

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011027268801**

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

RE: Cheryl A. McMahon
CRD No. 3009145

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

Cheryl A. McMahon ("McMahon") began working in the securities industry with Signator Investors, Inc. (CRD No. 468) in August 1996 and obtained her Series 6 license (Investment Company Products/Variable Annuity Contracts Representative) on March 23, 1999, with the same firm. In September 2004, she went to work as an Associate Financial Representative at Northwestern Mutual Investment Services, LLC ("the Firm" or "Northwestern") (CRD No. 2881) in a branch office located in Indianapolis, Indiana. She continued to work in that capacity, at Northwestern, until her termination on March 15, 2011. Pursuant to Article V, Section 4 of the FINRA By-Laws, FINRA retains jurisdiction until at least March 14, 2013.

OVERVIEW

Between January 19, 2010, and December 20, 2010, McMahon misappropriated over \$2,000 from MM, a registered representative with whom she worked, by forging MM's signature on six insurance commission checks made out to MM and depositing them into her own bank account, in violation of FINRA Rule 2010.

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FACTS AND VIOLATIVE CONDUCT

Between January 19, 2010, and December 20, 2010 ("the relevant period"), McMahon worked as an Associate Financial Representative for MM and two other registered representatives at a branch office in Indianapolis, Indiana. As an Associate Financial Representative, McMahon assisted each of her assigned registered representatives with their daily brokerage tasks, which included ensuring that all incoming checks for each of her assigned registered representatives were properly deposited in the appropriate bank account.

During the relevant period, McMahon misappropriated \$2,024.22 by forging MM's signature on six commission checks from insurance product sponsors. McMahon made each of the checks payable to her and deposited the forged checks into her personal bank account. MM did not discover the misappropriation of funds until March 2011. McMahon forged MM's signature on checks bearing the following dates and amounts:

DATE	AMOUNT
1/19/2010	\$596.00
6/1/2010	\$591.60
6/12/2010	\$168.68
6/18/2010	\$74.46
6/28/2010	\$424.80
12/20/2010	\$168.68
Total	\$2,024.22

McMahon abused her position as an Associate Financial Representative assigned to assist MM in carrying out his business activities. By forging MM's signature and misappropriating more than \$2,000 from MM, McMahon failed to adhere to high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

B. McMahon also consents to the imposition of the following sanction:

A permanent bar from the securities industry.

Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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

II.

WAIVER OF PROCEDURAL RIGHTS

McMahon 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, McMahon 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.

McMahon 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

McMahon 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 her; and
- C. If accepted:
 - 1. this AWC will become part of McMahon's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against her;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about McMahon'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. McMahon 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. McMahon 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 McMahon's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. McMahon may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. McMahon 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.

McMahon 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 she 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 him to submit it.

9-9-11
Date

Cheryl A. McMahon.
Cheryl A. McMahon

Accepted by FINRA:

September 15, 2011
Date

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

A handwritten signature in black ink, appearing to read 'Lane Thurgood', is written over a horizontal line.

Lane Thurgood
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