

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014042196601**

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

**RE:** Charles L. Evans, Respondent  
General Securities Representative  
CRD No. 202828

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Charles L. Evans, 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**

In February 1970, Charles L. Evans ("Evans" or "Respondent") became registered as a General Securities Representative of a FINRA member firm. Evans was associated with RBC Capital Markets ("RBC" or the "Firm") from August 30, 2002 through May 16, 2014, and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. From May 16, 2014 through July 24, 2014, Evans was associated with Wells Fargo Advisors, LLC ("Wells Fargo"), and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. Evans is currently registered with FINRA and associated with another FINRA member firm. Evans has no prior disciplinary history.

**OVERVIEW**

On May 16, 2014, Evans voluntarily resigned from RBC and joined another broker-dealer. Prior to his resignation from RBC, Evans created a "New Account Checklist" form to maintain handwritten customer account information for about 131 clients (including the customer's name, account number, social security number, date of birth, address, phone numbers, email addresses, and basic suitability information). Evans took these forms when he left RBC in order to

contact the customers to solicit their transfer from RBC to his new employer. By improperly taking confidential, non-public customer information, Evans violated FINRA Rule 2010.

### **FACTS AND VIOLATIVE CONDUCT**

SEC Regulation S-P of the Securities Exchange Act of 1934 generally prohibits disclosure of "nonpublic personal information" about a customer unless the customer receives proper notice and an opportunity to opt out.

Information is considered to be "non-public personal information" if it contains personally identifiable financial information about one or more consumers, including: (1) information a consumer provides to a broker-dealer to obtain a financial product or service, (2) information about a consumer resulting from any transaction involving a financial product or service between a broker-dealer and a consumer, or (3) information a broker-dealer otherwise obtains about a consumer in connection with providing a financial product or service to that consumer. "Non-public personal information" includes, but is not limited to, account numbers, social security numbers, birth dates, and account balances.

FINRA Rule 2010 requires registered persons to observe high standards of commercial honor and just and equitable principles of trade.

The Firm's policies required that its employees adequately protect confidential customer information imparted to them or contained in the Firm's files, and prohibited them from disclosing such information to unauthorized persons within the Firm or persons not employed by the Firm.

On March 6, 2014, Evans, in anticipation of moving his registration from his current employer to Wells Fargo, signed an agreement entitled "Protocol Registered Representative Account Transition Guidelines," in which he agreed that upon resignation from the Firm, he would be allowed to take the name, address, phone number, email address and account title of his clients. Evans agreed he would not remove any other client-related information, records or documents, including account numbers, from the Firm.

On or about March 6, 2014, Evans created a "New Account Checklist" form at his home to record financial and suitability information about his clients, including, account numbers, social security numbers, date of birth, and other information commonly included on new account documents. Evans had specifically agreed not to remove this customer information from his employing member firm. Evans subsequently accessed his Firm's online client database from his home to copy the information secretly onto his New Account Checklist forms.

Evans did not request permission from his clients to record this information and did not disclose to anyone with the Firm or Wells Fargo that he had copied the client information onto his New Account Checklist forms, because he knew that he was prohibited from removing this information under the Protocol Guidelines.

Between May 16, 2014 and May 24, 2014, Evans provided the completed New Account Checklists to his assistant, with instructions to use the client information to complete new account applications and transfer forms, and to mail those completed forms to his clients, requesting their signature.

The information that Evans took from the Firm included "non-public personal information" as that term is defined under Regulation S-P since it: (1) was provided by the Firm's customers to obtain financial products; (2) resulted from transactions involving financial products or services between the Firm and its customers; and/or (3) was obtained in connection with providing financial products or services to Firm's customers. Evans did not have the Firm's permission to take such information.

By improperly taking non-public, personal customer information in contravention of Regulation S-P, Evans violated FINRA Rule 2010.

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

A \$5,000 fine and a ten business-day suspension from association with any FINRA member firm in all capacities.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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.

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.

## **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 Chief Legal Officer, 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 accordance with FINRA Rule 8313;
  - 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: (i) testimonial obligations; or (ii) 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.

3/23/2016  
Date (mm/dd/yyyy)

Charles L. Evans  
Charles L. Evans, Respondent

Reviewed by:

Donald R. Littlefield, Esq.  
Donald R. Littlefield, Esq.  
Counsel for Respondent

Accepted by FINRA:

April 6, 2016  
Date

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

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