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FINRA DIST # 3A

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046794502**

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

RE: Barbara L. Bottoms, Respondent
CRD No. 1344956

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Barbara L. Bottoms ("Respondent") 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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 AND RELEVANT DISCIPLINARY HISTORY

Respondent was associated with Wells Fargo Advisors, LLC ("Firm") from October 25, 2011 through August 31, 2015, where she was registered as a general securities representative. Respondent, who was terminated by the Firm for executing unauthorized trades in 73 customer accounts, is not currently associated with a member firm. FINRA retains jurisdiction over Respondent through August 30, 2017.

Respondent has no relevant disciplinary history.

OVERVIEW

In June 2015, Respondent violated FINRA Rule 2010 by effecting unauthorized transactions in 73 customer accounts. Respondent further caused the Firm to maintain inaccurate books and records by incorrectly designating each of the unauthorized transactions as unsolicited in violation of FINRA Rules 4511 and 2010. In August 2015, Respondent took spreadsheets from the Firm that contained non-public customer information in contravention of SEC Regulation S-P and thereby violated FINRA Rule 2010. Finally, Respondent failed to timely

appear for on-the-record (“OTR”) testimony originally scheduled for June 3, 2016, in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Unauthorized Trading

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of his or her business. Unauthorized trading violates Rule 2010.

During the period of June 12, 2015 through June 15, 2015, Respondent effected unauthorized transactions in 73 customer accounts. These 73 customers had accounts that were invested in mutual funds based on an existing “portfolio model” at the Firm. Respondent, without the customers’ knowledge or consent, invested cash balances held in the 73 customer accounts in accordance with each of the customer’s existing portfolio model.¹

As a result of the foregoing conduct, Respondent violated FINRA Rule 2010.

Inaccurate Books and Records

FINRA Rule 4511 requires each member to make and preserve books and records in conformity with Rules 17a-3 and 17a-4 of the Securities Exchange Act of 1934. Rule 17a-4(b)(4) requires that a firm preserve records relating to communications concerning the firm’s business, and those records must be accurate. A registered representative who causes a firm’s records to be inaccurate violates FINRA Rules 4511 and 2010.

Respondent incorrectly designated each of the above-referenced unauthorized transactions as unsolicited, thereby causing the Firm’s books and records to be inaccurate.

As a result of the foregoing conduct, Respondent violated FINRA Rules 4511 and 2010.

SEC Regulation S-P

SEC Regulation S-P requires that member firms have procedures to, among other things, ensure the security and confidentiality of customer records and information and protect against unauthorized access to, or use of, customer records or information that could result in substantial harm or inconvenience to any customer. Further, Regulation S-P provides that member firms may not

¹ Upon discovering Respondent’s conduct, the Firm gave the customers the choice of either keeping or reversing the unauthorized transactions. In general, customers who experienced losses had the subject transactions reversed.

disclose any nonpublic personal information about a consumer to a nonaffiliated third party unless customers are provided certain notices and the customers are afforded a reasonable opportunity, before disclosure to any nonaffiliated third party, to opt out of the disclosure. A registered individual who causes a FINRA member firm to not comply with Regulation S-P violates FINRA Rule 2010.

In or about August 2015, while registered with the Firm, Respondent removed, from the Firm, spreadsheets regarding the above-referenced 73 customers and the transactions effected from June 12, 2015 through June 15, 2015. These spreadsheets contained nonpublic personal information. After removing the spreadsheets from the Firm, Respondent maintained them in an unsecured location at her home, thereby placing the records at risk. This conduct was not in compliance with SEC Regulation S-P.

As a result of the foregoing conduct, Respondent violated FINRA Rule 2010.

Untimely Appearance for On-the-Record Testimony

On May 16, 2016, FINRA staff issued a Rule 8210 letter to Respondent requiring her to appear for on-the-record testimony on June 3, 2016. Respondent acknowledged receipt of the May 16, 2015 Rule 8210 request and represented, in writing, that she would not attend the OTR and understood that such a non-appearance would constitute a violation of FINRA Rule 8210.

On July 19, 2016, FINRA issued a suspension letter to Respondent pursuant to Rule 9552. Following receipt of the July 2016 letter, Respondent appeared for her OTR on August 10, 2016.

By failing to timely appear for testimony scheduled pursuant to Rule 8210, Respondent violated FINRA Rules 8210 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

A two-year suspension from association with any FINRA member firm in any capacity and a \$17,500 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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

Respondent 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.

Respondent understands that if she is barred or 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, Respondent 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.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent 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, Respondent 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.

Respondent 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

Respondent 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;
- C. If accepted:
 - 1. this AWC will become part of Respondent’s 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. Respondent 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. Respondent 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 Respondent’s: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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.

Respondent 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 Respondent 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 Respondent to submit it.

08/20/2016
Date (mm/dd/yyyy)

Barbara L. Bottoms
Barbara L. Bottoms, Respondent

Accepted by FINRA:

9/8/16
Date

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

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