

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CHRISTOPHER CLARK
(CRD No. 5938185),

Respondent.

Disciplinary Proceeding
No. 2016048490901

Hearing Officer: LOM

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: February 28, 2017

INTRODUCTION

Disciplinary Proceeding No. 2016048490901 was filed on January 6, 2017, and amended pursuant to an Amended Complaint filed January 20, 2017, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant).

Respondent Christopher Clark submitted an Offer of Settlement (Offer) to Complainant dated February 17, 2017. 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, Respondent has 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 understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent first became registered as a General Securities Representative ("GSR") in August 2011 through a FINRA member firm. From August 2011 through March 2015, Respondent was registered as a GSR through two FINRA member firms. On March 27, 2015, Respondent became registered as a GSR through an association with Legend. On July 31, 2015, Respondent terminated from Legend and his registration with FINRA was also terminated. Respondent 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 he ceased to be associated with a FINRA member, namely, July 31, 2015; and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

From April 2015 through July 2015 (the "Relevant Period"), Francis Smookler, Jr. and Respondent, while registered with FINRA through their association with Legend, and for the purpose of concealing Smookler's violations of state registration requirements, intentionally caused the falsification of Legend's books and records, by causing to be misidentified the broker

¹ The findings herein are pursuant to Respondent Christopher Clark's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

of record for at least four orders in the accounts of two customers at Legend. As a result, Smookler and Respondent caused Legend to maintain inaccurate books and records, and they violated FINRA Rules 4511 and 2010.

**SOLE CAUSE OF ACTION
Falsification of Firm Books and Records
(FINRA Rules 4511 and 2010)**

On March 27, 2015, Smookler and Respondent joined Legend. In early April 2015, a number of Smookler's customer accounts from his prior firm were transferred to Legend, including the accounts of PN and JH. During the Relevant Period, Smookler was the broker responsible for PN's and JH's accounts. During the Relevant Period, PN resided in Indiana, and JH resided in Nebraska.

Throughout the time that Smookler was associated with Legend, he was not registered to transact business as a broker-dealer or agent of a broker-dealer in certain states, including Indiana and Nebraska.

On or about April 2, 2015, Respondent became registered to transact business as a broker-dealer or agent of a broker-dealer in both Indiana and Nebraska.

From April 7, 2015 through July 13, 2015, Smookler solicited or placed at least four trades in the accounts of Legend customers PN and JH. Smookler and Respondent caused those trades to be incorrectly recorded on Legend's order memoranda, trade confirmations, commission statements, and account statements as trades solicited or placed by Respondent.

Respondent paid Smookler a portion of the commissions that were generated by the trades.

Respondent was aware that Respondent was falsely listed as the broker responsible for the foregoing trades on the order memoranda, trade confirmations, commission statements, and account statements for PN and JH.

Respondent intended for Legend's books and records to contain these false representations, so as to conceal Smookler's circumvention of state securities registration requirements.

Attached hereto as Schedule A is a list of the above-referenced trades that Smookler solicited or placed for PN and JH.

FINRA Rule 4511(a) requires FINRA member firms to "make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules."

FINRA Rule 2010 requires members and associated persons, in the conduct of their business, to "observe high standards of commercial honor and just and equitable principles of trade."

It is a violation of FINRA Rule 2010 for an associated person to cause the falsification of the books and records of a FINRA member firm in violation of FINRA Rule 4511(a).

During the Relevant Period, Respondent caused Legend's books and records, including the order memoranda, trade confirmations, commission statements, and account statements, to falsely state that Respondent was the registered representative responsible for the accounts of PN and JH and that Respondent placed all of the securities transactions in the accounts of PN and JH.

Based on the foregoing, Respondent caused Legend to maintain inaccurate books and records and violated FINRA Rules 4511 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent 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 be

Suspended from association with any FINRA member in all capacities for a period of 30 business days; and

Fined in the amount of \$5,000.

The fine shall be due and payable either immediately upon re-association with a member firm following the 30 business day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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



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Schedule A

	Customer	Rep Code	Trade Date	Security Description	Purchase Or Sale	Trade Quantity	Commission Amount	Principal Amount
1	PN	M916	4/7/2015	Twitter Inc.	Buy	10,000	\$15,000	\$541,938
2	PN	M916	4/20/2015	Twitter Inc.	Buy	5,000	\$7,500	\$256,523
3	JH	M916	4/20/2015	Twitter Inc.	Buy	1,800	\$2,700	\$91,800
4	PN	M916	5/21/2015	FedEx Corp.	Buy	1,000	\$5,000	\$176,920