

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

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REGISTRATION & DISCLOSURE

DEPARTMENT OF ENFORCEMENT,

Complainant

vs.

CORBETT L. HANKINS, JR.
Limited Registered Representative
(CRD No. 2791989)

Respondent

**Disciplinary Proceeding
No. 2009016709002**

Hearing Officer Rochelle S. Hall

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: January 12, 2010

INTRODUCTION

Disciplinary Proceeding No. 2009016709002 was filed on October 7, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Corbett L. Hankins, Jr. submitted an Offer of Settlement (Offer) to Complainant on November 23, 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

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proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of 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

Corbett L. Hankins (Hankins or Respondent) entered the securities industry as an Investment Company and Variable Contracts Products Representative of a member of FINRA on September 30, 1996. From June 28, 2001 to April 2, 2004, Hankins was registered in the same capacity with Princor Financial Services Corporation (Member), a member of FINRA. From January 10, 2006 to October 16, 2007, Hankins was registered in the same capacity with another member of FINRA. Hankins 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. From March 20, 2003 to September 30, 2003, Hankins sold interests to four 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. In essence, the ULPs were the purchase of a timeshare in the Baccara Hotel and a linked contract with a purportedly independent, third party

management company to lease the timeshare property to others and to pay the investor the rental proceeds. When the investors were sold a timeshare room under the ULPs, they were offered three basic options, which were to permit them to: 1) use their lease as an ordinary timeshare, and take vacations at the Baccara Hotel every year or two; 2) sublease the unit themselves to persons who wished to vacation at the Baccara Hotel; or 3) 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. The overwhelming majority of investors who purchased the ULPs, and all of the investors involved in this matter, 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.

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. From the commencement of the sales of ULPs in 1999, until at least March 2004, the payments of purported rental income came almost exclusively from the ULP investors' own investments, which were commingled in the same U.S. bank account and not from any rental 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, PM, AS, BD and CG were members of the public.

7. From March 20, 2003 to September 30, 2003, Hankins participated in sales of the ULPs to PM, AS, BD and CG, which totaled \$65,560.50, as shown on Schedule A, attached hereto and incorporated by reference. Prior to participating in these sales of the ULPs, Hankins 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, in violation of NASD Rules 2110 and 3040.

8. In addition, Hankins received a check made to his order for \$5,400 from Resort Holdings, which was dated June 20, 2003. Hankins then endorsed the check and negotiated it.

9. On or about July 20, 2009, Staff sent Hankins a request that he provide a written response and documentation regarding the sales of the ULPs, as noted in paragraph 8 above, and the compensation that he received from Resort Holdings, as noted in paragraph 9 above, pursuant to and in accordance with the provisions of FINRA Rule 8210. The written response and documentation were due no later than August 10, 2009. The request for information was sent by first class mail and certified mail, return receipt requested, to Hankins' address of record as contained in the records of the Central Registration Depository, in Bolivia, NC (CRD Address). The certified return receipt was returned to the Staff apparently signed by Hankins. The first class mailing was not returned to the Staff.

10. Having not received a response to the initial request for information and documentation, on or about August 24, 2009, the Staff sent Hankins a second request for information and documentation regarding the sales of the ULPs, as noted in paragraph 8 above,

and the compensation that he received from Resort Holdings, as noted in paragraph 9 above, pursuant to and in accordance with the provisions of FINRA Rule 8210. The written response and documentation were due no later than September 8, 2009. The request for information was sent by first class mail and certified mail, return receipt requested, to Hankins' CRD Address. The certified return receipt was returned to the Staff apparently signed by Hankins. The first class mailing was not returned to the Staff.

11. Prior to the filing of the Complaint, Hankins failed to respond to each and every request for documents and information described in paragraphs 10 and 11. Since the Complaint was filed, Hankins fully responded to the Staff's requests by November 16, 2009, so Hankins failed to respond in a timely manner.

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

13. 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 eight months, and fined \$15,500. The fine shall be due and payable either immediately upon Respondent's reassociation with a member firm following the eight-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.

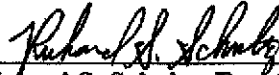
The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

Signed on behalf of the

Director of ODA, by delegated authority



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