

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Jerry Moore Hill (CRD No. 3357),

Respondent.

Disciplinary Proceeding
No. 2013035836301

Hearing Officer: RLP

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: July 11, 2014

INTRODUCTION

Disciplinary Proceeding No. 2013035836301 was filed on December 12, 2013, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Jerry Moore Hill (Hill or Respondent) submitted an Offer of Settlement (Offer) to Complainant dated July 7, 2014. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order is now issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of

the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Hill entered the securities industry in November 1972, as a General Securities Representative with a FINRA member firm. During her career, Hill associated with a total of twenty-nine FINRA member firms, primarily in the capacity of a part-time, offsite FINOP. During the relevant time period, Hill served as FINOP for FINRA member firms LSC, RLC, NSI, GSS, CPS, PEA, and SCC. Hill is not currently associated with a FINRA member firm, as her association with her most recent FINRA member firm ended on July 24, 2013. During her career in the securities industry, Hill acquired Series 1, 24, 27 and 63 securities licenses.

Although Hill is no longer associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Hill's association with her most recent employer member firm on July 24, 2013; and (2) the Complaint charges Hill with misconduct committed while she was associated with a FINRA member.

Hill's prior relevant disciplinary history includes the following:

On October 10, 2012, FINRA issued a Letter of Acceptance, Waiver and Consent (No. 2011030711101), in which Hill was suspended from association with any FINRA member firm in any principal or supervisory capacity for a period of two months for violations of FINRA Rule 2010 and NASD Rule 3110. Hill agreed to findings that she permitted two FINRA member firms, for which she served as FINOP, to conduct a securities business while below their

minimum net capital requirement and also caused one of the member firms to maintain inaccurate books and records.

On August 30, 2011, FINRA issued a Letter of Acceptance, Waiver and Consent (No. 2009017072001), in which Hill was suspended from association with any FINRA member firm in any principal or supervisory capacity for a period of 15 business days for violations of NASD Conduct Rule 2110 and FINRA Rule 2010. Hill agreed to findings that she permitted a FINRA member firm, for which she served as FINOP, to conduct a securities business while below its minimum net capital requirement.

On February 6, 2004, FINRA issued a Letter of Acceptance, Waiver and Consent (No. C06040002), in which Hill was fined \$2,500 and suspended from association with any FINRA member firm in any principal or supervisory capacity for 10 business days for violations of NASD Rule 2110. Hill agreed to findings that she caused customer funds to be held in her employer member firm's checking account, thereby triggering a reserve computation requirement. Hill also failed to make a reserve computation or to make any required deposits to a reserve account to cover customer credits during the time the firm held customer funds.

On September 28, 2001, FINRA issued a Letter of Acceptance, Waiver and Consent (No. C06010028), in which Hill was fined \$2,500 for violations of NASD Conduct Rule 2110. Hill agreed to findings that she permitted a FINRA member firm, for which she served as FINOP, to conduct a securities business while below its minimum net capital requirement. On May 28, 1996, FINRA issued a Letter of Acceptance, Waiver and Consent (No. C06960006), in which Hill was censured and fined \$10,000, jointly and severally with other respondents, for violations of SEC Rule 15c3-1 and Article III, Section I of the Rules of Fair Practice. Hill agreed to findings that she permitted a FINRA member firm, for which she served as FINOP, to conduct a

securities business while below its minimum net capital requirement.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

1. Pursuant to a FINRA Letter of Acceptance Waiver and Consent ("AWC") issued in an October 2012 disciplinary action, Jerry Moore Hill ("Hill" or "Respondent") was suspended from association with any FINRA member in any principal or supervisory capacity during the period from November 5, 2012 through January 4, 2013. She was also required to requalify as a Financial and Operations Principal ("FINOP") by retaking and passing the Series 27 examination prior to resuming work as a FINOP following her suspension.

2. Hill subsequently attempted to take and pass the Series 27 examination on two different occasions. However, she failed the test in both instances.

3. Hill violated FINRA Rule 2010 when she contravened the terms of the October 2012 AWC by acting as a FINOP for two FINRA member firms during the time period when she was suspended from acting in such capacity, and by acting as FINOP for six FINRA member firms after completing her suspension, but without ever requalifying as a FINOP by retaking and passing the Series 27 examination as required by the terms of the October 2012 AWC.

4. Hill violated NASD Membership and Registration Rule 1021(a) and FINRA Rule 2010 by acting as a FINOP during the time period when she was suspended and/or disqualified from acting in such capacity.

RESPONDENT AND JURISDICTION

5. Hill entered the securities industry in November 1972, as a General Securities Representative with a FINRA member firm. During her career, Hill associated with a total of

twenty-nine FINRA member firms, primarily in the capacity of a part-time, offsite FINOP.

During the relevant time period, Hill served as FINOP for FINRA member firms LSC, RLC, NSI, GSS, CPS, PEA, and SCC. Hill is not currently associated with a FINRA member firm, as her association with her most recent FINRA member firm ended on July 24, 2013. During her career in the securities industry, Hill acquired Series 1, 24, 27 and 63 securities licenses.

6. Although Hill is no longer associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Hill's association with her most recent employer member firm on July 24, 2013; and (2) the Complaint charges Hill with misconduct committed while she was associated with a FINRA member.

FACTS

7. On September 28, 2012, Hill executed an AWC that contained findings that she permitted two FINRA member firms for which she served as FINOP to conduct a securities business while in net capital deficiency. Hill also caused one firm to maintain inaccurate books and records.

8. By letter dated October 10, 2012, FINRA notified Hill of the acceptance of the AWC pursuant to which she would be suspended from association with any FINRA member in any principal or supervisory capacity and required to requalify as a FINOP by retaking and passing the Series 27 examination prior to resuming work as a FINOP following her suspension.

9. By letter dated October 15, 2012, FINRA notified Hill that her suspension would be in effect from November 5, 2012 through January 4, 2013.

10. Hill attempted to take and pass the Series 27 examination on December 18, 2012, and again on February 9, 2013. She failed the test on both occasions.

Hill Acted as a FINOP for FINRA Member Firm LSC While Suspended and Without Ever Retaking and Passing the Series 27 Examination

11. During the period from approximately November 7, 2012 to January 23, 2013, Hill performed FINOP services for FINRA member firm LSC while she was suspended from acting in that capacity and without requalifying by taking and passing the Series 27 examination.

12. Hill admitted that her duties at LSC remained the same before and after her suspension. Although LSC opened a window for another firm principal to take the Series 27 examination, there was no other financial principal at LSC during the time period of Hill's suspension and requalification requirement.

13. LSC did not own the software needed to prepare its financial books and records.

14. Hill was responsible for final preparation of LSC's reports submitted to FINRA, performed all of LSC's responsibilities under SEC and FINRA rules, and was generally involved in the financial and operational management of LSC.

15. On or about November 7, 2012, two days after her suspension commenced, Hill made adjustments to LSC's September 2012 financial documents, including the firm's general ledger, balance sheet, profit and loss statement year-to-date, profit and loss statement for the third quarter, trial balance, haircut computations and bank reconciliation.

16. On or about November 20, 2012, Hill prepared LSC's October 2012 financial documents, including the firm's general ledger, balance sheet, profit and loss statement, trial balance, haircuts, and bank reconciliation. On the same date, Hill also prepared and filed a FOCUS Report IIA via FINRA's eFocus system on behalf of LSC.

17. On or about November 29, 2012, Hill filed LSC's annual audit for the period ending on September 30, 2012 with FINRA.

18. On or about December 20, 2012, Hill prepared LSC's November 2012 financial documents, including the firm's general ledger, balance sheet, profit and loss statement, trial balance, and bank reconciliation. On the same date, Hill also prepared and filed a FOCUS Report IIA via eFocus on behalf of LSC.

19. On or about January 21, 2013 and January 23, 2013, Hill prepared LSC's December 2012 financial documents, including the firm's general ledger, balance sheet, profit and loss statement year-to-date, profit and loss statement for the fourth quarter, trial balance, haircut computations and bank reconciliation.

20. In January 2013, Hill prepared and filed the following documents on behalf of LSC via eFocus:

FILING DATE	REPORT NAME	TIME PERIOD COVERED
January 23, 2013	FOCUS Report Part IIA and SSOI	10/1/2012 - 12/31/2012
January 23, 2013	FOCUS Report Schedule I	01/1/2012 - 12/31/2012

Hill Acted as a FINOP for FINRA Member Firm NSI While Suspended and Without Ever Retaking and Passing the Series 27 Examination

21. During the period from approximately November 20, 2012 to January 25, 2013, Hill performed FINOP services for FINRA member firm NSI while she was suspended in that capacity and without requalifying by taking and passing the Series 27 examinations.

22. During this time period, NSI was on heightened supervision and was required to make monthly financial filings with FINRA.

23. Hill admitted that her duties at NSI remained the same before and after her suspension. Although NSI opened a window for another firm principal to take the Series 27 examination, there was no other financial principal at NSI during the time period of Hill's suspension and requalification requirement.

24. NSI did not own the software needed to prepare its financial books and records.

25. Hill was responsible for final preparation of NSI's reports submitted to FINRA, performed all of NSI's responsibilities under SEC and FINRA rules, and was generally involved in the financial and operational management of NSI.

26. On or about November 20, 2012, Hill prepared NSI's October 2012 financial documents, including the firm's balance sheet, profit and loss statement, trial balance, journal, and bank reconciliations. Hill also prepared NSI's general ledger on or about November 26, 2012.

27. Upon receipt of the above-described October 2012 financial documents from Hill, NSI forwarded copies of the documents to FINRA to fulfill the requirements of its heightened supervision.

28. On or about December 20, 2012, Hill prepared NSI's November 2012 financial documents, including the firm's general ledger, balance sheet, profit and loss statement, trial balance, journal, and bank reconciliations.

29. On or about, December 27, 2012, Hill revised NSI's November 2012 financial documents to include a fine imposed against the firm in connection with a FINRA disciplinary action. Hill forwarded the revised financial documents to NSI on the same date.

30. Upon receipt of the revised November financial documents from Hill, NSI forwarded copies of the documents to FINRA to fulfill the requirements of its heightened supervision.

31. In January 2013, Hill prepared and filed the following documents on behalf of NSI via FINRA's eFocus system:

FILING DATE	REPORT NAME	TIME PERIOD COVERED
January 24, 2013	FOCUS Report Part IIA and SSOI	10/1/2012 - 12/31/2012
January 25, 2013	FOCUS Report Schedule I	01/1/2012 - 12/31/2012

Hill Acted as a FINOP for Four Additional FINRA Member Firms After Completing Her Suspension, but Without Retaking and Passing the Series 27 Examination

32. In further violation of the terms of the AWC issued in connection with her October 2012 disciplinary action, Hill resumed her FINOP duties for FINRA member firms RLC, GSS, CPS, and PEA in January 2013, after completing her suspension, but without ever retaking and passing the Series 27 examination.

33. Hill was generally involved in the financial and operational management of RLC, GSS and CPS in that she calculated each firm's net capital, reconciled each firm's bank records, and prepared each firm's financial documents.

34. Hill was also responsible for final preparation of reports submitted to FINRA on behalf of RLC, GSS, CPS and PEA.

35. During the period from January 12, 2013 to January 25, 2013, Hill prepared and submitted the following FOCUS filings on behalf of RLC, GSS, CPS, and PEA via eFocus:

FILING DATE	FIRM NAME	REPORT NAME	TIME PERIOD COVERED
January 12, 2013	PEA	FOCUS Report Part IIA	10/1/2012 - 10/31/2012
January 12, 2013	PEA	FOCUS Report Schedule I	01/1/2012 - 12/31/2012
January 15, 2013	PEA	FOCUS SSOI	10/1/2012 - 12/31/2012
January 23, 2013	RLC	FOCUS Report Part IIA and SSOI	10/1/2012 - 12/31/2012

January 23, 2013	RLC	FOCUS Report Schedule I	01/1/2012 - 12/31/2012
January 24, 2013	CPS	FOCUS Report Part IIA and SSOI	10/1/2012 - 12/31/2012
January 24, 2013	CPS	FOCUS Report Schedule I	01/1/2012 - 12/31/2012
January 25, 2013	GSS	FOCUS Report Part IIA and SSOI	10/1/2012 - 12/31/2012
January 25, 2013	GSS	FOCUS Report Schedule I	01/1/2012 - 12/31/2012

FIRST CAUSE OF ACTION
VIOLATING THE TERMS OF A FINRA AWC BY ACTING AS A FINANCIAL AND
OPERATIONS PRINCIPAL WHILE SUSPENDED IN THAT CAPACITY AND
WITHOUT EVER REQUALIFYING BY EXAMINATION
(Violations of FINRA Rule 2010)

36. By virtue of the AWC issued in the FINRA disciplinary action against Hill described in paragraphs 7-9 above, Hill was suspended from acting as a FINOP until she served the term of her suspension *and* requalified by examination by taking and passing the Series 27 examination.

37. Hill's suspension was effective from November 5, 2012 through January 4, 2013.

38. As alleged in paragraph 10 above, Hill twice attempted to requalify as a FINOP by taking the Series 27 examination, but she failed the test on both occasions.

39. Hill's conduct from November 7, 2012 to December 27, 2012, as described in paragraphs 11-18 and 21-30 above, constituted acting as a FINOP as defined in NASD Rule 1022.

40. Pursuant to the October 2012 AWC, Hill was suspended throughout the period from November 7, 2012 to December 27, 2012, when she performed the above-described FINOP functions for FINRA member firms LSC and NSI.

41. Hill's conduct during January 2013, as described in paragraphs 11-14, 19-25, and 31-35 above, constituted acting as a FINOP as defined in NASD Rule 1022.

42. When Hill performed the above-described FINOP functions for FINRA member firms LSC, NSI, PEA, RLC, CPS and GSS in January 2013, she had failed to requalify as a FINOP by taking and passing the Series 27 examination as required by the October 2012 AWC.

43. Based on the foregoing conduct, Hill violated FINRA Rule 2010.

SECOND CAUSE OF ACTION
ENGAGING IN ACTIVITIES REQUIRING REGISTRATION AS A FINOP
WHILE SUSPENDED AND/OR DISQUALIFIED FROM ACTING IN THAT CAPACITY
(Violations of NASD Membership and Registration Rule 1021(a) and FINRA Rule 2010)

44. By virtue of the AWC issued in the FINRA disciplinary action against Hill described in paragraphs 7-9 above, Hill was suspended from association with any FINRA member firm in any principal or supervisory capacity until she served the term of her suspension *and* requalified by examination by taking and passing the Series 27 examination.

45. Hill's suspension was effective from November 5, 2012 through January 4, 2013.

46. As alleged in paragraph 10 above, Hill twice attempted to requalify as a FINOP by taking the Series 27 examination, but she failed the test on both occasions.

47. NASD Rule 1021 requires all persons engaged or to be engaged in the investment banking or securities business of a member who are to function as principals to be registered as such with FINRA in the category of registration appropriate to the function to be performed as specified in NASD Rule 1022.

48. Hill's conduct from November 7, 2012 to December 27, 2012, as described in paragraphs 11-18 and 21-30 above, required registration as a FINOP as defined in NASD Rule 1022.

49. Hill's registration was suspended throughout the period from November 7, 2012 to December 27, 2012, when she performed the above-described FINOP functions for FINRA member firms LSC and NSI.

50. Hill's conduct during January 2013, as described in paragraphs 11-14, 19-25, and 31-35 above, required registration as a FINOP as defined in NASD Rule 1022.

51. Throughout the time that she performed the above-described FINOP functions for FINRA member firms LSC, NSI, PEA, RLC, CPS and GSS in January 2013, Hill had failed to requalify as a FINOP by taking and passing the Series 27 examination.

52. Based on the foregoing conduct, Hill violated NASD Rule 1021 and FINRA Rule 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

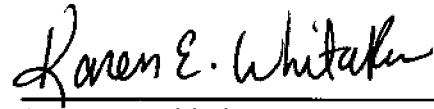
It is ordered that Respondent be barred from association with any FINRA member firm in any capacity.

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 Order.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, reading "Karen E. Whitaker", written over a horizontal line.

Karen E. Whitaker
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