securities representative in 1997. From September 1998 through February 2006, Boyle was employed with Legg Mason Wood Walker Inc. ("Legg Mason"), a FINRA member. In March 2006, Legg Mason merged with Citigroup Global Markets, Inc. f/k/a Salomon Smith Barney Inc., a FINRA member. (Legg Mason and Citigroup Global Markets, Inc. are collectively referred to herein as "Citigroup"). Boyle was employed by another FINRA member from April 2007 through October 2007 and he currently owns and is associated with a non-member investment advisory business.

In October 2003, during Boyle's employment in the securities industry, Boyle also founded International Sports Management LLC ("ISM"), an entity Boyle used to market his services as a registered representative to aspiring professional athletes. Boyle was ISM's Chief Executive Manager.

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## **OVERVIEW**

From on or about October 2004 through March 2007 (the "Relevant Period"), Boyle wrongfully converted and improperly used funds totaling \$610,013.89 from the accounts of customers KM, RG and MG, and MP. Boyle also failed to respond to specific information requests pursuant to NASD Rule 8210 issued by FINRA.

## **FACTS AND VIOLATIVE CONDUCT**

### **1. Wrongful Conversion of Customer KM's Funds**

KM was born in [REDACTED] KM, who has taken a vow of poverty, was a member of a Catholic order of nuns during the Relevant Period. KM's mother held an account at Citigroup and Boyle was the registered representative who handled that account. KM inherited the contents of that account when her mother died. In October 2004, shortly after her mother's death, KM opened an account with Citigroup and transferred the positions previously held in her mother's account, totaling approximately \$532,000. Boyle continued to serve as the registered representative for the account.

Shortly after the account was opened Boyle recommended to KM that a position in MFS Municipal Income Fund Class C shares be liquidated and that KM invest the proceeds of that sale into an investment recommended by Boyle. On October 27, 2004, 4,367.816 shares of MFS Municipal Income Fund Class C shares were liquidated in KM's Citigroup account, generating proceeds of \$125,000. Citigroup mailed KM a \$125,000 check which KM, pursuant to Boyle's instructions, endorsed and mailed back to Boyle. On November 10, 2004, Boyle, without authorization or authority, caused these funds to be deposited into his own personal joint bank account at another financial institution, where Boyle used these funds for his own benefit.

In 2005, Boyle proposed an outside investment in a tax exempt fund. In order to effectuate that recommendation, it was necessary for KM to transfer her remaining Citigroup account funds outside the firm. Thus, in March 2005 Boyle caused the following positions to be liquidated in KM's account:

| <b><u>Fund</u></b>                      | <b><u>Date sold</u></b> | <b><u>Proceeds</u></b> |
|-----------------------------------------|-------------------------|------------------------|
| Legg Mason Pennsylvania Tax Free Trust  | 3/10/05                 | 18,062.36              |
| Eaton Vance National Municipals Fund    | 3/11/05                 | 105,077.98             |
| MFS Municipal Income Class C            | 3/11/05                 | 176,574.75             |
| Van Kampen High Yield Municipal Class C | 3/11/05                 | 102,931.72             |
|                                         |                         | <b>\$402,646.81</b>    |

Boyle then instructed KM to execute a Letter of Authorization, created by Boyle and dated April 22, 2005, which instructed Citigroup to issue a check payable to a third party mutual fund company in the amount of \$406,013.89. This amount represented all of KM's assets held at Citigroup. Unbeknownst to KM, the funds were deposited into an account at the mutual fund company that was controlled by Boyle, and Boyle, without permission or authority, used these funds for his own benefit including, among other things, the funding of ISM's business activities.

**2. Wrongful Conversion of Customer RG and MG Funds**

In 1998, RG and MG (the "Gs"), who were retired, had an account with Boyle at Citigroup. RG, a retired air traffic controller, was born in [REDACTED] MG, a retired nurse, was born in [REDACTED] The G's net worth was approximately \$101,000 to \$499,000.

In 2006, Boyle recommended that the Gs make a \$50,000 investment in an outside real estate venture identified by Boyle. On July 19, 2006, in order to effectuate this purported investment, Boyle caused the liquidation of 4,570.384 shares of Van Kampen High Yield Muni Fund Class C shares in the G's Citigroup account generating proceeds of \$50,000. On July 24, 2006, Citigroup issued a \$50,000 check made payable to the Gs. Pursuant to Boyle's instructions, the Gs, after receiving the \$50,000 check, issued a separate \$50,000 check from their personal checking account made payable to ISM for the recommended real estate investment. Despite the Gs' belief that they were investing in a real estate product, however, the funds were instead used by Boyle for his own benefit, and without the permission or consent of the Gs.

**3. Wrongful Conversion of Customer MP's Funds**

In 1998, MP opened an account with Boyle at Citigroup. MP, a retired widow, was born in [REDACTED] MP's net worth was approximately \$100,000 to \$250,000.

During March 2007, Boyle received a \$30,000 check issued by MP from an account she maintained outside Citigroup. MP gave the check to Boyle for the specific purpose of depositing the check into MP's Citigroup brokerage account. Rather, Boyle deposited the check into ISM's account and, without permission or authority, used these funds for his own benefit.

The aforementioned acts, practices and conduct constitute wrongful conversion in violation of NASD Conduct Rules 2330(a) and 2110.

**4. Failure to Cooperate**

On or about June 18, 2008, FINRA staff sent Boyle a written request pursuant to NASD Rule 8210 for certain information and documents relevant and necessary to its investigation of conversion by Boyle in the accounts of customers KM, the

Gs and MP. After receiving this request, Boyle, through his attorney, refused to comply and informed FINRA that he would no longer respond to FINRA's inquiries or provide any requested information

The aforementioned acts, practices and conduct constitute a violation of NASD Rules 8210 and 2110.

5. **Restitution**

During November 2007, Boyle refunded \$50,000 to the Gs. During August 2008, Citigroup reimbursed \$30,000 plus interest to MP. Of the \$531,013.89 that Boyle received from KM, Boyle refunded approximately \$39,000.

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

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 Section 3(a)(39) of the Securities Exchange Act of 1934, as amended.

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 Rule 8310 and IM-8310-1).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, 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 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 Respondent; and
- C. If accepted:
  - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
  - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
  - 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 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.

3-19-09  
Date

William J. Boyle  
William Joseph Boyle, Respondent

Reviewed by:

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Richard A. Levan, Esq.  
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Accepted by FINRA:

03-20-09  
Date

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

Scott M. Anderson for Suzanne Elovic  
Scott M. Anderson, ENFORCEMENT DIRECTOR  
Suzanne Elovic  
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