

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ALICE HALE EVERETT,
(CRD No. 1867376)

Respondent.

Disciplinary Proceeding
No. 2011026353801

Hearing Officer: MC

ORDER ACCEPTING OFFER OF SETTLEMENT

INTRODUCTION

Disciplinary Proceeding No. 2011026353801 was filed on June 20, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Everett submitted an Offer of Settlement (Offer) to Complainant on August 17, 2012. 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 Everett has consented, without admitting or denying the allegations of the Complaint, 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.

BACKGROUND

Everett entered the securities industry in November 1987, when she was employed by a FINRA member firm. Everett was first registered as a general securities representative with FINRA in May 1989. Everett was employed by several FINRA member firms from November 1987 through June 2006. In February 2007, Everett was employed by Transamerica Financial Advisors, Inc. (Transamerica),¹ as a general securities representative. Everett remained employed with Transamerica until November 2008. Everett was thereafter employed by another FINRA member firm, where she remained until July 2010. Everett is not currently associated with a FINRA member firm, but remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws.

FINDINGS AND CONCLUSIONS

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

1. FINRA commenced an investigation after receipt of an Amended Uniform Termination Notice for Securities Industry Registration (Form U5) filed on behalf of Alice Hale Everett (Everett), which disclosed a complaint filed by a customer. During the course of its investigation, FINRA sent letters to Everett, pursuant to FINRA Rule 8210, requesting information regarding a possible private securities transaction and an unsuitable investment recommendation. However, Everett failed to respond to FINRA's information requests, in violation of FINRA Rules 8210 and 2010.
2. Everett entered the securities industry in November 1987, when she was employed by a FINRA member firm. Everett was first registered as a general securities representative with

¹ Transamerica is now known as Intersecurities, Inc.

FINRA in May 1989. Everett was employed by several FINRA member firms from November 1987 through June 2006. In February 2007, Everett was employed by Transamerica Financial Advisors, Inc. (Transamerica),² as a general securities representative. Everett remained employed with Transamerica until November 2008. Everett was thereafter employed by another FINRA member firm, where she remained until July 2010.

3. Although Everett has not been associated with a FINRA member firm since July 2010, she remains subject to FINRA's jurisdiction for purposes of this proceeding and pursuant to Article V, Section 4 of FINRA's By-Laws; because (1) the Complaint was filed within two years after the date upon which Everett ceased to be associated with a FINRA member firm, and (2) the Complaint charges Everett with failing to respond to FINRA's requests for information during the two-year period after the date upon which Everett ceased to be associated with a FINRA member firm.
4. In March 2011, FINRA commenced an investigation into the allegations on an Amended Form U5 filed on behalf of Everett by Transamerica investigating a possible private securities transaction and an unsuitable investment recommendation.
5. The Amended Form U5 filed by Transamerica on behalf of Everett disclosed that a customer had made a \$100,000 investment through Everett but "the monies are now missing."
6. FINRA determined, during the course of the investigation regarding a possible private securities transaction and an unsuitable investment recommendation, that it needed information from Everett regarding the investment she recommended to the customer.

² Transamerica is now known as Intersecurities, Inc.

7. Therefore, on July 18, 2011, FINRA sent a letter to Everett via first class and certified mail addressed to Everett's residential address as listed in the Central Registration Depository (CRD) and to an alternate address.³
8. The July 18, 2011 letter requested, pursuant to FINRA Rule 8210, that Everett submit a detailed written statement regarding the possible private securities transaction and unsuitable investment recommendation.
9. The July 18, 2011 letter requested that the statement be submitted no later than August 1, 2011.
10. The July 18, 2011 letters sent by first class mail to Everett were not returned. Receipts for the certified letters sent to Everett's residential CRD address and to the alternate address were returned indicating that the letters were delivered and were signed by someone with the last name of "Everett."
11. Everett failed to provide the requested statement by the August 1, 2011 deadline.
12. Therefore, on August 5, 2011, FINRA sent Everett a second letter via first class and certified mail addressed to her residential CRD address and to the alternate address. The August 5, 2011 letter once again requested that Everett provide a detailed written statement regarding the possible private securities transaction and unsuitable investment recommendation.
13. The August 5, 2011 letter cited FINRA Rule 8210, and required Everett to provide the requested statement to FINRA no later August 19, 2011.
14. The August 5, 2011 letters sent by first class mail to Everett were not returned. Receipts for the August 5, 2011 letters sent to Everett by certified mail were returned indicating that they had been delivered and were signed by someone with the last name of "Everett."
15. Everett failed to provide the requested statement by the August 19, 2011 deadline.

³ The alternate address is a variation of Everett's residential CRD address.

16. As of the date hereon, Everett has not responded to FINRA's requests for a detailed written statement regarding the possible private securities transaction and unsuitable investment recommendation.
17. Everett's failure to submit the requested written statement impeded FINRA's investigation, and prevented FINRA from completing its regulatory responsibility to fully investigate potential rule violations.
18. Such acts, practices and conduct constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Respondent Everett.

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 Everett 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 Everett 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

8/22/12
Date

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



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