

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2019063686209**

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

RE: William Campbell (Respondent)  
Former General Securities Representative  
CRD No. 1180015

Pursuant to FINRA Rule 9216, Respondent William Campbell submits 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 Respondent alleging violations based on the same factual findings described in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

Campbell first registered with FINRA in 1992. Between October 2002 and May 18, 2023, Campbell was registered with FINRA as a General Securities Representative through an association with David Lerner Associates, Inc. (CRD No. 5397).

Although Campbell is not currently associated with a FINRA member firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.<sup>1</sup>

**OVERVIEW**

Between August 2015 and August 2017, Campbell recommended that five customer households invest in limited partnerships formed to acquire and develop oil and gas properties without having a reasonable basis to believe the investments were suitable for the customers based on their investment profiles. Therefore, Campbell violated FINRA Rules 2111 and 21010.

**FACTS AND VIOLATIVE CONDUCT**

Prior to June 30, 2020, FINRA Rule 2111(a) required firms and associated persons to have a "reasonable basis to believe that a recommended transaction or investment

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<sup>1</sup> For more information about the respondent, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile."<sup>2</sup> A customer's investment profile "includes, but is not limited to, the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation." A violation of FINRA Rule 2111 also is a violation of FINRA Rule 2010, which requires persons associated with member firms to observe "high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

Between August 2015 and August 2017, Campbell unsuitably recommended that five customer households invest in illiquid limited partnerships formed to acquire and develop oil and gas properties. Each limited partnership's primary objectives included making distributions to investors and, five to seven years after the termination of each offering, engaging in a liquidity event. Each limited partnership's ability to make distributions to its partners and to engage in a liquidity event was substantially dependent on the performance of the oil and gas properties in which the partnership invested. According to the limited partnerships' prospectuses, investments in the partnerships involved a "high degree of risk," and these limited partnership interests were appropriate only for investors willing and able to assume the risk of a "speculative, illiquid, and long-term investment."

Campbell's recommendations that these five customer households—who were seeking low-risk investments to provide monthly income—invest in the energy limited partnerships were not suitable given their investment profiles. For example, three of the customers (comprising two of the customer households) were seniors, including Customer A who was 73 years old and retired. Between May 2016 and November 2016, at Campbell's recommendation, Customer A purchased a total of \$312,000 in one of the limited partnerships. As another example, in December 2016, Customer B was 28 years old and unemployed. Customer B had no financial or investing experience and was looking for safe investments for the money that she received from an injury settlement. Campbell recommended that Customer B invest \$100,000 in one of the limited partnerships. Campbell received \$28,904.40 in commissions from the five households' investments in the energy limited partnerships.

Therefore, Campbell violated FINRA Rules 2111 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a nine-month suspension from associating with any FINRA member in all capacities;

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<sup>2</sup> On June 30, 2020, recommendations to retail customers became subject to Rule 15l-1 of the Securities Exchange Act of 1934 (Regulation Best Interest). FINRA Rule 2111 is still in effect, but as of June 30, 2020, it no longer applies to recommendations that are subject to Regulation Best Interest.

- a \$10,000 fine;
- and disgorgement of \$28,904.40 plus interest as described below.

The fine shall be due and payable either immediately upon reassociation with a member firm 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.

Disgorgement of commissions received is ordered to be paid to FINRA in the amount of \$30,025.28, 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 August 14, 2017, until the date this AWC is accepted by the National Adjudicatory Counsel (NAC). Disgorgement shall be due and payable either immediately upon reassociation with a member firm or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceedings, whichever is earlier.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanctions imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. See FINRA Rules 8310 and 8311.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

## II.

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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**

Respondent understands 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 Respondent; and
- C. If accepted:
  - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
  - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
  - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
  - 4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a

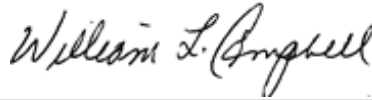
party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

10/17/24

\_\_\_\_\_  
Date



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William Campbell  
Respondent

Reviewed by:



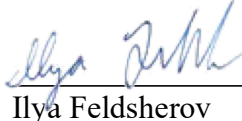
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James Dombach  
Counsel for Respondent  
Davis Wright Tremaine LLP  
1301 K Street NW, Suite 500 East  
Washington, D.C. 20005

Accepted by FINRA:

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

October 21, 2024

Date



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Ilya Feldsherov  
Principal Counsel  
FINRA  
Department of Enforcement  
Brookfield Place, 200 Liberty Street, 11th Floor  
New York, NY 10281