

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

ADRIENNE RENEE WILKERSON (CRD
No. 5395966),

Respondent.

Disciplinary Proceeding
No. 2007010655801

Hearing Officer: Lawrence B. Bernard

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: April 3, 2009

INTRODUCTION

Disciplinary Proceeding No. 2007010655801 was filed on January 12, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant).

Respondent Adrienne Renee Wilkerson submitted an Offer of Settlement (Offer) to Complainant on March 27, 2009. Pursuant to FINRA 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 FINRA 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, Respondent 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 findings and violations consistent with the allegations of the Complaint, and to the imposition of

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the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Wilkerson was born in 1975. From July 23, 2007 to August 15, 2007, Wilkerson was a non-registered production operator employed in the Firm's Raleigh, North Carolina branch office. Wilkerson is not currently employed in the securities industry in a capacity known to FINRA.

On or about March 27, 2009, an Order Accepting Offer of Settlement was entered, pursuant to which Wilkerson consented, without admitting or denying the allegations, to findings that she had violated NASD Conduct Rule 2110 in that she failed to observe high standards of commercial honor and just and equitable principles of trade when she failed to disclose her felony conviction on an employment application submitted to her member firm employer. Wilkerson consented to a five-month suspension and a \$4,000 fine.

FINDINGS AND CONCLUSIONS

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

On May 9, 2007, Wilkerson applied for a non-registered position as a production operator with the Firm. According to the Firm, the primary responsibility of a production operator is to assist the Firm's investment bankers with documents and presentations processing. In order to carry out her job responsibilities, Wilkerson had to be given access to, among other things, confidential documents and materials on initial public offerings. The scope of Respondent's duties demonstrates that she was engaged in the Firm's securities business, and, as an employee,

she was under the control of the Firm.¹ Therefore, Wilkerson was an associated person pursuant to Article I, Section (rr) of FINRA's By-Laws.²

Wilkerson completed, signed and submitted a Firm employment application (the "Application"), in which she attested to the truthfulness and completeness of her responses to questions posed in the Application, and acknowledged that "any omission or misrepresentation of any information in this application, my resume or any other aspect of the pre-employment process, including any personal background information, may result in the refusal of or separation from employment."

The Application contained, among other things, a question requiring Wilkerson to disclose whether she had any prior felony convictions. Specifically, in the section entitled "Personal," the question asked, "Have you ever been convicted of or pleaded guilty or 'nolo contendere' in a domestic, foreign, or military court to any felony?" In response to this question, Wilkerson checked the corresponding "No" box. However, certified court documents evidenced that, on or about April 6, 2001, Wilkerson was charged with "knowingly and with intent to defraud, made a false entry in the books, reports, or statements...in that she processed a fictitious cash-out item in the amount of \$28,900.00 when in truth and fact, as the defendant well knew she had embezzled

¹ The Securities and Exchange Commission recently upheld the NASD's finding that it had jurisdiction to impose sanctions for failure to cooperate on a non-registered administrative assistant. In *Joseph P. Hannan*, Exchange Act Release No. 40438, 1998 SEC LEXIS 1955 (Sept. 14, 1998), the SEC held that Hannan's job responsibilities with his member firm employer made him a "person associated with a member." *Id.* at 2. Hannan's functions were as follows: "[f]rom November 1993 through April 1995, Hannan was employed by [a member firm] as an administrative assistant in its operations department. According to Hannan, he was paid \$12 an hour. He arrived at the Firm at 6:00 a.m., answered telephones, opened and logged in Federal Express packages, took the packages to the operations manager, photocopied, and prepared a sales report, after which he left the office to attend classes. He was never registered with the NASD." *Id.* at 3. Based on these described functions, Hannan was deemed to have sufficient responsibilities to warrant the imposition of a sanction for his failure to provide complete cooperation with an NASD inquiry.

² Article I, Section (rr) of FINRA's By-Laws provides: "person associated with a member" or "associated person of a member" means: ...a natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a member, whether or not any such person is registered or exempt from registration....

that sum...." in violation of Title 18, U.S. Code Section 1005, a felony. On or about April 19, 2001, Wilkerson pled guilty to the felony charge. On September 17, 2001, Wilkerson was convicted of the felony and was sentenced to one-month imprisonment, five-year supervised release and restitution of \$28,900 by the U.S. District Court Middle District of North Carolina.

Based upon Wilkerson's September 2001 felony conviction for making a false entry in a bank report, in violation of 18 U.S.C. §1005, Wilkerson was required to select "Yes" in response to the foregoing question.

On July 23, 2007, Wilkerson commenced her employment with the Firm as a non-registered employee in the Firm's Raleigh, North Carolina office. On or about August 2, 2007, the Firm received Wilkerson's Fingerprint Report, which revealed that she was convicted of a felony on September 17, 2001 for making "False Entries into Bank Records." Upon this discovery, the Firm conducted an internal investigation and terminated Wilkerson's employment on August 15, 2007.

Given the documentary proof of her criminal record and her employment application, Wilkerson clearly failed to disclose her prior felony conviction to the Firm when she gave a negative response to the question on the Application pertaining to prior felony convictions.

Based on the foregoing, Respondent violated NASD Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent 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 Respondent be suspended five months in all capacities and fined the amount of \$4,000.

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



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