

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034715401**

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

**RE: Terrance J. Wilkerson, Respondent
General Securities Representative
CRD No. 4002576**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Terrance J. Wilkerson 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

Wilkerson entered the securities industry in October 2000 as a General Securities Representative. Wilkerson, during all periods mentioned herein, was associated with Merrill Lynch, Pierce, Fenner & Smith (the "Firm"), and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. Wilkerson's employment with Merrill Lynch ended on October 23, 2012. Wilkerson is currently registered with FINRA and associated with First Financial Equity Corporation. Wilkerson has no prior disciplinary history.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270 provides that "[n]o registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member. FINRA

Rule 3270 applies to both compensated and uncompensated business activities. A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010.

From March 16, 2012 through October 23, 2012, while associated with Merrill Lynch, Wilkerson engaged in an undisclosed outside business activity by assisting individual JB to obtain financing to purchase a mortgage business. Wilkerson's activities included obtaining a valuation of the mortgage business; identifying potential third party lenders and arranging meetings with those individuals; and, preparing presentation packages for both the seller of the mortgage business and potential third party lenders. For his efforts, Wilkerson received approximately \$50,000 in compensation from JB.

Merrill Lynch's Written Supervisory Procedures require that employees who wish to participate in outside business activities request approval on the Firm's Associate Investment Monitoring ("AIM") website prior to participation. On June 12, 2012, Wilkerson completed an Annual Certification via AIM which addressed outside business activities as well as other activities. Wilkerson disclosed a \$25,000 passive investment in BBI, which was owned by JB; however, he failed to disclose his involvement in assisting JB to obtain financing to purchase a mortgage business or that he would be receiving \$50,000 in compensation for his involvement. Accordingly, Wilkerson did not provide prior written notice to the Firm or obtain Firm approval to engage in this outside business activity or to receive compensation.

As a result of the foregoing conduct, Wilkerson violated FINRA Rules 3270 and 2010.

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

A \$5,000 fine and a one-month suspension from association with any FINRA member in any capacity.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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.

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 Chief Legal Officer, 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 accordance with FINRA Rule 8313;**
 - 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: (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.**
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.**

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.

8-14-15
Date (mm/dd/yyyy)

T. J. Wilkerson
Terrance J. Wilkerson, Respondent

Accepted by FINRA:

August 21, 2015
Date

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

Sarah B. Belter
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