

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

ROBERT DAVID CHILD

RESPONDENT

ADMINISTRATIVE ORDER
NO. OV-2002-0017

ORDER TO VACATE
AND
AGREEMENT TO NOT SEEK REGISTRATION

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 a registered securities 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. 310 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. On August 6, 2001, the RESPONDENT became employed by VFinance Investment, Inc. which is not an Alabama registered broker.

6. On September 5, 2002, a Show Cause Order was issued to the RESPONDENT. The Order alleged that the RESPONDENT; violated Section 8-6-3(j)(6), Code of Alabama 1975, by failing to comply with a provision of the Alabama Securities Act and/or a rule issued by the Commission; violated the provisions of Section 8-6-3(j)(7), Code of Alabama 1975, by engaging in dishonest or unethical practices, to wit: executing unauthorized transactions in the account of an Alabama resident; violated the provisions of Section 8-6-17(a)(2), Code of Alabama 1975, by omitting to disclose the financial status of the corporation that issued the securities purchased in the complainant's account; and violated Commission Rule 830-X-3-.12 by purchasing securities (i.e. Corporate bonds) for a client which were contrary to the investment objectives of the client.

7. On December 17, 2004, an Order to Bar was issued against RESPONDENT. The Order alleged that the RESPONDENT violated Commission Rule 830-X-3-.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 and Section 8-6-17(4), Code of Alabama 1975, by engaging in dishonest or unethical practices.

8. The RESPONDENT has not been a registered agent in the state of Alabama since 2001 and has agreed not to apply for registration in the future.

9. RESPONDENT, through counsel Peter S. Fruin, responded to the Order to

Bar on December 30, 2004, setting forth the circumstances of RESPONDENT's relationship with complainant and the circumstances giving rise to the Order to Bar. Additionally, the complaint was resolved through settlement between complainant and UBS.


10. Upon investigation of the complaint, it was determined that the complainant maintains a significant personal relationship with RESPONDENT'S ex-wife and that the timing of the complaint was consistent with the breakup of RESPONDENT'S marriage. Additionally, the complainant has been made whole by RESPONDENT'S former firm and RESPONDENT agrees not to apply for any future registration as a dealer, agent, investment adviser or investment adviser representative in Alabama. While the conduct alleged in the complaint raises the concerns of the Commission staff, based on the circumstances under which the complaint was filed, the resolution of the financial loss to the complainant and RESPONDENT'S agreement not to apply for registration in Alabama, the Commission staff and RESPONDENT have agreed to the terms herein.

11. Based upon the resolution of the complaint and RESPONDENT's agreement not to apply for future registration as a broker-dealer, agent, investment adviser or investment adviser representative in Alabama, the Show Cause Order, Administrative Order No. SC-2002-0017 and Order to Bar, Administrative Order No. OB-2002-0017, issued against RESPONDENT is hereby vacated.

Entered at Montgomery, Alabama, this 30th day of May, 2006.



ALABAMA SECURITIES COMMISSION
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(334) 242-2984
BY:


JOSEPH P. BORG
Director