

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100213555**

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

RE: Donna Katherine Monk, Respondent
CRD No. 2695732

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, 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 Respondent 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

Donna Katherine Monk ("Monk") entered the securities industry in March 1994, when she became employed as a client associate at Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"). In 1996, she became registered as a General Securities Representative (Series 7) at Merrill. In July 2002, Monk voluntarily terminated her employment at Merrill. On July 17, 2002, she became a registered Independent Contractor with FINRA registrant Raymond James & Associates (the "Firm" or "Raymond James"). On January 11, 2010, Raymond James filed a Form U5 with FINRA, reporting that Monk's employment had terminated that day. On February 25, 2010, Monk became re-employed at Merrill, where she is a registered associate.

RELEVANT DISCIPLINARY HISTORY

Monk does not have any disciplinary history.

OVERVIEW

Between 2005 and 2009, Monk signed the names, or in one case, affixed the signature of customers to 10 Letters of Authorization ("LOAs"). She also signed the name of her supervisor to these LOAs and to approximately 20 Internal Revenue Service ("IRS") Forms 941 (Employer's Quarterly Federal Tax Return) that were submitted for an LLC that employed Monk. By reason of this misconduct, Monk violated NASD Rule 2110 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 2110 and its successor, FINRA Rule 2010 provide that "[a] member, in the conduct of [her] business, shall observe high standards of commercial honor and just and equitable principles of trade."¹

In July 2002, Monk joined with JMR and RRJ, two former brokers from her prior employer, to act as Independent Contractors registered with Raymond James and work from their own three-person branch office of the Firm in Charleston, WV. JMR and RRJ formed a limited liability company (the "LLC") within Raymond James (with the Firm's consent). RRJ and JMR were the only two LLC Members and Monk was its sole employee. Monk primarily functioned as the office administrator while JMR and RRJ were responsible for developing securities business. Generally, Monk's duties involved customer service (i.e., answering telephones, handling correspondence). Monk also served as registered representative for a limited number of securities accounts maintained at Raymond James by members of her own family. JMR was Monk's branch office manager at all times relevant herein.

Funds for Real Estate Closing

On June 4, 2008, ST, a client of RRJ, signed an LOA authorizing the Firm to issue a certified check in the amount of \$20,098 made payable to a real estate settlement firm retained by ST in connection with the purchase of a home. Because the closing was scheduled for early in the day on June 6, 2008, she had requested that the check be sent via overnight delivery.

On June 5, 2008, RRJ and Monk realized that the overnight package would not arrive in time for the scheduled closing. RRJ attempted to contact ST to get her to return to the office to sign a document authorizing the Firm to send the funds via wire transfer, but ST was unavailable. Monk contacted ST by telephone later that day, apprised ST of the delivery problem and told her that a wire transfer would deliver the funds on time.

¹ NASD Rule 2110 was superseded by FINRA Rule 2010 as of December 15, 2008, but the language of the rule remained the same.

ST verbally authorized Monk to send the funds via wire transfer, but Monk was unable to obtain ST's signature on a new LOA instructing the Firm to wire the funds. Instead, Monk copied ST's signature from the original LOA and pasted the signature onto a new LOA instructing the Firm to wire \$20,098 to the closing agent. In addition, Monk signed JMR's name approving both of the LOAs. Monk understood that she had authority to sign his name to documents when necessary to administer the Firm's business.

Accounts of Immediate Family Members

From April 3, 2005 through January 15, 2008, Monk initiated nine LOAs to transfer funds from the accounts of two customers who were members of her immediate family. The nine LOAs pertained to five transfers between accounts of the immediate family members, and four transfers of funds to Monk's account: (1) \$44.72 on September 26, 2005, (2) \$67.60 on July 23, 2007, (3) \$28 on August 27, 2007, and (4) \$50 on January 15, 2008. These four transfers were made by the customers' to reimburse Monk for monies that they owed to her.

Monk signed the customers' names on the nine LOAs pursuant to their explicit authorization. Additionally, Monk signed JMR's name on the LOAs to indicate supervisory approval of the transfers.

IRS Forms 941

In addition, from 2003 to 2009, Monk signed JMR's name on behalf of the LLC on approximately 20 IRS Forms 941, Employer's Quarterly Federal Tax Return. She then submitted the forms to the IRS.

Monk's conduct, as outlined above, violated NASD Rule 2110 and FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a. A three-month suspension and
- b. A \$5,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which she proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that she is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Respondent understands that if she is barred or suspended from associating with any FINRA member, Respondent 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, Respondent 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).

The sanctions imposed herein shall become effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent 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, Respondent 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.

Respondent 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.

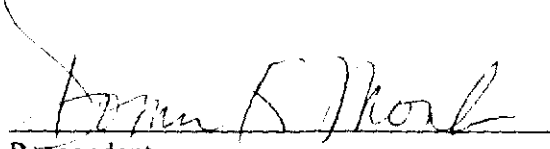
OTHER MATTERS

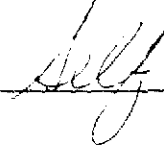
Respondent understands that:

- 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent'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 Respondent'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.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that she may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

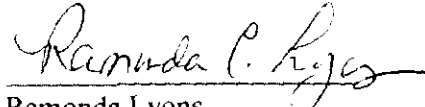
Respondent certifies that she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondent to submit it.

7-5-12
Date (mm/dd/yyyy)


Respondent

By: 

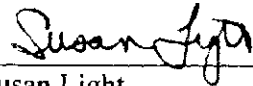
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Counsel for Respondent

Accepted by FINRA:

7/16/12
Date

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


Susan Light
Senior Vice President and Chief Counsel
FINRA Department of Enforcement
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200 Liberty Street
New York, NY 10281
(646) 315-7333 (tel.)
(202) 689-3411 (fax)

Statement of Corrective Action

I understand the gravity and significance of my prior actions and the investigation process alone has been sufficient in deterring me from engaging in any similar misguided conduct in the future. I will never, never allow myself to be placed in this type of situation again. Also, the compliance and supervision at Merrill Lynch is far more diligence and supportive. I can refuse violative conduct and not be threaten with unemployment as was the case at JMR LLC. Merrill Lynch has processes in place that better serve the client especially transactions less than \$50,000. They have in place voice instructions with proper client authentication and recorded phone lines. I have been a "Far Exceeds" employee for Merrill Lynch during all 10+ years.

I have kept Merrill abreast of this investigation and was told that my U4 will be updated.

A handwritten signature in black ink that reads "Donna K Monk". The signature is written in a cursive, flowing style.

Donna K Monk

Respondent

This Correction Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.