

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014041710901**

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

RE: Jodi Lynn Hall, Respondent
Former General Securities Representative
Former Investment Company Products and Variable Contracts Representative
CRD No. 4471020

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

Jodi Lynn Hall entered the securities industry in 2001. From March 4, 2008, through June 26, 2014, she was registered with FINRA through Northwestern Mutual Investment Services, LLC ("Northwestern Mutual") as a General Securities Representative and an Investment Company Products and Variable Contracts Representative.

Although Hall is not currently registered with a FINRA member firm, she is subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws. Hall has no disciplinary history.

OVERVIEW

Between December 2010 and May 2014, while registered with FINRA member Northwestern Mutual, Hall caused approximately \$75,000 in unauthorized disbursements to be made from a business checking account of her employer, JS,

who was also registered at Northwestern Mutual. By making these unauthorized disbursements, Hall committed conversion in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Background and Hall's Employment with JS

In January 2008, JS hired Hall to work in his Northwestern Mutual office. Between December 2010 and May 2014, Hall's responsibilities regarding JS's business included bookkeeping, handling payroll, and processing business expense reimbursements.

Between December 2010 and May 2014, JS deposited all revenue he received from Northwestern Mutual into one business bank account ("Business Account"). Also during this period, JS used an outside vendor named ADP to process monthly payroll for his business—including salary payments, bonus payments and other payments for himself and all of his employees. As part of her responsibilities, Hall had to access to the ADP system for the purpose of processing authorized monthly payroll, bonus payments, and other payments for JS and all of his employees. All such disbursements processed through ADP were drawn on the Business Account.

Hall Converted Funds from JS's Business Account.

Between December 2010 and May 2014, Hall caused numerous unauthorized disbursements from JS's Business Account. Hall made these disbursements for her own personal benefit to make unauthorized insurance premium payments, to make unauthorized payments to her personal credit cards, and to give herself unauthorized salary increases and bonus payments. More specifically:

- In December 2010, Hall made an entry in the ADP system in connection with the December 2010 monthly payroll that caused her to receive a payment classified as a "bonus" in the gross amount of approximately \$4,500. JS had no knowledge of and did not authorize this "bonus" payment.
- Between September 2012 and November 2012, Hall caused three electronic disbursements totaling approximately \$1,100 from the Business Account to make payments on her personal HSBC credit card. Hall caused these disbursements of funds from JS's Business Account in order to pay personal expenses on her HSBC credit card. JS had no knowledge of and did not authorize these disbursements.

- From December 2012 through May 2014, Hall made 18 entries in the ADP system that caused her to receive unauthorized increases, in varying amounts, to her monthly base salary amount that resulted in unauthorized salary payments totaling approximately \$42,000. JS had no knowledge of and did not authorize the salary increases.
- Between September 2012 and November 2013, Hall caused eight electronic disbursements from the Business Account to make unauthorized payments totaling approximately \$4,700 to her personal Discover credit card. These unauthorized disbursements related to business expenses for which she had already been reimbursed by JS and payments for personal expenses. JS had no knowledge of and did not authorize these disbursements.
- In connection with the November 2012 monthly payroll, Hall made an entry in the ADP system that caused her to receive an unauthorized payment classified as a "salary" in the gross amount of approximately \$17,500. JS had no knowledge of and did not authorize this "salary" payment to Hall.
- In April 2013, Hall caused funds totaling approximately \$2,700 that originated from the Business Account to be used to pay three monthly premium payments on an insurance policy owned by Hall. JS had no knowledge of and did not authorize these payments.
- In February and March 2014, Hall made two entries in the ADP system that caused her to receive unauthorized cash payments, each classified as a "bonus" in the gross amount of \$1,000, which resulted in bonus payments totaling \$2,000. JS had no knowledge of and did not authorize these "bonus" payments.

Thus, between December 2010 and May 2014, Hall, for her own benefit, intentionally and without authorization caused disbursements from JS's Business Account totaling approximately \$75,000 to which she was not entitled.

Hall's Conversion of Funds Violated FINRA Rule 2010.

FINRA Rule 2010 requires individuals associated with FINRA member firms to observe high standards of commercial honor and just and equitable principles of trade. Conversion is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it. Conversion violates FINRA Rule 2010.

As described above, between December 2010 and May 2014, Hall converted funds by causing total disbursements of approximately \$75,000 from JS's Business Account for her own benefit without JS's knowledge or authorization.

By converting funds from JS's business for her own use, Hall violated FINRA Rule 2010.

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

- A bar from associating with any FINRA member in all capacities.

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. 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 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.

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.

6-16-16
Date (mm/dd/yyyy)

Jodi L. Hall
Jodi Lynn Hall, Respondent

Reviewed by:

Nelson L. Mitton
Nelson L. Mitton
Attorney/Principal
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Accepted by FINRA:

06-17-2016
Date

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

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