

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

Department of Enforcement,

Complainant,

v.

Share Financial Services, Inc.
(CRD No. 11226),

and

Charles Major
(CRD No. 2748243),

Respondents.

DISCIPLINARY PROCEEDING
No. 2012030729402

HEARING OFFICER: MC

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: March 16, 2015

INTRODUCTION

Disciplinary Proceeding No. 2012030729402 was filed on September 22, 2014, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondents Share Financial Services, Inc. ("Share Financial" or the "firm") and Charles Major ("Major") (collectively, "Respondents") submitted an Offer of Settlement ("Offer") to Complainant dated March 5, 2015. 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, Respondents have consented, without admitting or denying the allegations of the Complaint, as amended by the Offer of Settlement, 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 findings and violations consistent with the allegations of the Complaint, as amended by the Offer of Settlement, and to the imposition of the sanctions set forth below, and fully understand that this Order will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Share Financial is currently, and was during all times relevant hereto, a member of FINRA and registered as a broker/dealer with the Securities and Exchange Commission. The firm, which registered with FINRA in August 1983 and is headquartered in Dallas, Texas, currently employs 24 registered personnel. Share Financial's primary business activity is the offer and sale of church bonds through contingent securities offerings. During the relevant time period, proceeds from underwriting church bond offerings accounted for 99% of Share Financial's revenues. From its inception, the firm operated without a Financial and Operations Principal ("FINOP"), pursuant to a FINOP exemption. Its exemption was revoked in January 2012.

Major entered the securities industry in July 1996, as a General Securities Representative with Share Financial. He currently serves as the firm's President and Chief Compliance Officer. During his career in the securities industry, Major acquired Series 7, 24 and 63 securities licenses. During the period from December 2010 to March 2012, Major was the designated principal responsible for ensuring that Share Financial remained in net capital compliance and that the firm's books and records were accurate. During the period from December 2010 to

March 2012, Major was the designated principal responsible for ensuring that Share Financial remained in net capital compliance and that the firm's books and records were accurate.

On August 23, 2011, FINRA issued a Letter of Acceptance, Waiver and Consent (No. 2009016275301), in which Share Financial and Major were each fined \$5,000 for Share Financial's violations of Section 15(c) of the Exchange Act and Rules 15c3-1, 17a-3(a)(11) and 17a-5(a)(2)(ii) thereunder, NASD Rule 2110 and FINRA Rule 2010, and Major's violations of NASD Rule 2110 and FINRA Rule 2010. Share Financial and Major agreed to findings that Share Financial conducted a securities business while failing to maintain its required minimum net capital, and that the firm also had related books and records violations.

On December 31, 2003, FINRA issued a Letter of Acceptance, Waiver and Consent (No. C06030040), in which Share Financial and Major were fined \$5,000, jointly and severally, for Share Financial's violations of Section 15(c) of the Exchange Act and Rules 15c3-1, 17a-3(a)(11), 17a-5(a)(2)(ii) and 17a-5(d)(5) thereunder, and NASD Conduct Rule 2110, and Major's violations of NASD Rule 2010. Share Financial and Major agreed to findings that Share Financial conducted a securities business while failing to maintain its required minimum net capital; that certain of the firm's net capital computations, general ledger and trial balances, and its FOCUS report were all materially inaccurate; and that the firm failed to timely file its annual audit.

FINRA retains jurisdiction over Share Financial because it is currently registered as a FINRA member firm, and over Major because he is currently registered with a FINRA member firm.

FINDINGS AND CONCLUSIONS

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

FIRST CAUSE OF ACTION

Net Capital Violations

(Violations of Sections 15(c) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 15c3-1 thereunder, and Violations of FINRA Rules 2010 and 4110(b)(1) by Share Financial, and Violations of FINRA Rules 2010 and 4110(b)(1) by Major)

1. SEC Rule 15c3-1 requires each broker-dealer to maintain, at all times, a certain minimum amount of net capital. The rule sets forth various categories of required net capital depending on the type of securities business conducted by a broker-dealer. In addition, broker-dealers are required to maintain a certain level of net capital relative to their aggregate indebtedness.

2. FINRA Rule 4110(b)(1) requires member firms to suspend all business operations during any period in which it is not in compliance with applicable net capital requirements set forth in SEC Rule 15c3-1.

3. FINRA Rule 2010 states that “a member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.” The rule applies with equal force to associated persons. Violations of SEC Rules and other FINRA rules also result in a violation of FINRA Rule 2010.

4. At all relevant times, Share Financial’s membership agreement with FINRA provided that the firm would operate pursuant to SEC Rule 15c3-1 and that it would maintain minimum net capital in the amount of \$5,000. During certain time periods, the firm’s minimum net capital requirement increased based on its aggregate indebtedness.

5. On at least December 31, 2010, January 31, 2011, February 28, 2011, March 18, 2011, August 24, 2011, November 29, 2011, January 30, 2012 and February

28, 2012, Share Financial, acting through Major, conducted a securities business while failing to maintain its required minimum net capital.

6. The firm's net capital deficiencies ranged between <\$980.53> and <\$54,159.94>.

7. As a result of the foregoing conduct, Share Financial violated Section 15(c) of the Exchange Act and Rule 15c3-1 thereunder, and violated FINRA Rules 2010 and 4110(b)(1), and Major violated FINRA Rules 2010 and 4110(b)(1).

SECOND CAUSE OF ACTION

Books and Records and FOCUS Reporting

(Violations of Section 17(a) of the Exchange Act and Rules 17a-3(a)(2), 17a-3(a)(11), and 17a-5(a)(2)(ii) thereunder, Violations of NASD Rule 3110 and FINRA Rules 2010 and 4511 by Share Financial and Violations of NASD Rule 3110 and FINRA Rules 2010 and 4511 by Major)

8. NASD Rule 3110 requires member firms to “make and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, regulations and statements of policy promulgated thereunder and with the Rules of this Association and as prescribed by SEC Rule 17a-3. The record keeping format, medium, and retention period shall comply with Rule 17a-4 under the Securities Exchange Act of 1934.”

9. FINRA Rule 4511, which became effective on December 5, 2011 and replaced NASD Rule 3110, has similar requirements.

10. SEC Rule 17a-3(a)(2) requires broker-dealers to maintain accurate “[l]edgers reflecting all assets and liabilities, income and expense and capital accounts.”

11. SEC Rule 17a-3(a)(11) requires broker-dealers to make and keep current books and records relating to its business, including but not limited to a record of the computation of aggregate indebtedness and net capital.

12. SEC Rule 17a-5 generally requires broker-dealers to prepare and file certain reports, including FOCUS reports, which are to be submitted on a quarterly basis.

13. During all times relevant hereto, Major was the designated principal responsible for ensuring that Share Financial's books and records were accurate.

14. During the periods from December 2010 to February 2012, Share Financial, acting through Major, had inaccurate book and records. Specifically, the firm failed to accrue, or to timely accrue, certain liabilities to its general ledger, treated a non-allowable asset as allowable and improperly netted a credit against its current liabilities.

15. During the periods from December 2010 to March 2011 and August 2011 to January 2012, Share Financial, acting through Major, had inaccurate net capital computations. During the relevant time periods, Share Financial's net capital computations resulted in figures that were higher than the firm's actual net capital.

16. Share Financial, acting through Major, filed an inaccurate FOCUS report for the quarter ending December 31, 2010. Specifically, the firm's FOCUS filing contained inaccurate information regarding its net capital.

17. As a result of the foregoing, Share Financial violated Section 17(a) of the Exchange Act and Rules 17a-3(a)(2) and (a)(11) and 17a-5 thereunder, violated NASD Conduct Rule 3110 (for misconduct on or before December 4, 2011) and FINRA Rules 2010 and 4511 (for conduct on or after December 5, 2011) and Major violated NASD

Conduct Rule 3110 (for conduct on or before December 4, 2011) and FINRA Rules 2010 and 4511 (for conduct on or after December 5, 2011).

Based on the foregoing, Respondent Share Financial violated Section 15(c) of the Exchange Act and Rule 15c3-1 thereunder, and Section 17(a) of the Exchange Act and Rules 17a-3(a)(2) and (a)(11) and 17a-5 thereunder, and violated FINRA Rules 2010, 4110(b)(1), and 4511 (for conduct on or after December 5, 2011) and NASD Conduct Rule 3110 (for misconduct on or before December 4, 2011). Respondent Major violated FINRA Rules 2010, 4110(b)(1) and 4511 (for conduct on or after December 5, 2011) and NASD Conduct Rule 3110 (for conduct on or before December 4, 2011).

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondents 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 Share Financial be censured and fined \$20,000.

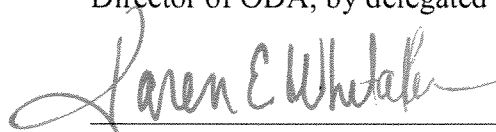
It is ordered that Respondent Major be fined \$15,000 and suspended from association with any FINRA member firm in any principal capacity for 10 business days.

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

A handwritten signature in dark ink, reading "Karen E. Whitaker", written over a horizontal line.

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