

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011029417901**

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

RE: Susan R. Gibbs, Respondent
Investment Company Products/Variable Contracts Limited Representative
CRD No. 4803882

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Susan R. Gibbs ("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

Respondent entered the securities industry in May 2004 when she became associated in a non-registered capacity with WFS, a FINRA regulated broker-dealer. In July 2004, Respondent obtained her Investment Company Products/Variable Contracts Limited Representative license (Series 6). Respondent remained associated with WFS until October 2009, when she became associated with AXA Advisors, LLC ("AXA" or the "Firm"). In December 2009, Respondent became an employee of AXA, where she remained until her termination in July 2011.

In a Form U5 Uniform Termination Notice for Securities Registration dated July 26, 2011, the Firm reported that the basis for Respondent's termination was that her position was eliminated.

Respondent was associated with AC, a FINRA regulated broker-dealer, from November 2011 until her voluntary termination in January 2012. Respondent has not been associated with any FINRA regulated broker-dealer since January 31, 2012, but remains subject to FINRA's jurisdiction pursuant to Article V, § 4 of the FINRA By-Laws until January 30, 2014.

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior disciplinary history in the securities industry.

OVERVIEW

Between October 2009 and May 2011 (the "Relevant Period"), Respondent misappropriated \$856.84 from WW, an AXA registered representative, by charging personal expenses on a corporate credit card issued by WW's approved outside business, IST. By engaging in this misconduct, Respondent violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Respondent worked as a registered sales assistant to WW, an AXA registered representative and independent contractor. WW owns and operates IST, an insurance agency that sells insurance-related products and services. AXA approved WW's participation in IST as an outside business activity. Apart from Respondent's responsibilities with AXA, she also performed administrative tasks for WW that were related to IST.¹ WW provided Respondent an IST corporate credit card ("corporate card") to be used for charging business-related expenses only.

During the Relevant Period, Respondent improperly used the corporate card on 23 occasions to make personal purchases of clothing, groceries, restaurant meals and gasoline totaling \$856.84. WW never gave Respondent permission to use the corporate card to charge personal expenses. Furthermore, at the time Respondent made each of the personal charges, she was aware that she was prohibited from using the corporate card to charge personal expenses. Through her improper use of the corporate card for personal purchases during the relevant period, Respondent misappropriated \$856.84 from WW.

Although Respondent repaid \$237.69 of the \$856.84, she did so only after WW confronted her about the unauthorized charges that he had detected. Respondent has never repaid WW for the remainder of the personal charges that she made to the corporate card.

By misappropriating funds from WW, Respondent failed to uphold high standards of commercial honor and just and equitable principles of trades, in violation of FINRA Rule 2010.

- B. Respondent also consents to the imposition of a permanent bar from associating with any FINRA regulated broker-dealer in any capacity.

Respondent 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

¹ Respondent was affiliated with IST and worked as WW's sales assistant since May 2004.

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 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

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 her; and
- C. If accepted:
 - 1. this AWC will become part of her 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 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. 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 her right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent, Susan R. Gibbs, 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 her to submit it.

1-11-2013
Date (mm/dd/yyyy)

Susan R. Gibbs
Susan R. Gibbs, Respondent

Accepted by FINRA:

1/18/13
Date

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

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