

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070094342**

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

RE: Sheila Corne Horne, Respondent
CRD No. 4404667

Pursuant to NASD Rule 9216 of the FINRA Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

Sheila Corne Horne ("Respondent") became associated with FINRA (f/k/a NASD) member firm Edward D. Jones & Co. (the "Firm") in April 2001. Respondent has never held any securities licenses. Respondent was employed with the Firm until December 2006. She is no longer associated with a member firm. However, pursuant to Article V, Section 4 of the By-Laws, she remains subject to FINRA's jurisdiction as the conduct that serves as the basis for this action commenced prior to her termination from a member firm and this AWC is filed within two years after the termination date of her employment with a member firm. Respondent has no prior disciplinary history.

OVERVIEW

Respondent was employed as a non-registered branch office administrator at the Firm from 2001 to 2006. Between December 2003 and May 2006 (the "relevant period"), Respondent engaged in unauthorized trading in, and made unauthorized

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distributions from, an IRA that her husband maintained at the Firm. On approximately 25 occasions, Respondent either entered a sell order herself or directed a registered person in the Firm's Order Services Department to enter a trade in her husband's IRA. Respondent's husband did not authorize any of these trades. Respondent then transferred the funds generated from the sales into a joint checking account owned by Respondent and her husband. Respondent accomplished this by signing her husband's name, without his knowledge or consent, to the distribution forms the Firm required to process the transfer of funds. Respondent made these unauthorized distributions on approximately 15 occasions. Respondent's actions constitute violations of NASD Conduct Rules 2120 and 2110.

FACTS AND VIOLATIVE CONDUCT

On or about December 18, 2003, Respondent's husband opened an IRA at the Firm. Beginning in April 2004 and continuing throughout the relevant period, Respondent either entered a sell order herself or directed a registered person in the Firm's Order Services Department to enter a trade in her husband's IRA for the following trades in her husband's IRA:

Date	Security Sold	Number of Shares Sold	Dollar Amount
4/15/04	General Electric ("GE")	50	\$1,524
5/13/04	Montgomery Street Income Securities ("Montgomery")	170	\$2,850
7/15/04	Montgomery	30	\$496
	GE	50	\$1,556
	Exxon	100	\$4,450
9/1/04	Bank of America ("B of A")	40	\$3,507
9/30/04	B of A	20	\$827
10/6/04	Capital Income Builder Fund ("Capital")	100	5,000
12/16/04	Capital	96	\$5,000
5/6/05	Johnson & Johnson	100	\$6,809
9/6/05	Montgomery	100	\$1,726
9/16/05	Capital	93	\$5,000
10/7/05	Proctor & Gamble	50	\$2,867
	Microsoft Corp.	50	\$1,185
	GE	50	\$1,607
11/9/05	Exxon	50	\$2,866
	B of A	50	\$2,157

12/23/05	Microsoft Corp. GE	50	\$1,280
		50	\$1,729
2/3/06	Exxon B of A	50	\$3,099
		50	\$1,956
5/19/06	B of A Capital Euro Pacific Growth Fund	26	\$1,235
		51	\$2,888
		6	\$275

Respondent's husband did not provide his prior authorization for any of the above sales of securities.

Respondent also made distributions from her husband's IRA without his prior authorization. On December 22, 2003, four days after the IRA was opened at the Firm, \$14,083 was withdrawn by check from the IRA and then deposited into Respondent and her husband's joint checking account at Bank of America on December 29, 2003. In addition, as set forth in the chart below, Respondent made 14 unauthorized distributions by wire from her husband's IRA to their joint checking account by forging her husband's signature to Firm distribution forms.

Date	Total Withdrawn	Amount Deposited in Checking Account, After Payment of Federal and State Taxes
4/16/04	\$2,985	\$2,467
5/13/04	\$2,785	\$2,312
7/14/04	\$6,857	\$5,485
9/1/04	\$3,578	\$2,576
9/30/04	\$922	\$663
10/6/04	\$5,023	\$3,616
12/16/04	\$5,437	\$3,915
5/6/05	\$6,974	\$6,115
9/16/05	\$5,006	\$4,505
10/11/05	\$5,648	\$5,083
11/9/05	\$5,008.49	\$4,508
12/23/05	\$7,645.19	\$6,881
2/3/06	\$4,199.61	\$3,766
5/19/06	\$4,460.13	\$3,556

In total, between December 2003 and May 2006, Respondent withdrew approximately \$79,000 from her husband's IRA. In 2004, she withdrew \$27,586 from the IRA and wired \$21,045 to the joint checking account. In 2005, Respondent withdrew \$30,282 and wired \$27,092 to the joint checking account. In 2006, she withdrew \$8,660 and wired \$7,322 to the joint checking account, leaving only \$70 in the IRA at the end of the relevant period.

Respondent's actions described above constitute violations of NASD Conduct Rules 2120 and 2110.

B. I also consent to the imposition, at a maximum, of the following sanctions:

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

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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

I 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 NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record *and may be considered in any future actions brought by FINRA or any other regulator against me;*
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I 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 NASD Rule 8310 and IM-8310-1.)

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

11-29-07
Date

Sheila C. Horne
Sheila C. Horne
Respondent

Accepted by FINRA:

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

12/28/07
Date

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