

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090178614 01**

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

RE: Chenying Lee Williamson, Respondent
CRD No. 2753331

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Chenying Lee Williamson ["Williamson" or "I"], submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations 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

Williamson entered the securities industry on or about April 20, 1999. On June 11, 1999, Williamson became a registered representative while employed by a FINRA member firm and was employed by various member firms through April 2009.¹ On or about June 4, 2007, Williamson became employed as a registered representative and general securities representative with Chase Investment Services Corp. ("Chase" or the "Firm") and worked there until her termination on April 22, 2009.

On May 21, 2009, the Firm filed a Uniform Termination Notice for Securities Industry Registration (the "Form U-5") reporting that Williamson was terminated because she "back dated annuity contracts and cut and pasted annuity rates in order to obtain higher rates for clients." Williamson's registration status as a registered representative with Chase terminated on May 21, 2009. Williamson is currently not employed in the securities industry.

¹ During October 2006 through February 2007, Williamson was not employed in the securities industry.

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FACTS AND VIOLATIVE CONDUCT

During the period from June 4, 2007 through April 22, 2009, Williamson was employed as a registered representative with the Firm. In her capacity as a registered representative, Williamson did not have authority or approval to alter interest rates contained in annuity contracts issued by the Firm. In or about February 2009, Williamson altered annuity contracts for customers JUC and JC by cutting and pasting incorrect interest rates on the contracts without the knowledge or approval of the Firm. In addition, in or about April 2009, Williamson altered an annuity contract for customer JM by cutting and pasting incorrect an interest rate on an annuity contract issued by the Firm without the knowledge or approval of the Firm.

In or about December 2008, Williamson made a misrepresentation to Firm customer DL and also failed to disclose material information to DL in connection with DL's purchase of mutual fund shares. Prior to purchasing shares of a mutual fund, DL informed Williamson that she was actively searching to buy a house and would need to sell a portion of any mutual fund purchase and use the proceeds from the sale as a down payment. Williamson misrepresented to DL that her account would not be charged a fee for partially liquidating her mutual fund investment. Subsequently, in December 2008 DL purchased approximately \$156,000 in mutual fund shares. By March 16, 2009, DL held approximately \$154,000 of XYZ mutual fund ("XYZ") in her account. On or about May 8, 2009, DL liquidated approximately \$29,346 of her XYZ mutual fund shares and as a result her account was assessed a contingent deferred sales charge ("CDSC") of \$299.82 for the liquidation of XYZ.

Moreover, pursuant to FINRA Rule 8210, FINRA staff sent Williamson two requests dated December 22, 2009 and April 7, 2010 directing her to provide FINRA with a written statement concerning the information reported by the Firm on the Form U-5. Williamson failed to provide a written statement as directed by FINRA letters dated December 22, 2009 and April 7, 2010.

FINRA Rule 2010 provides that [a] member, in the conduct of his business shall observe high standards of commercial honor and just and equitable principles of trade."

Based on the foregoing conduct, Respondent violated FINRA Rule 2010 by altering interest rates on the annuity contracts for customers JUC, JC and JM without the Firm's knowledge or authorization. In addition, Respondent also violated FINRA Rule 2010 by misrepresenting and failing to disclose to DL the fees associated with liquidating shares of a mutual fund.

In addition, pursuant to FINRA Rule 8210, FINRA may require any person subject to its jurisdiction to provide testimony regarding any matter under investigation. Further, Rule 8210 (c) provides that "No member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule." By failing to provide a written statement as requested by FINRA staff, Williamson violated FINRA Rules 8210 and 2010.

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

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

The sanction 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 AWC.

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 39(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 Rule 8310 and 8311). The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 participating 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 and 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 8313; 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.

12-21-10
Date

Chenying Lee Williamson
Respondent

Chenying Lee Williamson

By: Chenying Lee Williamson

Chenying Lee Williamson

Accepted by FINRA:

12/21/10
Date

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

Thomas B. Lawson

Thomas B. Lawson

Chief Counsel

FINRA Department of Enforcement

1735 K Street, NW

Washington, D.C. 20006