

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

Department of Enforcement,

Complainant,

v.

Cristie Lynn Rothweiler
(CRD No. 5209424),

Respondents.

DISCIPLINARY PROCEEDING
No. 2010024238801

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In September 2009 and March 2010, Cristie Lynn Rothweiler engaged in check kiting and drew bad checks on her account at a bank affiliated with the firm with which she was associated, Charles Schwab & Co., Inc. ("Charles Schwab" or the "Firm"). In addition, in August 2010, Rothweiler converted \$1,198.55 from Charles Schwab by providing the Firm with a check drawn on a closed account to obtain immediate access to Firm funds. By this conduct, Rothweiler violated FINRA Rule 2010.

RESPONDENT(S) AND JURISDICTION

2. In August 2006, Rothweiler became associated with Charles Schwab as an unregistered asset transfer associate and remained employed in that capacity until the Firm terminated her employment on August 25, 2010. On August 25, 2010, the Firm filed a Form 3070(a), reporting Rothweiler's termination of employment for failure to adhere to company policy. Rothweiler is not employed with a FINRA regulated firm.

Although Respondent is no longer registered or associated with a FINRA member, she 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 which she ceased to be associated with a FINRA member, namely, August 25, 2010, and (2) the Complaint charges her with misconduct committed while she was associated with a FINRA member.

FIRST CAUSE OF ACTION

Check Kiting and Issuing a Bad Check (FINRA Rule 2010)

3. The Department realleges and incorporates by reference paragraphs 1 to 2 above.

Transaction with Insufficient Funds

4. On September 1, 2009, Rothweiler transferred the entire balance of her checking account with a bank affiliated with the Firm (the "Bank Account") to her brokerage account with the Firm (the "Brokerage Account").
5. That same day, Rothweiler drew a check on the Bank Account in the amount of \$320 and deposited it into the Brokerage Account. Since Rothweiler transferred the entire balance of her Bank Account into the Brokerage Account before she deposited the check into the Brokerage Account, she knew or should have known that her Bank Account did not have sufficient funds to cover the \$320 check.
6. After Rothweiler transferred funds from her Bank Account and deposited the \$320 check into the Brokerage Account, she requested that the Firm issue a Firm check for \$887.70 to her landlord, payable against the Brokerage Account. The landlord negotiated the check and applied the funds to Rothweiler's rent.

7. Without the purported \$320 deposit, the Brokerage Account would not have had sufficient funds to cover the \$887.70 check and the Firm would not have issued its check.
8. On September 8, 2009, Rothweiler's check in the amount of \$320 was dishonored and returned to the Firm for insufficient funds. The Firm then charged her Brokerage Account for the bad check resulting in a debit balance in the account. Rothweiler covered the debit balance between September 24 and 30, 2009.

Issuing a Bad Check

9. On February 2, 2010, after Rothweiler initiated additional insufficient funds transactions in the Bank Account, the Firm sent Rothweiler an email notifying her that its affiliated bank had terminated her checking privileges and that the Bank Account was closed. On February 22, 2010, Rothweiler replied to the Firm's February 2 email acknowledging that she was aware that her checking privileges had been terminated. Therefore she knew or should have known that she could not draw further checks on this account.
10. Despite this knowledge, on March 30, 2010, Rothweiler drew a check on the closed Bank Account in the amount of \$410, payable to a third party, for her husband's business licensing renewal fee.
11. The third party attempted to negotiate the \$410 check, but it was dishonored and returned on April 2, 2010.
12. By virtue of this conduct, Rothweiler violated FINRA Rule 2010.

SECOND CAUSE OF ACTION
Conversion of Firm Funds (FINRA Rule 2010)

13. The Department realleges and incorporates by reference paragraphs 1 to 12 above.
14. On August 4, 2010, Rothweiler drew another check on the closed Bank Account in the amount of \$1,250 and deposited it into her Brokerage Account. Rothweiler then requested that the Firm issue a Firm check for \$1,198.55 to herself payable against the Brokerage Account
15. On August 6, 2010, Rothweiler deposited the Firm check for \$1,198.55 into her personal account at another bank. This check was paid, and the funds became available for Rothweiler's use.
16. Without the purported \$1,250 deposit, the Brokerage Account would not have had sufficient funds to cover the \$1,198.55 Brokerage Account check and the Firm would not have issued its check.
17. On August 10, 2010, the \$1,250 check that Rothweiler drew on her closed Bank Account was dishonored and returned unpaid to the Firm. The Firm then charged her Brokerage Account for the bad check, resulting in a debit balance in the account. To date, Rothweiler has repaid the Firm only \$160 of the \$1,198.55 that she converted for her own use and benefit.
18. By virtue of this conduct, Rothweiler violated FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the

violations charged and alleged herein;

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

FINRA DEPARTMENT OF ENFORCEMENT

Date:

8/17/12



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