

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012940101**



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

RE: Kathleen Ann Glaser, Respondent
Branch Office Administrator
CRD No. 4431300

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Kathleen Ann Glaser, submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violation described 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

From June 2001 through March 20, 2008, Glaser was associated with FINRA member Edward D. Jones & Co. ("Edward Jones" or the "Firm") as a non-registered Branch Office Administrator ("BOA"). Glaser was an Associated Person as that term is defined in the FINRA By-Laws, by virtue of her activities in the securities industry.¹ On March 20, 2008, the Firm terminated Glaser's

¹ As a BOA, Glaser's responsibilities included administrative duties, including, file maintenance and opening all incoming correspondence. According to the Firm's website BOAs are trained in the field and work with financial advisors as a "team." BOAs assist customers with any service needs including answering questions about their account statements and helping them complete Firm documents, including documentation to transfer assets into the Firm. BOAs could execute certain trades, but only at the instruction of a registered financial advisor.

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employment, and Glaser is not presently associated with a FINRA member. However, FINRA retains jurisdiction over Glaser pursuant to Article V, Section 4 of FINRA By-Laws.

PRIOR DISCIPLINARY HISTORY

Glaser has no prior disciplinary history.

FACTS AND VIOLATIVE CONDUCT

Between September 2007 and March 2008, ("the relevant time period") while employed at Edward Jones, Glaser diverted funds from an account of K.K., a customer of the Firm, by using a non-firm website, www.checkfree.com ("Checkfree").² Checkfree is an online bill paying payment service where individuals can receive, view and pay bills via automatic clearing house ("ACH") transfers from the checkfree website.³

During the relevant period, Glaser, as part of her duties as a BOA, was responsible for paying and establishing direct payments to pay some of K.K.'s monthly bills. However, K.K. did not authorize Glaser to establish an account with Checkfree to facilitate any online payments. Glaser, without the customer's knowledge, established a Checkfree account by going to the Checkfree website, from her home computer, and inputted K.K.'s securities account number and the Firm's routing number. Glaser then provided Checkfree with the account numbers for six of her own creditors. Glaser, using the Checkfree site was able to view her own bills and direct Checkfree to pay her outstanding creditors online via ACH payments from K.K.'s securities account.

During the relevant time period, Glaser initiated 36 unauthorized ACH transactions from K.K.'s securities account, totaling \$8,679.27, which Glaser used to pay her personal expenses.

The foregoing acts, practices, and conduct constitute misuse and conversion of customer funds, a violation of NASD Conduct Rules 2330(a) and 2110 by Glaser.

² According to CheckFree's website, "Checkfree powers technology behind a growing list of financial services organizations, utilities, and insurance and telecommunications companies -- allowing you to sign up through your financial institution portal, brokerage firm or MyCheckFree. You can choose the bills from those companies that provide services to you ... to begin to receive and pay these bills electronically."

³ ACH is a nationwide electronic network that processes debit and credit transactions between participating banks and reduces float to one day.

- B. I also consent to the imposition of the following sanctions:

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

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 FINRA Rules 8310 and 8311).

Pursuant to FINRA Rule 8313(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 Complaint issued specifying the allegations against me;
- 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, 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 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

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 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 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 FINRA Rule 8310; 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.

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.

4/27/2009

Date

Kathleen A. Glaser

Kathleen A. Glaser
Pro Se

Accepted by FINRA:

5/1/09

Date

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

L. Riefberg

Linda S. Riefberg, Vice President
Martin S. Mazur, Enforcement Director
Kathleen S. Lynch, Senior Regional Counsel
FINRA Department of Enforcement
14 Wall Street
New York, NY 10005
Phone Number (646) 315-7373
Fax Number (646) 315-7442