

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009020612001**

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

RE: Charles B. Rowley III, Respondent
General Securities Principal
CRD No. 842096

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

On or about September 1, 1977, Charles B. Rowley III (“Rowley”) first became registered with FINRA as a General Securities Representative. From May 24, 2002 to November 20, 2009, he was registered in that capacity through member firm Detwiler Fenton & Co. (“Firm”). On November 12, 2002, Rowley also became registered as a General Securities Principal through the Firm. Rowley was last associated with a FINRA member firm on January 15, 2010. He does not have any FINRA disciplinary history.

OVERVIEW

Rowley recommended and engaged in excessive, unsuitable trading in the accounts of two customers. This conduct violated NASD Conduct Rules 2310 and 2110, IM-2310-2, and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

From October 2007 through September 2008, Rowley recommended and engaged in excessive, unsuitable trading in the IRA account of customer JB. Rowley did not have reasonable grounds for believing that the recommended trades were suitable for JB; the trading was inconsistent with JB's age, investment objectives, financial situation, and needs. During this twelve-month period, Rowley's trading resulted in a turnover rate of 9.04 and a cost-to-equity ratio (converted to a percentage) of 12.1%, and it generated gross commissions of approximately \$48,219. During this same period, JB's account decreased in value by approximately \$177,000, or 44% of the average equity in the account.

From January 2008 through December 2008, Rowley recommended and engaged in excessive, unsuitable trading in the account of customer ED. Rowley did not have reasonable grounds for believing that the recommended trades were suitable for ED; the trading was inconsistent with ED's age, investment objectives, financial situation, and needs. During this twelve-month period, Rowley's trading resulted in a turnover rate of 7.01 and a cost-to-equity ratio (converted to a percentage) of 8.8%, and it generated gross commissions of approximately \$31,214. During this same period, ED's account experienced a realized loss of \$143,166.26, or 40% of the average equity in the account.

By recommending unsuitable transactions in the accounts of two customers, Rowley violated NASD Conduct Rules 2110 (for conduct before December 15, 2008) and 2310, IM-2310-2, and FINRA Rule 2010 (for conduct after December 14, 2008).

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

- a six-month suspension from association with any FINRA member firm in any capacity;
- a \$5,000 fine; and
- an order to disgorge commissions and pay partial restitution to customer ED in the total amount of \$23,684, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from June 30, 2008, until the date of payment.¹

The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month 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.

¹ The Firm and Respondent previously settled an arbitration filed by customer JB relating to Rowley's handling of her accounts held at the Firm. The settlement amount was \$176,000, of which Rowley contributed \$26,000.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon reassociation with a member firm following 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 imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Respondent cannot locate customer ED after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which customer ED is last known to have resided.

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).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 General Counsel, 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:

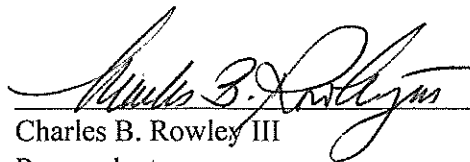
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me;
- 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 response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313;
 - 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and


- 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.

10/27/2011
Date (mm/dd/yyyy)


Charles B. Rowley III
Respondent

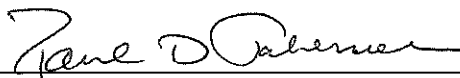
Reviewed by:


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Accepted by FINRA:

11/30/2011
Date

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



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