

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034193201**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Greg J. Campbell, Respondent
CRD No. 4732999

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Respondent Greg J. Campbell entered the securities industry in 2003 as a General Securities Representative with a FINRA member, where he was registered until June 16, 2006. Campbell was then registered with Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch") from June 16, 2006 until his voluntary termination on October 29, 2011. On October 28, 2011, Campbell became registered with LPL Financial LLC ("LPL"). Campbell was terminated by LPL on October 31, 2012 after LPL discovered that Campbell had been misappropriating customers' funds. Campbell is not currently registered or associated with any member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Campbell has no disciplinary history.

OVERVIEW

From May 2008 through October 2012, Campbell misappropriated over \$2 million in funds from customers at Merrill Lynch and LPL, including elderly customers and members of Campbell's family. Most of the misappropriated funds were converted by Campbell for his personal use; some of the misappropriated funds were transferred between customers' accounts to replace converted funds. Campbell's conduct violated FINRA Rules 2150 and 2010 and NASD Rules 2330 and 2110.

FACTS AND VIOLATIVE CONDUCT

Beginning in May 2008 and continuing until October 2011, Campbell misappropriated over \$1.7 million from his customers at Merrill Lynch; he converted over \$1.35 million for his personal use and made unauthorized transfers of approximately \$390,000 between customers' accounts. Campbell misappropriated funds by establishing a Loan Management Account ("LMA") in a customer's name, in most instances without the customer's knowledge or consent. An LMA operated as a line of credit through which a customer could obtain loans collateralized by securities held in the customer's advisory account. Campbell then effectuated wire transfers directly from the customer's LMA to various third-party accounts servicing Campbell's personal debt, including a mortgage, an auto loan and a home-equity line of credit. In some instances, Campbell replaced converted funds by transferring funds between customers' accounts without their consent. Campbell typically effectuated the wire transfers by creating falsified letters of authorization on which he forged customers' signatures. To avoid detection, Campbell had customers' account statements delivered "care of" other, unrelated customers.

Campbell misappropriated funds from the following Merrill Lynch customers:

- Customers RFC and RAC are brothers, and they are first cousins of Campbell's mother. They opened a joint brokerage account with Campbell in June 2006. Campbell opened an LMA for RFC and RAC in December 2007 without their knowledge or consent. From August 2009 through December 2010, Campbell converted over \$184,000 from RFC's and RAC's LMA to an account at Wells Fargo NA servicing a mortgage on a property owned by Campbell. He also converted over \$16,000 from the LMA to a BMW Financial Services account servicing a loan on an automobile owned by Campbell. In addition, Campbell effectuated an unauthorized transfer of \$105,000 from RFC's and RAC's LMA to the LMA of Customer PC, from whom Campbell was also converting funds.
- Customer PC, a friend of Campbell, opened a brokerage account with Campbell in June 2006. PC opened an LMA in June 2009 and made one authorized transaction from the LMA, a July 2009 down payment on a home. From February through October 2011, Campbell converted approximately \$220,000 from PC's

LMA to an account at Wells Fargo NA servicing a mortgage on a property owned by Campbell. In addition, Campbell effectuated an unauthorized transfer of \$175,000 from PC's LMA to the LMA of Customers RFC and RAC. To conceal his activities, Campbell had PC's account statements delivered "care of" Customers RFC and RAC, who are of no relation to PC.

- Customer HK is 85 years old and currently suffers from dementia. He opened a brokerage account with Campbell in July 2006. Campbell opened an LMA for HK in March 2009 without HK's knowledge or consent. From August 2009 through October 2011, Campbell converted over \$930,000 from HK's LMA to an account at JPMorgan Chase Bank servicing a home-equity line of credit maintained by Campbell. In addition, Campbell effectuated unauthorized transfers totaling over \$112,000 from HK's LMA to the LMA of Customer PC. To conceal his activities, Campbell had HK's account statements delivered "care of" Customer PC, who is of no relation to HK.

After he left Merrill Lynch and became registered with LPL, Campbell began misappropriating funds from accounts of his customers at LPL. From May through October 2012, Campbell misappropriated at least \$532,000 from LPL customers; he converted \$365,500 for his personal use and made unauthorized distributions of \$166,500 between customers' accounts. Campbell converted funds by effectuating wire transfers and IRA distributions directly from customers' accounts to LPL brokerage accounts held by Campbell and his wife. It was Campbell's practice to effectuate these transactions by creating falsified letters of authorization and IRA distribution requests on which he forged customers' signatures. To avoid detection, Campbell had customers' account statements delivered to residences owned by Campbell.

Campbell misappropriated funds from the following LPL customers:

- Customers AM and DM are father and son. AM and DM each opened accounts with Campbell in December 2011; AM opened an IRA account and DM opened a brokerage account. From August through October 2012, Campbell effectuated unauthorized wire transfers totaling \$257,000 from DM's brokerage account to a brokerage account held by Campbell's wife. In addition, Campbell opened a brokerage account in AM's name without his consent and made unauthorized distributions totaling \$166,500 from AM's IRA account to AM's brokerage account. Campbell then effectuated unauthorized transfers totaling \$166,500 from AM's brokerage account to DM's brokerage account to replace funds he had converted from DM's account. To conceal his activities, Campbell had AM's and DM's account statements delivered to a residence owned by Campbell.
- Customers BC and GC are Campbell's mother and father. Each had an IRA account with Campbell. From May through July 2012, Campbell made a series of unauthorized distributions totaling \$59,700 from BC's and GC's IRA accounts to

a brokerage account held by Campbell. To conceal his activities, Campbell had GC's and BC's account statements delivered to Campbell's home address.

- Customer ER opened an IRA account with Campbell in March 2012, when she was 70 years old. In July 2012, Campbell made a series of unauthorized distributions totaling \$39,800 from ER's IRA account to a brokerage account held by Campbell. In making the distributions, Campbell created IRA distribution requests falsely stating that he was ER's grandson. To conceal his activities, Campbell had ER's account statements delivered to an address which did not belong to ER.

By misappropriating customers' funds, Campbell violated FINRA Rules 2150 and 2010 and NASD Rules 2330 and 2110.

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

- a bar from associating with any FINRA member in any capacity.

I understand that 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 member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the 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

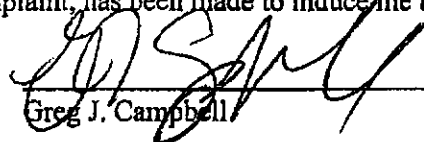
I understand that:

- 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

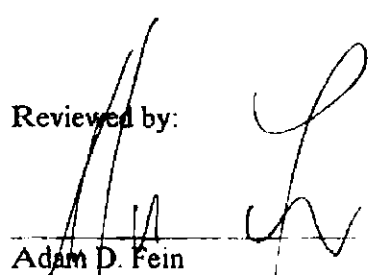
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought 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.

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.

2/28/2013
Date (mm/dd/yyyy)


Greg J. Campbell

Reviewed by:


Adam D. Fein
Counsel for Respondent
Rosenblum, Schwartz, Rogers & Glass, P.C.
120 South Central Avenue, Suite 130
St. Louis, MO 63105
(314) 862-4332

Accepted by FINRA:

14 Mar 2013
Date

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



Jeffrey Pariser
Director
FINRA Department of Enforcement
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