

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
ROBERT DAVID CHILD ) ADMINISTRATIVE ORDER  
 ) NO. SC-2002-0017  
RESPONDENT )

SHOW CAUSE ORDER

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") was a registered securities agent in Alabama from October 25, 1981 to June 28, 2001. During all times relevant to this complaint and or allegation RESPONDENT was employed by Prudential Securities Inc. and UBS PaineWebber. RESPONDENT's last listed address is 499 N. E. Mizner Boulevard T.H. 14, Boca Raton, Florida, 33432.

STATEMENT OF FACTS

2. The Commission received information from an Alabama resident who stated that the RESPONDENT had conducted a series of unauthorized transactions involving the purchase of bonds in an account held at UBS PaineWebber Inc. The complainant confronted the RESPONDENT and ordered him to reverse the purchase which he did. The complainant further alleges that the RESPONDENT, in direct conflict with her investment objectives (income only) placed her in unsuitable investments (i.e. Corporate notes) and omitted to disclose the financial status of the corporations.

3. A CRD inquiry revealed nine separate complaints have been filed against the RESPONDENT. Three complaints were for unauthorized trading and six were for unsuitability, misrepresenting promised returns, breach of fiduciary duty, breach of contract and disclosure issues.

4. A further inquiry with UBS PaineWebber revealed three other complaints for unsuitability and misrepresentations. These complaints were settled through arbitration and were expunged from the CRD.

5. The CRD inquiry also revealed that on June 13, 2001, the RESPONDENT was allowed to resign from UBS PaineWebber to avoid termination of employment as a result of an allegation of unauthorized trading.

6. On August 6, 2001, the RESPONDENT became employed by VFinance Investment, Inc. which is not an Alabama registered broker. RESPONDENT is currently not registered as a securities agent in the State of Alabama.

#### CONCLUSIONS OF LAW

7. Pursuant to the provisions of Title 8 Chapter 6 Section 3 (j) (6), Code of Alabama 1975, the Commission may suspend, revoke, censor or bar any registrant from employment with a securities dealer if the Commission finds that the Order is in the public interest, and that the registrant has violated or failed to comply with any provision of the Alabama Securities Act, or any rule or order issued by the Commission.

8. RESPONDENT has violated the provisions of Title 8 Chapter 6 Section 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.

9. RESPONDENT has violated the provisions of Title 8 Chapter 6 Section 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.

10. RESPONDENT has violated Rule 830-X3-12 by purchasing securities (i.e. Corporate bonds) for a client which were contrary to the investment objectives of the client.

11. RESPONDENT has violated the provisions of Title 8 Chapter 6 Section 17 (b) (3), Code of Alabama 1975 by engaging in a course of business which operates or would operate as a deceit upon another person.

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

This Order does not prevent the Commission from seeking other such civil or criminal remedies that may be available to it under the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENT, Robert David Child, **SHOW CAUSE** to the Commission, within 28 days of the date of this Order, why the RESPONDENT, as a securities agent, should not be **BARRED** in the state of Alabama.

Entered at Montgomery, AL, this 5<sup>th</sup> day of September, 2002.



ALABAMA SECURITIES COMMISSION  
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(334) 242-2984

BY:

  
JOSEPH P. BORG  
Director