

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

Department of Enforcement,

Complainant,

v.

Charles E. Severt,
(CRD No. 2866408),

Respondent.

DISCIPLINARY PROCEEDING
No. 2010023062101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. While Charles Severt was associated with a FINRA member, he obtained possession of approximately \$20,000 in funds from an Ohio church, without that entity's authorization, in violation of FINRA Rule 2010. Severt also failed to respond to FINRA's requests for information about his taking of the church's funds, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Charles Severt became registered as an Investment Company and Variable Contracts Products Representative (Series 6) in July 1997 with ING Financial Partners, Inc. In June 2010, Severt was terminated. He is not currently registered with a FINRA member. Although Severt has not been associated with a FINRA member firm since June 2010, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon

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which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member and with failing to respond to FINRA requests for information during the two-year period after the date upon which he ceased to be associated with a FINRA member.

**First Cause of Action
Misuse of Funds – FINRA Rule 2010**

3. The Department realleges and incorporates by reference paragraphs 1 and 2 above.
4. Between approximately August 2009 and January 2010, Severt, while serving as treasurer of the Fellowship Tabernacle Church in Xenia, Ohio, took approximately \$20,000 in funds from the church, without that entity's authorization.
5. By misusing the funds from the church, Severt violated FINRA Rule 2010.

**SECOND CAUSE OF ACTION
Failure to Respond – FINRA Rules 8210 and 2010**

6. The Department realleges and incorporates by reference paragraphs 1 through 5 above.
7. Pursuant to FINRA Rule 8210, the staff sent Severt two written requests for information relating to his misuse of funds as described above.
8. On or about July 2, 2010, FINRA staff sent Severt a request that he provide certain information by July 16, 2010, pursuant to and in accordance with the provisions of FINRA Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Severt's address of record as contained in the records of the Central Registration Depository ("CRD address"). The letter sent by first class mail was not returned to FINRA staff. The letter sent by certified mail was returned to FINRA staff with the following notation: "Return to Sender, Unclaimed, Unable to Forward."

9. On or about July 22, 2010, FINRA staff sent Severt the same request that he provide certain information by August 5, 2010, pursuant to and in accordance with the provisions of FINRA Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Severt's CRD address of record. The letter sent by first class mail was not returned to FINRA staff. Although the letter sent by certified mail was not returned, the Track and Confirm system for the United States Postal Service provides as follows: "Your item was returned to the sender on August 7, 2010 because it was not claimed by the addressee."

10. Severt failed to respond to the written requests for information described above.

11. The acts, practices and conduct described above constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Severt.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed, and that the Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;**
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.**

FINRA DEPARTMENT OF ENFORCEMENT



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