

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011030103501**

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

RE: Adrienne Marie Llamas, Respondent
Former Operations Liaison
CRD No. 4203041

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Adrienne M. Llamas 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 Llamas 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

Llamas was born in [REDACTED]. She entered the securities industry in 1998. From June 2008 until on or about November 1, 2011, Llamas was employed by Wells Fargo Advisors, LLC ("Wells Fargo" or "the Firm") in the Los Angeles area. Llamas worked in the operations or back-office area and held the title of operational liaison. She was an associated person of Wells Fargo, holding the Series 7, Series 9, Series 10, and Series 65 securities licenses.

On or about November 14, 2011, by Form U-5 filing, the Firm reported that Llamas had been terminated on November 1, 2011, for moving cancel-and-rebill transactions in a customer account to a registered representative's account without proper documentation. Since her termination from Wells Fargo, Llamas has not been employed in the securities industry.

FINRA retains jurisdiction over Llamas pursuant to Article V, Section 4(a) of the FINRA By-Laws because (a) the conduct that serves as the basis for this action commenced prior to her termination of registration from a FINRA regulated broker-dealer and (b) this AWC has been initiated within two years after the effective date of Llamas' last termination of registration from a FINRA regulated broker-dealer.

RELEVANT DISCIPLINARY HISTORY

Llamas has no prior disciplinary history.

OVERVIEW

Between November 2010 and September 2011, at the direction of a Wells Fargo registered representative, Philip D. Horn ("the RR"), Llamas fraudulently canceled and rebilled approximately 90 securities transactions between customer accounts and accounts that the RR controlled, to the RR's benefit and to the detriment of customers. These cancel-rebills fraudulently moved profitable trades worth approximately \$4,127,669.56 from customers' accounts into the RR's account, allowing him to convert customer securities.¹ Llamas also rebilled losing trades from the RR's account to customers, and she rebilled profitable and losing trades between individual customer accounts. The RR paid Llamas \$6,200 for processing these cancel-rebills. By entering these rebills, Llamas violated Sec. 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and FINRA Rules 2020 and 2010. Llamas also violated NASD Rule 3110(a) and FINRA Rule 2010 in that she caused the books and records of her member firm to be maintained inaccurately in violation of Section 17(a) of the Securities Exchange Act of 1934 and SEC Rules 17a-3 and 17a-4.

FACTS AND VIOLATIVE CONDUCT

Llamas entered the securities industry in 1998. From June 2008 to September 2011, Llamas was employed in the Wells Fargo's Century City office. The Century City office was a "hub" office that processed back-office work, including trade corrections, for the Firm's retail sales offices in west Los Angeles. Between November 2010 and September 2011, as the RR directed, Llamas canceled and rebilled numerous transactions between customer accounts and accounts that the RR owned or controlled. Canceling and rebilling profitable trades between accounts is a fraudulent practice known as "cherry-picking."

The fraudulent cancel-rebills were entered from April 2009 until late September 2011 and involved a total of approximately 215 rebills between customers and the RR. Rashima Thomas, another operations staff employee, processed the improper cancel-rebills prior to early

¹ Horn pled guilty in September 2012 to federal charges of wire fraud. On February 4, 2013, Horn was suspended pursuant to FINRA Rule 9552.

September 2010.² From November 2010 all of these transfers, approximately 90, were processed exclusively by Llamas. These rebills transferred approximately \$4,127,669.56 in securities transactions from customer accounts to accounts that the RR controlled.

Most of the cancel-rebills processed by Llamas transferred profitable trades from individual customers' accounts into an account that the RR owned or controlled. This allowed the RR to convert these transactions to his own benefit. At other times, also at the RR's direction, Llamas rebilled losing trades from the RR's account to customers, or rebilled between individual customers' accounts securities positions that were profitable or carried unrealized losses.

Routinely, Llamas and the RR communicated by text messages. For example, on September 8, 2011, Llamas and the RR exchanged the following text messages (quoted verbatim):

Llamas	6:36 a.m.	Good Morning. Today is an office evacuation. Gotta go down all 22 floors. I will let u know tho.
RR	6:37 a.m.	Ok I will send u one now
Llamas	6:39 a.m.	Go ahead. Ready.
RR	6:40 a.m.	Hi 1000 SIL global x silver bought 3/23 in [XXXX-1234] to [YYYY-5678] Thanks
Llamas	6:41 a.m.	Ok. Done.

This cancel-rebill moved a 1,000-share position in the Global X Silver Miners ETF from a customer account to a joint account owned by the RR and his wife. When transferred into the RR's account, the position was worth \$28,065.00. Four days later, on September 12, 2011, the RR sold this position for \$28,799.45.

Overall, the fraudulent cancel-rebills resulted in approximately \$732,948.50 net gains to the RR. For canceling and rebilling trades, the RR paid Llamas approximately \$6,200.

By rebilling profitable and losing securities transactions between customer accounts and accounts that a registered representative controlled, to the RR's benefit and to the detriment of customers, Llamas willfully violated Sec. 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and FINRA Rules 2020 and 2010.

Llamas also violated NASD Rule 3110(a) and FINRA 2010 in that she caused the books and records of her member firm to be maintained inaccurately in violation of Section 17(a) of the Securities Exchange Act of 1934 and SEC Rules 17a-3 and 17a-4.

² By FINRA Default Decision (January 4, 2013), Thomas was barred for failing to respond to FINRA requests for information in violation of FINRA Rules 2010 and 8210. If no further action is taken, this decision becomes final February 1, 2013.

SANCTION

- B. Respondent also consents to the imposition of the following sanction:

A bar from association in any capacity with any FINRA registrant.

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 the Securities Exchange Act of 1934. Accordingly, she 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).

Pursuant to FINRA Rule 8313(e), a bar 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 her 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 Respondent's (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that she has read and understands all of the provisions of this AWC and have 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.

2-25-2013
Date

Adrienne Marie Lamas
Adrienne Marie Lamas

Reviewed by:

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Accepted by FINRA:

3/7/13
Date

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

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