

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090188704**

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

RE: Wendy Rice Stern, Respondent CRD No. 5339410

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Wendy Rice Stern (hereinafter referred to as either "Stern" or the "Respondent") submits 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 Stern alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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 AND JURISDICTION

Stern was born in [REDACTED] and entered the securities industry in November 2007. From November 15, 2007 to July 3, 2009, Stern was associated with Wachovia Securities, LLC (the "Firm")¹ and registered with FINRA as an Investment Company/Variable Contracts Products Representative. From August 2004 to July 2009, Stern also was employed at Wachovia Bank, N.A., an affiliated bank (hereinafter referred to, together with its successor, as the "Bank"). In July 2009, Stern was terminated from the Firm and the Bank as a result of the matters discussed in this AWC.

¹ On December 31, 2008, Wachovia Corp., a registered financial and bank holding company whose securities brokerage business was conducted through the Firm, was purchased by and merged its business lines into Wells Fargo & Co. In May 2009, the Firm's name was changed to Wells Fargo Advisors, LLC.

Stern has not been employed in the securities industry since July 3, 2009, but currently remains subject to FINRA's jurisdiction pursuant to FINRA By-law Article V, Section 4.

RELEVANT DISCIPLINARY HISTORY

Stern has no relevant disciplinary history.

OVERVIEW

From November 2008 to May 2009, Stern failed to observe high standards of commercial honor and just and equitable principles of trade in that she misappropriated funds by charging \$5,200 in personal expenses on her corporate credit card. By virtue of this conduct, Stern violated NASD Rule 2110, and after December 15, 2008, FINRA Rule 2010.²

FACTS AND VIOLATIVE CONDUCT

Stern worked as a financial specialist (a FINRA registered salesperson) at the Firm and the Bank. In that capacity, Stern did a certain amount of business travel and entertainment. Consequently, the Bank issued Stern a corporate credit card.

Use of the corporate credit card for personal expenses was prohibited by the Firm and the Bank. Under the Firm and the Bank's procedures³, use of a corporate credit card "...is for business use only. Use of the card for personal transactions...is prohibited and may result...[in] disciplinary action by management, up to and including termination."

Nevertheless, from November 2008 to May 2009 (the "Relevant Period"), Stern used her corporate credit card to pay for personal expenses. Specifically, Stern charged personal expenses on her corporate credit card on more than 25 occasions in amounts totaling approximately \$5,200.

In particular, Stern's personal use of the corporate credit card included, on 10 occasions, making purchases totaling \$2,710 at a video game arcade merchant and, on five occasions, making purchases totaling \$1,250 through a public auction web site. During the Relevant Period, Stern made approximately \$2,700 in

² NASD Rule 2110 was superseded by FINRA Rule 2010 on December 15, 2008, but the language of the rule remained the same.

³ In March 2009, the Wachovia Bank corporate credit cards were replaced with the new Wells Fargo & Co. MasterCard Multi Card® (the "Multi Card"). The Firm's policies and procedures remained virtually identical for the new corporate cards.

payments to the Bank for the personal expenses which she charged on her corporate credit card.

From April to June 2009, the Bank notified Stern on several occasions about a number of stale (aged) items that were charged to the card for which no employee expense reports were submitted by Stern. Thereafter, on July 2, 2009, the Bank notified Stern that her card was two payments past due and it was being suspended. Stern then admitted that she had made the personal purchases on her corporate credit card. Stern also made a \$500 payment to the Bank and thus reduced the outstanding amount owed due to her personal use of the corporate credit card to \$1,984. On July 3, 2009, Stern's employment at the Firm and the Bank were terminated for improper use of the corporate credit card.

By virtue of the foregoing conduct, Stern engaged in misappropriation and thus violated NASD Rule 2110, and after December 15, 2008, FINRA Rule 2010.

SANCTION

B. Respondent consents to the imposition of a bar.

The bar imposed herein shall be effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Stern specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against her;
- 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, Stern specifically and voluntarily waives 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.

Stern further specifically and voluntarily waives 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

Respondent understands that:

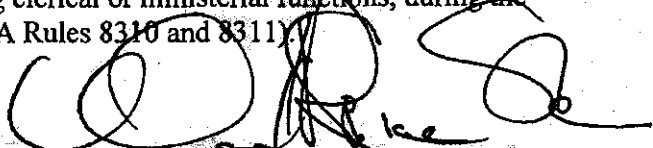
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against her; and
- C. If accepted:
 - 1. this AWC will become part of Stern's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Stern's 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. Respondent 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. Respondent 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 Respondent's right to take

legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has 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 her to submit it.

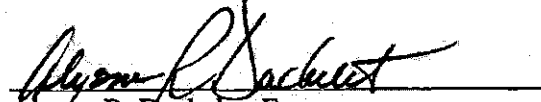
Respondent understands that if she is barred or suspended from associating with any FINRA member, she becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, she 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).

5/10/11
Date


Wendy Rice Stern, Respondent

Reviewed by:

5/10/11
Date:


Alyson R. Dachelet, Esq.
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Suite 400
Fort Lauderdale, FL 33316
(954) 764-2700
Counsel for Respondent

Accepted by FINRA:

5/17/11
Date

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


Susan Light
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