

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037650602**

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

RE: Angela M. Borchardt, Respondent
CRD No. 4145563

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

Respondent Angela M. Borchardt entered the securities industry in a non-registered capacity in 2000 and first became registered with a FINRA member firm in 2011. In May 2013, Borchardt moved from that firm to Commonwealth Financial Network ("Commonwealth"), where she served as a registered assistant. Commonwealth filed a notice terminating Borchardt's registration on July 16, 2013, disclosing that Borchardt had admitted to impersonating clients on recorded calls to her prior firm. Borchardt is not currently registered or associated with any member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Borchardt has no disciplinary history.

OVERVIEW

In June 2013, Borchardt impersonated six customers in phone calls to her prior

firm requesting that the customers' accounts be liquidated so they could invest the proceeds through Commonwealth. As a result, Borchardt's prior firm was deceived into liquidating all securities positions held by the customers, without the customers having authorized the transactions. Borchardt attempted to conceal her conduct by falsely informing her supervisors at Commonwealth that the customers were on the phone with her during the calls to her prior firm and asking one of the customers to falsely inform Commonwealth that the customer had participated in the phone call to Borchardt's prior firm. As a result of the foregoing, Borchardt violated FINRA Rule 2010.

Borchardt also failed to appear for on-the-record testimony requested pursuant to FINRA Rule 8210. As a result, Borchardt violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Customer Impersonation Scheme

In May 2013, Borchardt, along with several registered representatives, moved to Commonwealth from Borchardt's prior firm. Certain customers of the prior firm requested to transfer their securities in kind to accounts at Commonwealth. Customers AE, SE, RS, NM, DP and LM were among those who requested that their securities be transferred to Commonwealth, but their securities could not be transferred in kind because they held securities that were proprietary to Borchardt's prior firm.

Rather than inform the customers that their securities could not be transferred in kind, Borchardt, as instructed by a registered representative at Commonwealth, impersonated customers AE, SE, RS, NM, DP and LM in phone calls to her prior firm requesting to liquidate the customers' securities and transfer the proceeds to accounts Commonwealth. Borchardt used the customers' identifying information, such as social security numbers, account numbers, addresses and phone numbers, to identify as the customers during the phone calls.

Following Borchardt's phone calls, the six customers' securities at the prior firm were liquidated, and the proceeds were transferred to accounts at Commonwealth. The customers had not authorized Borchardt or anyone else at Commonwealth to request that Borchardt's prior firm liquidate their accounts and were not aware that their accounts were being liquidated until after the transactions had occurred.

When Borchardt's supervisors at Commonwealth learned that she had impersonated customers in phone calls to her prior firm, Borchardt falsely stated to her supervisors that the customers were on the phone with her during the calls. In addition, Borchardt requested that customer NM falsely state to Borchardt's supervisors that NM had participated in the phone call requesting that NM's securities be liquidated.

By virtue of the foregoing, Borchardt failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of FINRA Rule 2010.

Failure to Appear for On-the-Record Testimony

On July 30, 2014, FINRA staff sent a request to Borchardt requesting that she appear on August 26, 2014 for on-the-record testimony pursuant to FINRA Rule 8210. Borchardt failed to appear for on-the-record testimony as requested. As a result, Borchardt violated FINRA Rules 8210 and 2010.

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

- a bar from associating with any FINRA member in any capacity.

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. 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

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 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. 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.

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.

08/28/2014
Date (mm/dd/yyyy)

Angela M Borchardt
Angela M. Borchardt

Accepted by FINRA:

10/2/14
Date

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

[Signature]
James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
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Rockville, MD 20850
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