

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20100251923-01

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Jeffrey Garland Kelly, Respondent
CRD No. 2547707

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeffrey Garland Kelly ("Kelly" or "Respondent"), 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

Kelly became employed in the securities industry as a registered representative of a FINRA member firm in September 1994. He was registered with three successive FINRA member firms from September 29, 1994 until November 15, 2010. He is not currently associated with a FINRA member firm, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of the FINRA By-Laws until November 14, 2012. Kelly has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. Beginning on January 24, 2005 and continuing through November 15, 2010 ("the review period"), Kelly was registered as an Investment Company Products/Variable Contracts Representative with three successive FINRA member firms. He was registered at the first firm from October 2004

through October 2006, with the second firm from October 2006 through October 2009, and with the third firm from October 2009 through November 2010. While registered at each firm, Kelly failed to provide written notice to such member firm that he was employed by or accepted compensation from other persons as a result of business activities that were neither passive investments nor within the authorized scope of his relationship with his employer firms.

2. Specifically, during the review period, Kelly operated Superior Financial Resources, LLC ("Superior"), a company that loaned money to managed real estate companies and small businesses. Kelly was primarily responsible for the operation of this company, having handled its formation, negotiated its loan agreements, and controlled its finances, including investments into and distributions out of the company. Kelly received direct and indirect compensation for these services from income generated by the company.
3. Kelly's operation of Superior took place over a period of five years and involved investments of more than \$300,000, some of which was invested by customers of his employer firms.
4. In addition, during the review period, Kelly formed two additional entities, JGK Group, LLC ("JGK Group") and Practitioners Wellness Network, LLC ("PWN"). For both entities, Kelly filed registration documents with the Ohio Secretary of State, served as their registered agent, and took out loans on their behalf. In doing so, Kelly took steps to commence business activities unrelated to his relationship with his employer firms.
5. Kelly failed to disclose Superior, JGK Group, or PWN to his employer firms. Further, he falsely represented on his qualifying questionnaire for his most recent employer firm that he did not and would not engage in any outside business activities, or serve as an officer, director, or employee of another business, without prior notification to and written consent from the member firm.
6. The conduct described in paragraphs 1-5 constitutes separate and distinct violations of NASD Rules 3030 and 2110 (for conduct before December 15, 2008) and NASD Rule 3030 and FINRA Rule 2010 (for conduct on or after December 15, 2008).
7. From January 24, 2005 through November 15, 2010, while registered as an Investment Company Products/Variable Contracts Representative with three successive FINRA member firms, Kelly participated in private securities transactions without providing prior written notice to the member firms with which he was associated at the time describing in detail the proposed transactions and his proposed role therein, and stating

whether he has received or may receive selling compensation in connection with the transactions.

8. Specifically, as described above in paragraphs 1-3, Kelly formed and operated Superior, which pooled money from investors in a common enterprise with the expectation of profits derived from the efforts of others.
 9. The conduct described in paragraphs 7-8 constitutes separate and distinct violations of NASD Rules 3040 and 2110 (for conduct before December 15, 2008) and NASD Rules 3040 and FINRA Rule 2010 (for conduct on or after December 15, 2008).
- B. I also consent to the imposition of the following sanctions:

A bar in all capacities from associating with any FINRA member.

I understand that if I am barred from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(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. (See FINRA Rules 8310 and 8311).

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

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 participation 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 or 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.

Date 4/15/11


Respondent Jeffrey Garland Kelly

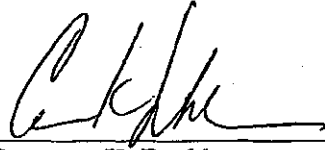
Reviewed by:

Counsel for Respondent

Accepted by FINRA:

5/18/11
Date

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


Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection
and Market Intelligence