

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013034981701**

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

RE: Cecilia Shea, Respondent
Financial and Operations Principal
CRD No. 2765763

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

Cecilia Shea ("Shea") first associated with a FINRA member firm in June 1996. She first became registered with a FINRA member firm as a Financial and Operations Principal ("FinOP") in January 2004. Later, she became registered in other capacities: as a General Securities Representative ("GS") in October 2011, as a General Securities Principal ("GP") in November 2011, as an Operations Professional ("OS") in December 2011, and as an Investment Banking Representative ("IB") in February 2012. In June 2012, Shea associated with former FINRA member firm KBR Capital Markets, LLC ("KBR" or the "Firm") and registered as a FinOP, GS, GP, OS, and IB. Shea voluntarily left KBR in August 2013.¹

In April 2014, Shea registered as a FinOP, GS, GP, OS, and IB with another FINRA member firm, where she remained until June 2014. Shea has not been associated or registered with another FINRA member firm since June 2014, but she remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of

¹ KBR's registration with FINRA was cancelled in September 2013 for failure to meet qualification standards.

FINRA's By-Laws of the Corporation.

RELEVANT DISCIPLINARY HISTORY

Shea does not have any relevant disciplinary history.

OVERVIEW

Shea permitted KBR to conduct a securities business while below its net capital requirement, caused KBR to maintain inaccurate books and records regarding its net capital, and filed inaccurate Financial and Operational Combined Uniform Single ("FOCUS") reports on behalf of KBR. As a result of the foregoing, Shea violated FINRA Rules 4110(b)(1), 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

Between June 2012 and August 2013, Shea was employed as KBR's Chief Financial Officer and Financial and Operations Principal ("FinOP"). As FinOP, Shea was responsible for, among other things, calculating KBR's net capital and maintaining the accuracy of the Firm's general ledger, trial balance, and balance sheet. She also was responsible for filing the Firm's FOCUS reports.

Between September 2012 and March 2013, Shea failed to accurately compute the Firm's net capital by including a non-allowable asset in her net capital calculation. As a result, Shea permitted KBR to conduct a securities business while the Firm was under its net capital requirement on two days: December 31, 2012, and February 28, 2013. Also, by including a non-allowable asset on the Firm's general ledger, trial balance, and balance sheet, Shea caused the Firm's books and records to be materially inaccurate. Additionally, Shea filed inaccurate FOCUS reports for the periods ending September 30, 2012, December 31, 2012, and March 31, 2013.

As a result of the foregoing, Shea violated FINRA Rules 4110(b)(1), 4511 and 2010.

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

A censure and a fine in the amount of \$6,500.00.

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

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.

10-5-15
Date (mm/dd/yyyy)

Cecilia Shea
Respondent Cecilia Shea

Reviewed by:

Alvin Fishman

Alvin Fishman, Esq.
Counsel for Respondent Shea
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RECEIVED

OCT 05 2015

FINRA
S.F. ENFORCEMENT OFFICE

Accepted by FINRA:

12/3/2015
Date

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

Mark A. Graves
Mark A. Graves, Senior Regional Counsel
FINRA
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