

**FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

V.

PEGGY SUE HARRELL,
(CRD NO. 4460320)

RESPONDENT.

Disciplinary Proceeding
No. 2009019962301

Hearing Officer: LBB

ORDER ACCEPTING OFFER OF SETTLEMENT

INTRODUCTION

Disciplinary Proceeding No. 2009019962301 was filed on May 11, 2010, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondent Peggy Sue Harrell ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant on July 15, 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 Complainant 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 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.

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BACKGROUND

Respondent Harrell entered the securities industry in 2001 when she was employed by a FINRA member firm. Harrell became registered with FINRA as an investment company and variable contracts products representative in October 2002. Harrell was associated with this FINRA member firm from September 2001 through February 2006. Harrell then became registered with FINRA member firm UVest Financial Services Group, Inc. ("UVest") from February 2006 until February 2009. Harrell became registered with another FINRA member firm in June 2009. On October 6, 2009, Harrell's firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") on behalf of Harrell disclosing that she had been terminated by the firm on October 5, 2009.

Harrell is not currently associated with a FINRA member firm, but she remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws, in that the violation alleged in the Complaint occurred, and this Complaint was filed, within two years of her last association with a FINRA member.

FINDINGS AND CONCLUSIONS

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

From July 2006 through February 2009, Harrell, while registered with UVest and employed by an affiliated bank (the "Bank"), obtained loans from the Bank in the names of her husband and another individual by using certificates of deposit in her husband's name as collateral, deposited the loan proceeds in her bank account, and withdrew money from the certificates of deposit, all without her husband's knowledge or permission.

From October 2008 through February 2009, Harrell, while registered with UVest and employed by the Bank, embezzled in excess of \$1,000 from the Bank by fraudulently creating debit tickets from the Bank's general ledger accounts and depositing the money into her own account.

On September 10, 2009, Harrell was criminally charged in the United States District Court for the Southern District of Mississippi with two felony counts under 18 U.S.C. § 1344 (bank fraud) and 18 U.S.C. § 656 (embezzlement by a bank officer or employee).

On September 30, 2009, Harrell entered a guilty plea to both counts of the criminal information. On January 26, 2010, Harrell was sentenced to serve a year and a day in federal prison and to pay \$39,380.60 in restitution to the Bank. She reported to the Federal Correctional Institution in Marianna, Florida on March 15, 2010 and is presently incarcerated.

Such acts, practices and conduct constitute separate and distinct violations by Respondent Harrell of NASD Conduct Rule 2110 with respect to the conduct that occurred before December 15, 2008, and FINRA Conduct Rule 2010 with respect to the conduct that occurred on or after December 15, 2008.

FINRA initiated an investigation into the disclosures on Harrell's Form U5. On December 4, 2009, FINRA sent a letter to Harrell via first class and certified mail addressed to her residential CRD address [REDACTED]. The letter requested, pursuant to FINRA Rule 8210, that Harrell submit a detailed written statement regarding the charges to which she pled guilty. The December 4, 2009 letter requested that the statement be submitted no later than January 4, 2010. The December 4, 2009 letter sent by first class mail was not returned. The December 4, 2009 letter sent by certified mail was signed for by "Peggy S. Harrell" on December 8, 2009. Harrell failed to respond by the January 4, 2010 deadline.

On January 13, 2010, FINRA sent a second letter to Harrell via first class and certified mail addressed to her residential CRD address. This letter again requested, pursuant to FINRA Rule 8210, that Harrell submit a detailed written statement regarding the charges to which she pled guilty. The January 13, 2010 letter requested that the written statement be submitted no later than January 27, 2010. The January 13, 2010 letter sent by first class mail was not returned. The January 13, 2010 letter sent by certified mail was signed for by "Peggy S. Harrell" on January 19, 2010. Harrell failed to respond by the January 27, 2010 deadline.

Such acts, practices and conduct constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Respondent Harrell.

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

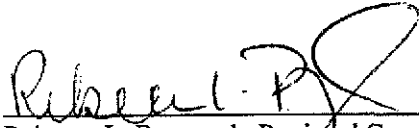
It is ordered that Respondent be barred from association with any FINRA member firm in all capacities.

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.

July 30, 2010
Date

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



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