

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2015044475901**

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

**RE:** Catherine A. Sheridan, Respondent  
Registered Representative  
CRD No.: 1203915

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Catherine A. Sheridan ("Sheridan") submits 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 her alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Sheridan hereby accepts and consents, 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**

Sheridan entered the securities industry in August 1983 as an associated person with a former FINRA regulated broker-dealer and remained employed there until August 1998. In November 1984, Sheridan obtained her General Securities representative (Series 7) license.

Between August 1998 and March 15, 2015, Sheridan was associated with four present and former FINRA regulated broker-dealers. Sheridan obtained the following securities licenses: Equity Trader (Series 55) in April 2000, Registered Options Principal (Series 4) in January 2002, Uniform Securities Agent State Law Examination (Series 63) in March 2003, General Securities Principal (Series 24) in March 2004, and National Commodities Futures (Series 3) in November 2009.

Between October 27, 2010 and March 15, 2015, Sheridan was registered with North South Capital, LLC ("North South") in Chicago, Illinois. On March 16, 2015, North South filed a Uniform Termination Notice for Securities Industry

Registration ("Form U-5") Termination reporting that Sheridan voluntarily terminated her employment with the Firm.

On April 2, 2015, Sheridan registered with Race Rock Capital, LLC ("Race Rock"), a FINRA regulated broker-dealer and is currently associated with Race Rock. Accordingly, Sheridan remains subject to FINRA's jurisdiction.

### **RELEVANT DISCIPLINARY HISTORY**

Sheridan has no prior disciplinary history in the securities industry.

### **OVERVIEW**

Sheridan failed to timely amend her Uniform Application for Securities Industry Registration ("Form U-4") to disclose two federal income tax liens for \$288,976 filed against her. By engaging in such misconduct, Sheridan willfully acted in contravention of Article V, Section 2(c) of FINRA's By-Laws and violated FINRA Rules 1122 and 2010.

### **FACTS AND VIOLATIVE CONDUCT**

Article V, Section 2(c) of the FINRA By-Laws requires that registrations filed with FINRA be kept current at all times and that amendments must be filed with FINRA "not later than 30 days after learning of the facts or circumstances giving rise to the amendment."

FINRA Rule 1122 prohibits filing with FINRA information regarding registration "which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

FINRA Rule 2010 requires the observance of high standards of commercial honor and just and equitable principles of trade.

Throughout the relevant time period referenced below, Question 14M on the Form U-4 asked, "[d]o you have any unsatisfied judgment or liens against you?"

On September 23, 2014, a federal income tax lien was filed by the Internal Revenue Service ("IRS") against Sheridan and her husband for tax year 2007 and tax years 2010 through 2012 in the amount of \$151,763 ("September 2014 income tax lien"). That same day, Sheridan received notice of the September 2014 income tax lien. Sheridan was subsequently released from the September 2014 income tax lien on August 21, 2015.

In December 2014, a federal income tax lien was filed by the IRS against Sheridan and her husband for the 2013 tax year in the amount of \$137,213

("December 2014 income tax lien"). Sometime in December 2014, Sheridan became aware of the December 2014 income tax lien.

Sheridan was required to file a Form U-4 Amendment to report the September 2014 income tax lien by October 23, 2014. Additionally, Sheridan was required to file a Form U-4 amendment to report the December 2014 income tax lien by January 2015. However, Sheridan failed to timely file amendments to her Form U-4 to report either income tax lien.

On March 13, 2015, after she was prompted by North South, Sheridan updated her Form U-4 to report her September 2014 tax lien. On March 15, 2015, Sheridan resigned from North South and on April 2, 2015 became registered with Race Rock.

On April 16, 2015, Sheridan, for the first time, filed a Form U-4 Amendment disclosing the December 2014 income tax lien. As of March 2016, the December 2014 income tax lien has not been satisfied.

As a result of the foregoing conduct, Sheridan willfully violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

**B. Sheridan also consents to the imposition of the following sanctions:**

- a. A two-month suspension from associating with any FINRA regulated broker-dealer in any capacity; and
- b. A fine of \$10,000.

Sheridan understands that if she is suspended from associating with any FINRA member, she becomes 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, Sheridan 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).

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

Sheridan specifically and voluntarily waives any right to claim that she is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Sheridan understands that this settlement includes a finding that she willfully omitted to state a material fact on a Form U-4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes her subject to a statutory disqualification with respect to association with a member.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

Sheridan specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against her;
- 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, Sheridan specifically and voluntarily waives 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.

Sheridan further specifically and voluntarily waives 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**

Sheridan understands 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 her; and
- C. If accepted:
  - 1. this AWC will become part of her permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against her;
  - 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. Sheridan 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. Sheridan 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. Sheridan may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Sheridan understands that she 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.

Sheridan certifies that she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that she has 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 her to submit it.

April 7 2016

Date (mm/dd/yyyy)



Catherine A. Sheridan, Respondent

Reviewed by:



Nuala E. Droney, Esq.  
Counsel for Respondent  
Robinson & Cole LLP  
280 Trumbull Street  
Hartford, CT 06103  
860-275-8346

Accepted by FINRA:

April 25, 2016

Date

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



Susan Light  
Senior Vice President & Chief Counsel  
FINRA Department of Enforcement  
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