

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011026509201**

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

RE: Valerie Silverstein, Respondent
CRD No. 1413711

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

Silverstein entered the securities industry in 1989 and worked at a FINRA member firm until 1994. Between 1994 and 2001, she worked as an administrative assistant outside the securities industry. In April 2001, she re-entered the securities industry as a registered sales assistant with Raymond James & Associates, Inc. ("Raymond James" or the "firm"). On January 26, 2011, Raymond James terminated Silverstein for falsifying client related documents and issuing unapproved correspondence. Silverstein is not currently associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Silverstein has no relevant disciplinary history.

OVERVIEW

From November 2010 to January 2011, as a registered sales assistant for Raymond James, Silverstein participated in a scheme to defraud and misappropriate funds from the firm. In November 2010, Silverstein falsified a deposit receipt, inaccurately reflecting that a new firm customer, CK, had deposited a check for \$7.8 million into his Raymond James account. In fact, CK never deposited such a check. In addition, between November 2010 and January 2011, Silverstein created fraudulent correspondence on firm letterhead in furtherance of this scheme. By the foregoing conduct, Silverstein violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Silverstein had a preexisting relationship with CK when he became a Raymond James customer in November 2010. On November 18, 2010, in an effort to advance a fraudulent scheme to misappropriate funds from the firm, Silverstein created a false deposit receipt indicating that CK had deposited a check for \$7.8 million into his Raymond James account. In reality, CK never made such a deposit.

In further promotion of the scheme, between November 23, 2010, and January 4, 2011, Silverstein sent four letters on firm letterhead, and one email from her Raymond James email account, to CK making various false and misleading statements about the deposit and withdrawal of funds. In a November 23 letter, Silverstein stated that the firm had received a check in the amount of \$7.8 million. Then, in a November 29 letter, Silverstein confirmed that 14 checks totaling nearly \$1 million would be available for pick up the following day. Next, in a December 2 email, Silverstein stated that upon receipt of a wire transfer into his account, 16 checks totaling nearly \$1.2 million would be processed. Shortly thereafter, on December 10, the firm closed the account when CK attempted to make withdrawals from the account using a debit card despite never funding the account, and the firm discovered that CK had a criminal past. After the account was closed, in a December 27 letter, Silverstein stated that the firm had received a wire transfer of \$23 million. The letter also requested that CK provide a list of names and amounts of checks that he would like drawn on the account. Finally, in a January 4, 2011 letter, Silverstein stated that she received CK's signed request and that the firm had requested a wire transfer of \$8.5 million from his Raymond James account to Chase Bank. All four letters and the email were false. CK never deposited any money or securities in his Raymond James account.

CK thereafter used the documents created by Silverstein on several occasions. The first was in February 2011 when CK's attorney sent Raymond James a letter demanding that his client's funds be returned. In support of the demand request, the attorney included documents created by Silverstein as attachments to the letter. The second and third occasions were in February and April 2011 when CK provided the documents to other Raymond James branch offices in attempt to reopen his account and withdrawal funds.

By creating false and misleading documentation and correspondence in an attempt to advance a

fraudulent scheme, Silverstein violated FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

A bar from association with any member of FINRA in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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 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 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.

4/18/12
Date

Valerie Silverstein
Valerie Silverstein

Reviewed by:

Charles Cohen
Charles Cohen
Counsel for Respondent
Furr & Cohen, P.A.
2255 Glades Road, Suite 337W
Boca Raton, FL 33431
(561) 417-1571

Accepted by FINRA:

6/12/12
Date

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

James E. Day
James E. Day
Associate Vice President and Chief Counsel
FINRA Department of Enforcement
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