

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

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REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

CHRISTOPHER P. BLAKE
Registered Representative
(CRD No. 2983110)

Respondent.

**Disciplinary Proceeding
No. 2009016709001**

Hearing Officer Lawrence B. Bernard

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: December 7, 2009

INTRODUCTION

Disciplinary Proceeding No. 2009016709001 was filed on August 20, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Christopher P. Blake submitted an Offer of Settlement (Offer) to Complainant on November 3, 2009. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of

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findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Blake entered the securities industry as a General Securities Representative with a member of FINRA on January 20, 1998. From February 28, 2000 to January 23, 2004, Blake was registered in the same capacity with Landoak Securities, LLC (Member), a member of FINRA. From April 13, 2006 to August 24, 2007, Blake was registered in the same capacity with another member of FINRA. Blake is not currently associated with any member of FINRA, and he has no history of disciplinary action.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. In December 2003, Blake sold interests to two investors in the Universal Lease Programs (ULPs) in various resort properties throughout Mexico and Central America, which were securities as defined under the Securities Exchange Act of 1934 (1934 Act). The ULPs were issued by Yucatan Resorts, S.A. (Yucatan Resorts), Resort Holdings International, S.A. (Resort Holdings) and World Phantasy Tours, Inc. a/k/a Majesty Travel and (collectively referred to as the Issuers).
2. ULPs were developed in 1999. They were, in essence, a timeshare in the Baccara Hotel, coupled with an "option" to contract with a purportedly independent, third party management company to lease the timeshare to others and to pay the investor the rental proceeds. The ULPs offered three basic options, which were to permit investors to: simply use their lease

as an ordinary timeshare, and take vacations at the Baccara Hotel every year or two; sublease the unit themselves to persons who wished to vacation at the Baccara Hotel; or use the purportedly independent leasing agent to sublease the unit for them, guaranteeing a fixed rate of return.

Rather than maintaining a separate, independent management company, the owners of the Issuers conducted the operations of both the Issuers and the purported independent leasing agent using common staff for both. A review of over 600 ULPs showed that more than 99% of the investors selected the third option mentioned above, choosing to use the leasing agent rather than to use their timeshare units for personal vacations or be responsible themselves for subleasing their units. Based on the documents, both of the investors in this matter chose the third option.

3. When investors chose the third option, they signed a servicing agreement at the same time they purchased the ULPs. In the servicing agreement, the leasing agent guaranteed the rental of the investors' timeshare, agreed to collect the rent, and also agreed to pay the investors rental income and an additional "premium" in connection with a redemption option that purportedly gave each investor the right to redeem his or her ULP at any time after two years for 100% of the initial purchase price.

4. The payments to ULP investors were based on a pooling of all investor funds, rather than profits from the rental of each investor's specific unit. Bank records from the U.S. bank accounts which the Issuers used to initially deposit new ULP investor funds show that, from the commencement of the offering in 1999 until at least March 2004, the payments of purported subleasing income came almost exclusively from the ULP investors' own investments, which were commingled in the same U.S. bank account and not from any sublease income.

5. Based on these and other facts, ULPs are considered sales of "securities" as that term is defined in the 1934 Act.

6. During all relevant times, NB and NH were members of the public. During all relevant times Blake was registered as a General Securities Representative with Landoak Securities, LLC (Member), a member of FINRA.

7. On December 10, and December 17, 2003, Blake participated in sales of the ULPs to NB and NH, which totaled \$300,000, as shown on Schedule A, attached hereto and incorporated by reference. Prior to participating in these sales of the ULPs, Blake failed to provide the Member with any written notice about his intention to participate in the sales of the ULP product, and failed to obtain written approval from the Member. Blake earned about \$30,000 in commissions from these sales.

8. In addition, Blake received a check made to his order for \$30,000 from Resort Holdings, which was dated December 31, 2003. Blake then endorsed the check and negotiated it.

9. On July 8, 2009, FINRA staff (Staff) sent Blake a request that he provide a written response and documentation regarding the sales of the ULPs, as noted in paragraphs 6 and 7 above, and the compensation that he received from Resort Holdings, as noted in paragraph 8 above, pursuant to and in accordance with the provisions of FINRA Rule 8210. The written response and documentation were due no later than July 24, 2009. The request for information was sent by first class mail and certified mail, return receipt requested, to Blake's address of record as contained in the records of the Central Registration Depository, in Cleveland, TN. The first class mailing and the certified mailing were returned to the Staff, marked "Return to Sender, Not Deliverable as Addresses, Unable to Forward."

10. Having not received a response to the initial request for information and documentation, the Staff investigated Blake and located an office address for Blake at Blake Financial Group, located in Chattanooga, TN (Blake's Business Address).

11. On July 22, 2009, Staff sent Blake a request that he provide a written response and documentation regarding the sales of the ULPs, as noted in paragraphs 6 and 7 above, and the compensation that he received from Resort Holdings, as noted in paragraph 8 above, pursuant to and in accordance with the provisions of FINRA Rule 8210. The written response and documentation were due no later than August 5, 2009. The request for information was sent by first class mail and certified mail, return receipt requested, to Blake's Business Address. The letter was also sent to Blake at the electronic mail address [REDACTED] which was located on the website for Blake Financial Group. The first class mailing was not returned to the Staff. The certified mailing was refused by the addressee on July 28, 2009 and was returned to Staff. The Staff received return receipts confirming that the electronic mail message was delivered to and read on July 22, 2009.

12. Having not received a response to the requests for information and documentation, on or about August 10, 2009, the Staff sent Blake a second request for information and documentation regarding the sales of the ULPs, as noted in paragraphs 6 and 7 above, and the compensation that he received from Resort Holdings, as noted in paragraph 8 above, pursuant to and in accordance with the provisions of FINRA Rule 8210. The written response and documentation were due no later than August 14, 2009. The request for information was sent by first class mail and Federal Express priority overnight delivery to Blake's Business Address. The first class mailing was not returned to the Staff, and the mailing by Federal Express overnight delivery was returned with a report that the letter had been "Refused by Recipient."

13. Prior to the filing of the Complaint, Blake failed to respond to each and all of the requests for documents and information described in paragraphs 9, 11 and 12. Since the Complaint was filed, Blake fully responded to the Staff's requests by September 29, 2009, so Blake failed to respond in a timely manner.

14. By engaging in such activity, Respondent violated NASD Rules 2110 and 3040, and FINRA Rules 2010 and 8210.

15. The allegations that Respondent violated NASD Rule 3030, as alleged in the alternative in the Complaint, will be dismissed.

Based on the foregoing, Respondent is found to have violated NASD Rules 2110 and 3040, and FINRA Rules 2010 and 8210. The charge that Respondent violated NASD Rule 3030, in the alternative, contained in the Second Cause for Complaint is dismissed.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

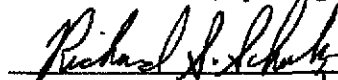
It is ordered that Respondent be suspended from association with any member of FINRA in any capacity for eleven months, and fined \$40,000. The fine shall be due and payable either immediately upon Respondent's reassociation with a member firm following the eleven-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

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



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