

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

CAROLYN ANN MONAHAN,
Limited Registered Representative
(CRD No. 4963922),

Respondent.

**Disciplinary Proceeding
No. 2006006773501**

Hearing Officer Alan W. Heifetz

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: May 9, 2008

INTRODUCTION

Disciplinary Proceeding No. 2006006773501 was filed on December 14, 2007, by the Department of Enforcement of the FINRA (Complainant). Respondent Carolyn Ann Monahan submitted an Offer of Settlement (Offer) to Complainant on March 10, 2008. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to NASD Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Monahan has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of

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findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Monahan's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Monahan entered the securities industry as an Investment Company and Variable Contracts Products Representative with a member of FINRA on June 1, 2005. From November 29, 2005 to October 18, 2006, Monahan was registered in the same capacity with Thrivent Investment Management Inc. (Member), a member of FINRA. She is not currently registered with another member of FINRA, and has no disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. From in or about August 2006, to on or about October 18, 2006, Monahan, while employed by the Member, engaged in outside business activities, in that she was employed part-time as a clerk and as a salesperson for a furniture store called "By Candlelight." Monahan was paid a salary, on an hourly basis, for her part-time employment.
2. From in and about September 2006 to on or about October 18, 2006, Monahan, while employed by the Member, engaged in outside business activities, in that she worked part-time, stocking shelves at "Menards" hardware store. Monahan was paid a salary, on an hourly basis, for her part-time employment.
3. During the time in question, the Member maintained a written supervisory procedures manual that included procedures relating to Outside Business Activities. This

manual was available to Monahan through the Member's internal web site. The procedures stated that:

Employees are required to disclose to Thrivent Investment Management, in writing, any outside business activities prior to engaging in such activity. Charitable activities, such as board appointments for church or school, should be included in this requirement regardless of compensation. Outside business activities may include a wide range of activities including but not limited to the following:

- Employment with an outside entity
- Acting as an independent contractor to an outside party
- Serving as an officer, director or partner
- Receiving other compensation for services rendered outside the scope of employment with Thrivent Investment Management

Compensation may include salary, stock options or warrants, or providing of services or products as remuneration. Generally, remuneration consisting of anything of present or future value for services rendered may be considered compensation.

Employees requesting approval to engage in outside business activities must submit the information to Contracting, Licensing/Registration via Licensing Central (FieldNet) prior to engaging in the activity. Contracting, Licensing/Registration will approve or disapprove the outside business activity in writing and notify the employee and the employee's supervisor. (bold in original)

4. Monahan was employed by "By Candlelight" and "Menards" and accepted compensation for her employment without giving prompt written notice to the Member as required under NASD Rule 3030, or prior written notice to the Member as required under the Member's procedures. In fact, Monahan failed to give the Member any written notice that she intended to become employed by these stores, or that she was employed by these stores.

5. On or about January 8, 2007, FINRA staff (Staff) sent to Monahan a request that she give the Staff a written statement responding to the allegation that she was employed by the furniture store and the hardware store while failing to give the Member prompt written notice of this employment, as noted in paragraphs 1 through 4 above, pursuant to and in accordance with the provisions of NASD Rule 8210. The request for information was sent by first class mail to Monahan's address of record as contained in the records of the Central Registration Depository (CRD Address). The first class mailing was not returned to the Staff.

6. On or about February 8, 2007, having received no response from Monahan, the Staff sent to Monahan a letter marked "final request," asking that she give the Staff a written statement responding to the allegation that she was employed by the furniture store and the hardware store while failing to give the Member prompt written notice of this employment, as noted in paragraphs 1 through 4 above, pursuant to and in accordance with the provisions of NASD Rule 8210. This request for information was sent by first class mail, and by certified mail, return receipt requested, to Monahan's CRD Address. The first class mailing was not returned to the Staff. The certified return receipt was returned to the Staff apparently signed by Monahan as "C. Monahan."

7. On or about February 16, 2007, Monahan called the Staff examiner and admitted that she received the requests for information and documentation contained in the letters dated January 8, and February 8, 2007. She told the examiner that she worked part time, during the AM hours, at Menards in a stock position. She said that she worked hourly and that her work did not involve securities. She stated that she started around September

2006 and terminated in October or November 2006. Monahan also admitted that she worked at a furniture store called "By Candlelight," part-time. She was paid on an hourly basis as a clerk and in sales. She started in August 2006 and left this employment in November 2006. She said that she took these jobs to earn additional income to pay her rent. She stated that she did not disclose that she was working at these jobs because they were not securities related and she did not earn a commission. The examiner told Monahan that she must submit a response to the requests for information and documentation in writing. The examiner gave Monahan a two-week extension, until March 2, 2007, to respond to the Staff's requests for information and documentation.

8. On or about February 21, 2007, having received only the verbal response from Monahan on February 16, 2007, the Staff sent to Monahan another letter marked "final request," asking that he give the Staff a written statement responding to the allegation that she was employed by the furniture store and the hardware store while failing to give the Member prompt written notice of this employment, as noted in paragraphs 1 through 4 above, pursuant to and in accordance with the provisions of NASD Rule 8210. This final request for information was sent by first class mail, and by certified mail, return receipt requested, to Monahan's CRD Address. The first class mailing was not returned to the Staff. The certified return receipt was returned to the Staff apparently signed by Monahan as "C. Monahan."

9. Prior to filing the Complaint, Monahan failed to provide a written response to each and all of the requests for documents and information described in paragraphs 5, 6, and 8 above. After the Complaint was filed, Monahan provided a written response to the

Staff's requests for documents and information, so she provided a late response rather than failing to provide any written response.

Based on the foregoing, Respondent violated NASD Rules 2110, 3030 and 8210.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Monahan from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

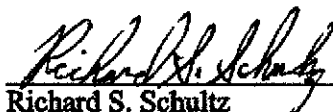
SANCTIONS

It is ordered that Monahan be suspended from association with any member of FINRA in any capacity for six (6) months, and fined \$2,500. Monahan has submitted a sworn financial statement and demonstrated a limited ability to pay. In light of the financial status of Monahan, a fine of \$2,500 has been imposed. 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. Upon reassociation with a member firm, Monahan is permitted to pay the fine under the installment payment plan.

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

SO ORDERED.

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



Richard S. Schultz
Senior Regional Counsel
FINRA, District 8
55 West Monroe Street
Chicago, IL 60603
Electronic mail rick.schultz@finra.org
Tel. No. (312) 899-4334; Fax No. (312) 899-4600