

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

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

GERALDINE ANN WERT
(CRD No. 1739218),

RESPONDENT.

Disciplinary Proceeding
No. 2008015086401

Hearing Officer - LBB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: September 21, 2010

INTRODUCTION

Disciplinary Proceeding No. 2008015086401 was filed on August 30, 2010, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondent Geraldine Ann Wert ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant dated August 24, 2010. 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

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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 Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent entered the securities industry in August 1987 with Chris Securities, Inc. ("Chris Securities"). She was qualified as a financial and operations principal through a Series 27 examination in November 1988. She also qualified as a general securities representative and general securities principal through Series 7 and 24 examinations in July 1995 and December 1997, respectively.

On January 1, 1992, Chris Securities merged with Financial Network Investment Corp. ("FNIC" or the "Firm"), hereinafter referred to as FNIC. As a result of the merger, from January 1992 to September 12, 2008, Respondent was retained as an independent contractor for FNIC and worked as a registered representative and operations manager. Respondent was permitted to resign from FNIC on September 12, 2008.

Respondent has no prior disciplinary history and is not currently employed in the securities industry with any FINRA regulated broker-dealer, but remains subject to FINRA jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

On or about September 15, 2010, an Offer was executed by Respondent, pursuant to which, Respondent consented, without admitting or denying the allegations, to findings that she converted approximately \$18,610 from an expense account (the "Expense Account") owned by her supervisors, SMS and SMJ (or collectively "the Ms") to pay for her own personal expenses in violation of NASD Rule 2110. Additionally, Respondent consented to findings that she took

approximately \$12,000 in unauthorized personal loans from the Expense Account in violation of NASD Rule 2110. Respondent also consented to findings that she forged SMS and SMJ's signatures on approximately 12 FNIC customer new account forms and advisory agreements without their authorization or knowledge in violation of NASD Rule 2110. Respondent also consented to findings that she failed to appear and provide testimony as requested by Staff pursuant to FINRA Rule 8210 in violation of FINRA Rules 8210 and 2010. Respondent consented to a sanction of a bar.

FINDINGS AND CONCLUSIONS

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

From on or about January 2005 through September 2008, Respondent converted approximately \$18,610 from the Expense Account to pay for her own personal expenses.

Additionally, between November 22, 2005 and June 27, 2007, Respondent took approximately \$12,000 in unauthorized personal loans from the Expense Account.

Between May 2001 and August 2008, Respondent also forged the signatures of her supervisors on approximately 12 FNIC customer new account forms and advisory agreements without their authorization or knowledge.

Respondent also failed to appear and provide testimony on September 10, 2009, as requested by Staff pursuant to FINRA Rule 8210.

Conversion of Funds

The Ms were independent contractors retained by FNIC to perform certain compliance functions for the Firm. Pursuant to SMS' contract with FNIC, SMS was responsible for all expenses associated with their FNIC branch office.

The Ms maintained and funded the Expense Account to cover operating expenses associated with their FNIC branch office.

Respondent, who was responsible for the Ms' back office operations, used Ms' Expense Account to pay for operating expenses incurred at the FNIC branch office. Between 1992 and August 2008, SMS and Respondent each had signatory authority over checks issued from the Expense Account. In 2000, SMJ was also given authorization to write checks from the Expense Account.

From January 2005 through September 2008, Respondent made approximately \$18,610 unauthorized disbursements from the Expense Account and converted these funds for her own personal use by writing checks from the account to pay for, among other things the mortgage payments on her home, automobile and homeowner's insurance, cable television/telephone expenses, and various credit card debts.

For example, between August 2006 and July 2008, Respondent wrote approximately 16 checks totaling approximately \$588 from the Expense Account to pay cable television expenses. Between February 2005 and March 2008, Respondent wrote approximately seven checks totaling approximately \$5,984 for payments of her homeowners and automobile insurance policies. Additionally, from January 2005 through August 2006, Respondent wrote approximately 20 additional checks totaling approximately \$1,346 in order to pay her personal telephone bills.

Neither SMS nor SMJ authorized or permitted Respondent to issue checks totaling approximately \$18,610 from the Expense Account to pay for her personal expenses as described above. Based on the foregoing, Respondent violated NASD Rule 2110.

Misuse of Funds

From on or about November 22, 2005 through June 27, 2007, Respondent misused the Ms' funds by taking a series of unauthorized personal loans from the Expense Account totaling approximately \$12,000.

Respondent typically issued checks payable to herself, subsequently endorsed the checks and cashed/deposited the checks and used the funds her own personal use. Respondent shortly thereafter repaid the unauthorized personal loans by making deposits into the Expense Account, typically in the same amounts as the checks she previously issued.

Respondent wrote the following checks from and subsequently made the following deposits into the Expense Account:

Check Date	Check Payee Information	Check Amount	Expense Account Deposit Date	Expense Account Deposit Amount
November 22, 2005		\$10,000	November 29, 2005	\$10,000
October 11, 2006		\$700	October 13, 2006	\$700
November 20, 2006		\$200	November 29, 2006	\$200
December 15, 2006		\$200	December 18, 2006	\$200
March 22, 2007		\$100	March 29, 2007	\$100
April 16, 2007		\$100	April 25, 2007	\$300
April 24, 2007		\$200		
May 4, 2007		\$300	May 23, 2007	\$300
May 31, 2007		\$200	June 27, 2007	\$200
	Total	\$12,000		

Neither SMS nor SMJ authorized or permitted Respondent to issue checks totaling approximately \$12,000 from the Expense Account to use as personal loans as described above. Based on the foregoing, Respondent violated NASD Rule 2110.

Forgery

Between May 2001 and August 2008, Respondent forged the Ms' signatures on at least 12 FNIC new account forms and advisory agreements without their authorization or knowledge. Respondent forged SMS's signature on at least two investment advisory agreements. Respondent

also forged SMJ's signature on the new account forms of at least three 529 plans and seven investment advisory agreements.

On or about May 10, 2001, Customer LK opened an investment advisory account with the Firm and Respondent forged SMS's signature on the investment advisory agreement form for the account that same day.

On or about November 19, 2002, Customer JE opened an investment advisory account with the Firm. On or about November 22, 2002, Respondent forged SMS's signature on the investment advisory agreement form for the account.

On or about November 5, 2005, Customer OP opened a 529 Plan with the Firm and Respondent forged SMJ's signature on the new account form that same day.

On or about September 22, 2006, Customer AM opened an investment advisory account with the Firm and Respondent forged SMJ's signature on the investment advisory agreement form for the account that same day.

On or about March 24, 2007, Customer CC opened a 529 Plan with the Firm. On or about March 28, 2007, Respondent forged SMJ's signature on the new account form.

On or about May 17, 2007, Customers RB and CB opened an investment advisory account with the Firm. On or about May 18, 2007, Respondent forged SMJ's signature on the investment advisory agreement form for the account.

On or about June 23, 2008, Customer EF Trust opened an investment advisory account with the Firm. On or about June 24, 2008, Respondent forged SMJ's signature on the new account form.

On or about October 11, 2007, Customer SH opened an investment advisory account with the Firm and Respondent forged SMJ's signature on the investment advisory agreement form for the account that same day.

On or about December 17, 2007, Customer HC opened an investment advisory account with the Firm and Respondent forged SMJ's signature on the investment advisory agreement form for the account that same day.

On or about January 3, 2008, Customer TB opened an investment advisory account with the Firm and Respondent forged SMJ's signature on the investment advisory agreement form for the account that same day.

On or about March 28, 2008, Customer JG opened a 529 Plan with the Firm. On or about April 1, 2008, Respondent forged SMJ's signature on the new account form.

On or about June 23, 2008, Customer AB opened an investment advisory account with the Firm. On or about June 24, 2008, Respondent forged SMJ's signature on the investment advisory agreement form for the account.

Neither SMS nor SMJ authorized or permitted Respondent to sign their names to the new account forms and advisory agreements described above. Based on the foregoing, Respondent violated NASD Rule 2110.

Failure to appear and provide testimony

On August 14, 2009, Enforcement sent a FINRA Rule 8210 request letter to Respondent at her last known address as listed on Central Registration Depository ("CRD") by certified mail, return receipt requested, and by first class mail, directing Respondent to appear and provide

testimony at the Department of Enforcement's 14 Wall Street, New York office on September 10, 2009 (the "August 14th Letter").

The certified mail receipt for the August 14th Letter, bearing what appears to be Respondent's signature, was returned to Enforcement. The copy of the August 14th Letter sent by first class mail has not been returned to Enforcement.

On August 28, 2009, Respondent sent an email to Staff notifying FINRA that she has retained counsel and that she would not appear and provide testimony on September 10, 2009.

On September 3, 2009 Enforcement sent Respondent's counsel a letter (the "September 3rd Letter") stating that Respondent was required pursuant to FINRA Rule 8210 to appear and provide testimony on September 10, 2009. A copy of the August 14th Letter was also included with the September 3rd Letter. On September 9, 2009, Staff contacted Respondent's counsel regarding her appearance for testimony. Respondent's counsel informed the Staff that Respondent would not appear and provide testimony on September 10, 2009.

On September 10, 2009, Respondent failed to appear and provide testimony as required. Based on the foregoing, Respondent violated FINRA Rules 8210 and 2010.

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

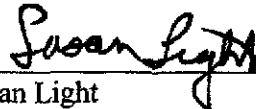
It is ordered that Respondent be barred in all capacities.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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



Susan Light
Senior Vice President & Chief Counsel
FINRA Department of Enforcement
14 Wall Street
New York, NY 10005
Phone: (646) 315-7333
Facsimile: (646) 315-7441