

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
ROBERT DAVID CHILD)
)

RESPONDENT)

ADMINISTRATIVE ORDER
NO. OB-2002-0017

ORDER OF BAR

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENT

1. ROBERT DAVID CHILD ("RESPONDENT"), from April 4, 1994 to June 28, 2001, was an Alabama registered agent of Alabama registered dealer, UBS PaineWebber. Prior to that employment, from October 25, 1981 to September 23, 1982 and from May 3, 1983 to April 21, 1994, RESPONDENT was an Alabama registered agent of an Alabama registered dealer, Prudential Securities Inc. RESPONDENT's last known address is 781 CRANDON BLVD. APT. 301 KEY BISCAYNE, FL 33149-2544.

STATEMENT OF FACTS

2. The Commission received information from an Alabama resident ("complainant") who stated that the RESPONDENT conducted a series of unauthorized transactions involving the purchase of bonds in an account held at UBS PaineWebber Inc.
3. The complainant further alleged that the RESPONDENT, in direct conflict with her investment objectives (income only) placed her in unsuitable investments (i.e.

Corporate bonds/notes) and omitted to disclose the financial status of the corporations.

4. Furthermore, the complainant alleged that the RESPONDENT failed to execute the sale of the complainant's Service Merchandise securities after being directed by the complainant.

5. A CRD inquiry on RESPONDENT revealed at least nine separate complaints lodged against RESPONDENT for Unauthorized Trading, Unsuitability, Misrepresenting promised returns, Breach of Fiduciary Duty, Breach of Contract and Disclosure Issues. Most of the complaints were settled through arbitration and settlement agreements.

6. On June 13, 2001, the RESPONDENT was allowed to resign from UBS PaineWebber while under an internal review for his activities which, according to his personnel records, was "due to aggregate of settled customer complaints related to high yield bonds."

7. On August 6, 2001, the RESPONDENT became employed by VFinance Investment, Inc. which is not an Alabama registered broker/dealer. The VFinance business address is 3010 N. Military Trail Suite 300 Boca Raton, Florida 33431. RESPONDENT is not currently licensed in Alabama.

8. On September 5, 2002, a Show Cause Order was issued to the RESPONDENT. The Order alleged that the RESPONDENT violated the Alabama Securities Act and/or Commission rules by engaging in dishonest or unethical practices, to wit: executing unauthorized transactions in the account of an Alabama resident, placing her in investment in direct conflict with her investment objectives and omitting to disclose the financial status of the corporations in which the investments were made.

9. On November 22, 2002, the RESPONDENT sent an affidavit through his attorney, Debra Jenks, outlining his position on the Show Cause Order.

10. On February 12, 2003, an informal hearing was held by phone with the RESPONDENT and his attorney, Debra Jenks.
11. On March 26, 2003, the Commission received a letter from the RESPONDENT's attorney, Debra Jenks, outlining his defense of the allegations.
12. On June 12, 2003, the Commission staff discussed a proposed consent order with the RESPONDENT's attorney, Debra Jenks.
13. On June 13, 2003, a proposed consent order was sent to the RESPONDENT and his attorney, Debra Jenks.
14. On August 19, 2003, attorney Peter S. Fruin gave written notification to the Commission that he is now representing the RESPONDENT.
15. On October 20, 2003, the Commission staff held a meeting with Peter S. Fruin to discuss the consent order.
16. On January 14, 2004, the Commission received a letter from Peter S. Fruin disputing the allegations against the RESPONDENT.
17. On March 26, 2004, the Commission staff sent a proposed consent order to Peter S. Fruin. Accompanying the consent order was a statement from the Commission's legal department stating there would be no further changes.
18. On September 25, 2004, a letter was sent to Peter S. Fruin giving the RESPONDENT 14 days to respond to the consent order. If there was no response, the Commission would take further action. The Commission received no response.

CONCLUSIONS OF LAW

19. Pursuant to the provisions of Section 8-6-3(j), Code of Alabama 1975, the Alabama Securities Commission may suspend, revoke, deny, censor or bar any applicant or registrant or any officer, director, partner, or person occupying a similar status or performing similar functions if the Commission finds that the Order is in the public interest and the applicant or registrant has willfully violated or willfully failed to comply with any provisions of this article, or a predecessor act, or any rule or order under this article or a predecessor act.

20. RESPONDENT has violated Rule 830-X3-.21(1)(b) by placing an order to purchase or sell a security for the account of a client without written authority to do so.

21. RESPONDENT has violated the provision 8-6-17(4) by engaging in dishonest or unethical practices as the Commission may define by rule.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.


ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENT, ROBERT DAVID CHILD, be **BARRED** from registration or engaging in securities activities into, within or from the state of Alabama for a period of two (2) years.

Entered at Montgomery, Alabama this 17th day of December, 2004.



ALABAMA SECURITIES COMMISSION
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BY:


JOSEPH P. BORG
Director