

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044377401**

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

RE: Charles H. Clark, Jr., Respondent
General Securities Representative
CRD 5367693

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 Charles H. Clark, Jr., entered the securities industry in 2007. He has been registered with two members firms, including LPI Financial LLC from October 2009 until February 2015. Clark has been registered as a general securities representative, investment company and variable products representative, state agent, and investment advisor.

Although Respondent is no longer registered or associated with a FINRA member, 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) this AWC is being issued within two years after the date upon which he ceased to be associated with a FINRA member, namely, February 6, 2015, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTS AND VIOLATIVE CONDUCT

Respondent and another representative at LPL Financial LLC conducted securities business and offered insurance products through a fully-disclosed outside business entity. In December 2010, Respondent and the other representative borrowed \$100,000 from one of their brokerage customers to fund the operations of this outside entity. They executed a promissory note for the principal amount of the loan and 8% annual interest. In December 2014, their customer filed a complaint with LPL Financial LLC due to their failure to make full repayment of the loan on a timely basis.

FINRA Rule 3240 prohibits a registered person from borrowing money from, or lending money to, any customer unless the registered person obtains written permission from his or her member firm before entering into the arrangement. Respondent failed to notify his firm or obtain written permission prior to borrowing money from his customer, thereby violating FINRA Rule 3240, and inaccurately denied having borrowed any money on his firm's compliance questionnaire. By violating FINRA Rule 3240, Respondent also engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, thereby violating FINRA Rule 2010.

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

1. a three-month suspension from association with any FINRA member firm in all capacities; and
2. a \$5,000 fine.

The sanctions imposed herein shall be effective on a date set by FINRA staff. The fine shall be due and payable either immediately upon reassociation with a member firm following the three-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other even or proceeding, whichever is earlier.

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 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 suspension (see FINRA Rules 8310 and 8311).

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.

7/8/2015
Date

Charles H. Clark, Jr.
Charles H. Clark, Jr.

Reviewed by:

Jason D. May, Esq.
Jason D. May, Esq.
Counsel for Respondent
Jason D. May, LLC
9201 N. Meridian Street, Suite 220
Indianapolis, IN 46260
(317) 218-3859

Accepted by FINRA:

July 16, 2015
Date

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


Jonathan Golomb
Senior Special Counsel
FINRA Department of Enforcement
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Rockville, MD 20850