

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046639201**

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

RE: Janet K. Redman
CRD No. 5518096

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 in this AWC.

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 entered the securities industry in April of 2008 when she became associated with Merrill Lynch Pierce, Fenner and Smith, Inc. as a registered representative. Respondent resigned from Merrill Lynch and became associated with Wells Fargo Advisors Financial Network, LLC as a registered representative in February of 2013. Redman remains associated with Wells Fargo.

RELEVANT DISCIPLINARY HISTORY

Respondent has no relevant disciplinary history.

OVERVIEW

During the period February 2012 through October 2015, while associated first with Merrill Lynch and then with Wells Fargo, and in contravention of each firm's policies, Respondent bypassed the firms' supervisory systems and procedures by failing to disclose to them that she had been designated as an executrix and residuary beneficiary of a customer's estate that she had been

named the beneficiary of the same customer's personal bank accounts, and that she had been given a limited power of attorney by the customer related to the customer's health care. Respondent did not disclose these facts to either firm, and she later failed to disclose her receipt of funds as a beneficiary of the customer's personal bank accounts when the customer died. During this period, Respondent also provided inaccurate responses to questions on three compliance questionnaires that were relevant to her status with respect to the customer's estate and personal bank accounts. As a result of the foregoing, Respondent's employer firms were prevented from adequately supervising her conduct and the nature of her relationship with the relevant customer. Respondent thereby violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

During the period February 2012 through October 2015, Respondent's employer firms' supervisory procedures prohibited registered representatives from, among other things, acting in any fiduciary position, including being named executor of a will or holding a power of attorney, for the benefit of any person other than a family member. Those firm procedures also prohibited a registered representative from being named a beneficiary or accepting a gift under a client's will or trust, and required prior approval of any financial involvement between the representative and a client that was not part of the representative's normal duties.

In December 2010, while registered with Merrill Lynch, Respondent began working with firm customer GK. Respondent subsequently developed a personal friendship with GK and, when GK was diagnosed with cancer in the fall of 2011, Respondent organized a support group to manage GK's medical treatment appointments and daily tasks. In February 2012, GK added Respondent as a beneficiary to her personal bank accounts via "payable on death" designations. In April 2012, GK also named Respondent as (1) her health-care directive power of attorney, (2) an executrix of her will, and (3) a beneficiary of her residual estate. Respondent signed written acknowledgements of these appointments, which violated her firm's supervisory policies and procedures, and she failed to disclose them to her firm. Furthermore, although Respondent discussed her disclosure obligations with an unregistered co-worker, she did not seek guidance from anyone in either a supervisory or compliance role.

In February 2013, Respondent left Merrill Lynch and joined Wells Fargo, and GK also transferred her accounts to Wells Fargo. Wells Fargo also prohibited the above-noted appointments, and Respondent again failed to disclose these appointments to her firm. Again, Respondent did not seek guidance from anyone in a compliance or supervisory role regarding these appointments.

During this time, Respondent provided inaccurate responses to firm compliance questionnaires on three occasions. In March 2012, after being named as a beneficiary to GK's bank accounts, she responded "no" to a question in a Merrill

Lynch questionnaire asking whether she was aware that she had been named as a beneficiary, executor, or trustee of any client's estate, will or trust. She likewise responded "no" to a question whether she shared in any accounts with any non-familial clients. In response to compliance questionnaires at Wells Fargo in November 2014 and July 2015, Respondent likewise denied that she was a beneficiary on the will of any non-familial client, or that she had received any gift of over \$200 from a customer or any funds from the will or trust of a non-familial client. She also denied that she acted in a fiduciary capacity on the account of any non-familial client, and failed to disclose anything in response to a request to disclose all current fiduciary responsibilities and relationships with clients.

When GK died in January 2015, Respondent became entitled, as the "payable on death" beneficiary, to the balance of GK's personal bank accounts holding funds of \$93,872.66. Respondent failed to disclose her receipt of these funds to her employer firm.

In September 2015, after receiving a complaint from GK's estate, Wells Fargo directed Respondent to return the funds that she had received from GK's personal bank accounts. Respondent subsequently did so and renounced her status as a residuary beneficiary of GK's estate.

Because of the foregoing, Respondent bypassed her employer firms' supervisory systems and procedures and prevented them from adequately supervising her conduct and her relationship with the customer. Respondent thereby violated FINRA Rule 2010.

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

- A 45-day suspension from associating with any FINRA member in any capacity; and
- A \$7,500 fine.

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 fine shall be due and payable either immediately upon re-association with a member firm following the three-month suspension noted above, 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 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 by 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 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:

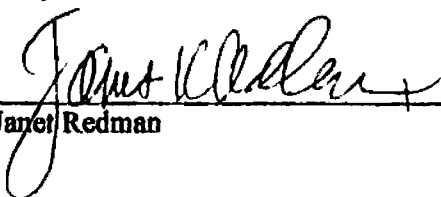
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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 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.

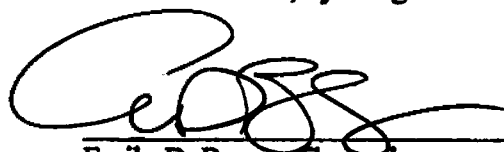
7.7.16
Date (mm/dd/yyyy)


Janet Redman

Accepted by FINRA:

8/1/2016
Date

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


Emily D. Barnes, Counsel
FINRA Department of Enforcement
15200 Omega Drive, Third Floor
Rockville, Maryland 20850
(301) 258-8570

CORRECTIVE ACTION STATEMENT

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

Because of events that have occurred and actions that I have taken since the events at issue, it is highly unlikely that I will be involved in anything even remotely similar to this situation in the future. I am committed to redoubling my efforts to comply fully and to the best of my ability with all regulatory and firm requirements. As FINRA noted in the AWC, I consulted with a co-worker, who was not a member of the firm's legal or compliance team, concerning whether I could be a beneficiary of a client's estate. To the extent that any similar situation might arise in the future, I will consult with the legal or compliance personnel of any firm with which I am associated. In addition, in my current position, I provide fee-based investment advisory services, and I am not an associated person of a broker-dealer firm. As such, and although I am fully aware of the fiduciary duties that I owe to my clients in my current position, the particular situation cited in the AWC will not recur.