

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021071992801**

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

RE: Archie Abel Blood (Respondent)
Former General Securities Representative, Investment Company and Variable Contracts
Products Representative and Direct Participation Program Representative
CRD No. 1861277

Pursuant to FINRA Rule 9216, Respondent Archie Abel Blood 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

Blood entered the securities industry in July 1988. In 1988, Blood became registered with FINRA as an Investment Company and Variable Contracts Products representative. In 1989, Blood registered as a Direct Participation Program Representative, and in 2004 registered as a General Securities Representative in 2004. Between July 1988 and June 2011, Blood was associated with several FINRA member firms. In June 2011, Blood was associated with Cambridge Investment Research, Inc. (CRD No. 39543). On November 4, 2021, Cambridge Investment Research filed a Uniform Termination Notice for Securities Industry Registration (Form U5), terminating Blood's registration with FINRA and disclosing that he voluntarily resigned. In July 2021, Cambridge Investment Research filed a 4530 Report with FINRA disclosing that the firm had fined Blood \$25,000 for selling securities away from the firm without approval.

Blood is not currently registered or associated with a FINRA member firm. However, Blood remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

¹ For more information about the Respondent, visit BrokerCheck@ at www.finra.org/brokercheck.

OVERVIEW

Between June 2020 and January 2021, Blood participated in private securities transactions by facilitating the sale of \$400,000 of a security to two married couples who were firm customers without providing prior written notice to his firm, in violation of FINRA Rules 3280 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from Cambridge Investment Research's 4530 Report.

Blood Participated in a Private Securities Transactions without Written Notice to his Firm.

FINRA Rule 3280 defines a private securities transaction as "any securities transaction outside the regular course or scope of an associated person's employment with a member[.]" FINRA Rule 3280(b) requires that prior to participating in a private securities transaction, an associated person shall provide written notice to his or her firm "describing in detail the proposed transaction and the person's proposed role therein[.]" Participation, as used in Rule 3280, is interpreted broadly to further FINRA's regulatory purpose. An associated or registered person "participates" in a transaction when he or she facilitates the mechanics of the investment. For example, participation includes assisting with the distribution or completion of offering materials, agreements, or other documents required for the transaction, or facilitating the transfer of funds. A violation of FINRA Rule 3280 is also a violation of FINRA Rule 2010, which requires associated persons, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

Between June 2020 and January 2021, Blood participated in private securities transactions involving two married couples who were his customers at Cambridge (Customers A and Customers B). In June 2020, Blood introduced Customers A and Customers B to an individual associated with a potential investment in Company X, which the firm had not approved for sale. The Unit Purchase Agreements for the offering identified the investment interests as unregistered securities. Blood participated in both customers' investments. After making the initial introductions, Blood sent Customers A the Unit Purchase Agreement, told his contact that the customers would invest \$200,000 and ensured that the necessary funds were wired to complete the investment. In connection with Customers B, Blood provided their information to his contact and provided to his contact a non-disclosure agreement executed by Customers B, which was necessary to complete the investment. Customers A and B each invested \$200,000 in Company X.

Blood's participation in these transactions was outside the regular course and scope of his employment with his firm. Blood failed to provide prior written notice to his firm to participate in the company's sale of securities issued by Company X to Customers A and

B. To the contrary, Blood falsely attested to his firm that he did not assist, advise, or facilitate any private securities transactions.

Therefore, Blood violated FINRA Rules FINRA Rules 3280 and 2010.

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

- a four-month suspension from associating with any FINRA member in all capacities; and
- 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 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 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 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.

1-26-2023
Date

Archie Abel Blood
Archie Abel Blood
Respondent

Reviewed by:

Daniel Broxup
Counsel for Respondent
Mika Meyers PLC
900 Monroe Ave, NW
Grand Rapids, MI 49503-1423

Accepted by FINRA:

1/31/2023
Date

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

Thomas Kuczajda
Thomas Kuczajda, Director
FINRA, Department of Enforcement
15200 Omega Drive
Rockville, MD 20850