

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100229977 0 **

**To: Department of Enforcement
FINRA**

**Re: Charles M. Dobbins
General Securities Representative
CRD No. 2202019**

Pursuant to FINRA Rule 9216 of FINRA Code of Procedure, I, Charles M. Dobbins, submit 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

Dobbins entered the securities industry in September 1991. From September 16, 2005 through April 30, 2010, Dobbins was associated with FINRA broker-dealer Merrill Lynch, Pierce, Fenner & Smith Incorporated (and its predecessor Banc of America Investment Services, Inc.) and was registered with FINRA as a general securities representative.

Dobbins is not currently associated with any FINRA broker-dealer. However, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws.

Relevant Disciplinary History

Dobbins has not been the subject of prior formal disciplinary action by FINRA.

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Overview

Dobbins accepted loans from two customers on three separate occasions, thereby violating NASD Conduct Rules 2370 and 2110 and FINRA Rule 2010.

Facts and Violative Conduct

Borrowing from Customers
NASD Conduct Rules 2370 and 2110 and FINRA Rule 2010

1. In November 2008, customer R.W. loaned \$75,000 to C&M Acquisitions, a company partially owned and operated by Dobbins. Dobbins signed the loan agreement as the borrower.
2. In November 2009, R.W. loaned an additional \$75,000 to C&M Acquisitions. Again, Dobbins signed the loan agreement as the borrower.
3. Also in November 2009, customer G.L. loaned \$45,000 to C&M Acquisitions. This loan resulted from a verbal agreement between G.L. and Dobbins.
4. In both November 2008 and November 2009, Dobbins serviced R.W.'s securities account at Merrill Lynch.
5. In November 2009, Dobbins serviced G.L.'s securities account at Merrill Lynch.
6. Merrill Lynch had policies and procedures that generally prohibited lending arrangements between Merrill Lynch representatives and customers with certain exceptions. Those exceptions do not apply to the loans from customers R.W. and G.L.
7. Moreover, Merrill Lynch required that a representative receive pre-approval for any lending arrangement between a representative and a Merrill Lynch customer. Dobbins did not notify Merrill Lynch of the loans from R.W. and G.L. and did not obtain approval to receive these loans.

8. Dobbins repaid the loans from R.W., plus the promised interest. Dobbins is current and up to date in his repayment of the loan from G.L.
9. Through this conduct, Dobbins violated NASD Conduct Rules 2370 and 2110 and FINRA Rule 2010.

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

1. a suspension of ten business days from association with any FINRA broker-dealer in any capacity; and
2. a \$5,000 fine.

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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA broker-dealer in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (*see* FINRA Rules 8310 and 8311).

The fine shall be due and payable either immediately upon reassociation with a member firm following the suspension of ten business days 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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II. WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me:

- B. To be notified of the Formal 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 further 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 me; and**
- C. If accepted:**
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

12/11/11
Date

Charles M. Dobbins
CHARLES M. DOBBINS

Reviewed by:

[Signature]
Counsel for Charles M. Dobbins

Letter of Acceptance, Waiver and Consent No. 20100229977 0 \

Charles M. Dobbins

Page 6

Accepted by FINRA:

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

12-19-2021

Date


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