

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018060287901**

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

RE: Richard Earl Cagle, Respondent
General Securities Registered Representative
CRD No. 2122648

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, Richard Earl Cagle (“Cagle” or “Respondent”) 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 herein.

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

Cagle entered the securities industry in December 1990, when he associated with a FINRA member firm. He was subsequently associated with Hilltop Securities Independent Network, Inc. (“Hilltop”) from March 1997 to February 12, 2019. Cagle has not since associated with another FINRA member firm. During his career in the securities industry, Cagle took and passed the Series 7 and 63 qualification examinations. Cagle has no prior disciplinary history.

On March 12, 2019, Hilltop filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”), which terminated Cagle’s association with Hilltop and his registrations with FINRA. Although Cagle is not currently associated with a member firm, he remains subject to the jurisdiction of FINRA until March 11, 2021, pursuant to Article V, Section 4(a) of FINRA’s By-Laws, which provides for a two-year period of retained jurisdiction over formerly-registered persons.

OVERVIEW

Cagle refused to appear and provide on-the-record testimony requested by FINRA staff pursuant to FINRA Rule 8210. Through this conduct, Cagle violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210 authorizes FINRA, in the course of its investigations, to require persons over whom FINRA possesses jurisdiction to “...provide information orally, in writing, or electronically...and to testify at a location specified by FINRA staff...with respect to any matter involved in the investigation.” FINRA Rule 2010 provides that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”

In 2018, FINRA commenced an investigation into whether Cagle violated FINRA rules by making unsuitable investment recommendations and mismarking customer order tickets while associated with Hilltop. On June 18, 2019, FINRA staff sent a request to Cagle for on-the-record testimony pursuant to FINRA Rule 8210. As stated in his email to FINRA staff on June 19, 2019, and by this agreement, Cagle acknowledges that he received FINRA’s request and will not appear for on-the-record testimony at any time. By refusing to appear for on-the-record testimony as requested pursuant to FINRA Rule 8210, Cagle violates FINRA Rules 8210 and 2010.

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

A bar from association with any FINRA member firm in any capacity.

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 staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 prejudice 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 acceptance or rejection of this AWC.

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 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 Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
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: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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; that he understands and acknowledges that FINRA does not represent or advise him and he cannot rely on FINRA or FINRA staff members for legal advice; that he has 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 Respondent to submit it.

7-3-19
Date

Richard Earl Cagle
Richard Earl Cagle, Respondent

Accepted by FINRA:

July 5, 2019
Date

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



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