

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2019062711601**

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

RE: Arthur Obermeier (Respondent)  
Former General Securities Representative  
CRD No. 350245

Pursuant to FINRA Rule 9216, Respondent Arthur Obermeier 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 hereby accepts and consents, 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**

Obermeier entered the securities industry in January 1974 and, since then, has been registered with FINRA through associations with seven FINRA member firms. In June 2002, Obermeier became registered with FINRA as a General Securities Representative and Registered Options Principal through an association with LPL Financial LLC (LPL), a FINRA member firm. In a Uniform Termination Notice of Securities Industry Registration (Form U5) dated May 23, 2019, LPL reported Obermeier's discharge for "[e]xercising discretion in client accounts without authorization."

Although Obermeier is not currently associated with a FINRA member firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of FINRA's By-Laws.

Respondent does not have any relevant disciplinary history.

**OVERVIEW**

From January to March 2019, Obermeier violated FINRA Rule 2010 when he executed six trades with a total principal value of approximately \$798,000 in two of his LPL customers' accounts without the customers' authorization or consent for the trades.

**FACTS AND VIOLATIVE CONDUCT**

This matter originated from FINRA's review of the May 23, 2019 Form U5.

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade. Unauthorized trading, which occurs when a registered representative executes trades in a customer's account without first obtaining the customer's authorization or consent, violates FINRA Rule 2010.

From January to March 2019, Obermeier executed six trades with a total principal value of approximately \$798,000 in the accounts of his LPL customers A and B without first discussing with, and obtaining authorization or consent for the trades from, the customers. Specifically, in January 2019, Obermeier executed two sales with a total principal value of approximately \$150,000 in customer A's account. In March 2019, Obermeier executed two purchases with a total principal value of approximately \$324,000 in customer A's account, and two purchases with a total principal value of approximately \$324,000 in customer B's account.

By virtue of the foregoing, Obermeier violated FINRA Rule 2010.

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

1. A suspension from associating with any FINRA member in any capacity for 60 calendar days; and
2. A \$5,000 fine.

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.

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 sanction 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 herein 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 National Adjudicatory Council (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 the subject matter thereof 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 testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.



- 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 understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. 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.

12/14/2020

Date

Arthur Obermeier

Arthur Obermeier  
Respondent

Accepted by FINRA:

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

1/11/2021

Date

Sean Heikkila

Sean Heikkila, Counsel  
FINRA Department of Enforcement  
One Brookfield Place  
200 Liberty Street  
New York, NY 10281