

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016051302301**

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

RE: Holly Louise Walcher, Respondent
Registered Sales Assistant
CRD No. 1512169

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

Holly Louise Walcher ("Walcher" or "Respondent") entered the securities industry in 1986 as a wire operator with a FINRA-regulated broker dealer and remained with that firm until 2006. From July 2006 through mid-August 2016, she was a registered sales assistant with Wells Fargo Advisors, Inc. ("Wells Fargo" or the "Firm"),¹ also a FINRA-regulated broker-dealer.

Walcher passed the Series 7 and Series 63 securities licensing examinations in April 1991 and July 1991 respectively. She has never held a securities license that authorized her to act in a supervisory capacity.

On September 9, 2016, the Firm filed a Form U5 reporting Walcher's August 12, 2016 "voluntary" termination during the Firm's internal review "of issues involving accessing the Firm's systems under the user name and password of another team member, performing account-related tasks under the username and password of the other team member, and signing documents on behalf of the other team member."

¹ Respondent joined Wachovia Securities, LLC ("Wachovia") in July 2006 and remained employed through Wachovia's merger with Wells Fargo in May 2009.

On November 2, 2016, the Firm filed a Form U5 Amendment reporting the conclusion of its internal investigation on October 11, 2016 and noting "Ms. Walcher acknowledged that she signed another team member's name on documents and correspondence, including documents which would have required a supervisor's signature. Ms. Walcher also acknowledged that she approved work list items in the Firm's internal system using the other team member's user name and password."

Walcher is presently registered with a FINRA-regulated broker-dealer and remains subject to FINRA's jurisdiction.

OVERVIEW

From July 2006 through August 2016 (the "Relevant Period"), Walcher shared a common password with the registered financial advisor ("FA") for whom she worked. Walcher, with the FA's authorization, then routinely used the common password to log into the FA's system "Worklist" to evidence the FA's approval of new accounts by affixing his electronic signature when, in fact, the FA had neither seen nor reviewed the account documents for those accounts.

Similarly, during a six and one-half year portion of the Relevant Period, while the FA was tasked with performing supervisory functions at the Lake Oswego branch office of the Firm, Walcher, with the FA's authorization, signed his name on documents to evidence the FA's supervisory review and approval of branch correspondence and branch check logs that the FA had neither seen nor reviewed.

By the foregoing, Walcher falsified Firm documents in violation of NASD Rule 2110 (from July 2006 through December 14, 2008) and FINRA Rule 2010 (from December 15, 2008 through August 2016), and violated NASD Rules 3110 (from July 2006 through December 4, 2011) and 2110 (from July 2006 through December 14, 2008) and FINRA Rules 4511 (from December 5, 2011 through August 2016) and 2010 (from December 15, 2008 through August 2016) by causing the Firm to create and maintain inaccurate books and records in violation of Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-4 promulgated thereunder.

FACTS AND VIOLATIVE CONDUCT

Background

During the Relevant Period, Walcher was not a qualified supervisor and did not hold the securities licenses required to carry out supervisory functions. During a six and one-half year portion of the Relevant Period, the FA Walcher worked for held supervisory responsibilities at the Lake Oswego Branch of the Firm. From December 2, 2014 through January 7, 2015 and from March 9, 2015 through June 17, 2016, the FA was designated as the Branch Office Manager ("BOM") of the Lake Oswego Branch. At other times, the FA was delegated supervisory responsibilities pursuant to written delegations of authority by the Firm. The FA's delegated supervisory authority included the review and approval of incoming and outgoing correspondence, third-party or employee check pick-ups and deliveries and maintenance of the check log.

Falsification of Firm Documents

FINRA Rule 2010 and, its predecessor rule, NASD Rule 2110 require members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade. Members who falsify documents, particularly where those documents will become business records of a broker-dealer, are in violation of these rules. For purposes of these rules, electronic signatures are the functional equivalent of handwritten signatures.

During the Relevant Period, Walcher and a FA for whom she worked used a common password to access the Firm's systems. During this same time period, the Firm's systems sent to each employee a "Worklist" that documented the tasks he or she was required to complete. One of the Worklist items the FA was required to complete was the approval of new accounts. In order to make new account approvals, the FA was required to access the Worklist on the Firm's system, review the information collected and make an electronic signature certifying that the specific investment program or strategy selected was suitable for the client.

During the Relevant Period, Walcher, with the FA's authorization, regularly approved new accounts appearing on the FA's Worklist by using their common password to access the FA's Worklist in the Firm's systems and by providing the FA's electronic signature. The new account approvals Walcher made represented to the Firm that the new accounts established had been reviewed and approved by the FA, which was not true.

During a six and one-half year portion of the Relevant Period when the FA was assigned to perform supervisory functions at the Lake Oswego branch office of the Firm, Walcher, with the FA's authorization, signed the FA's name –whether by use of a signature stamp or by actually signing his name – to Firm documents requiring his supervisory approval. The documents Walcher signed the FA's name to in order to evidence the FA's supervisory approval included items of incoming and outgoing correspondence and inventories of branch checks documented on an Inventory Control Log. The FA did not make a written delegation of authority to Walcher and could not have done so because Walcher lacked the supervisory licenses that qualified her to make supervisory approvals. The non-genuine FA signatures affixed to documents by Walcher represented to the Firm that the FA had reviewed and approved these items in his capacity as a duly licensed and qualified supervisor, which was not true.

By virtue of the foregoing, Walcher falsified Firm documents in violation of NASD Rule 2110 (from July 2006 through December 14, 2008) and FINRA Rule 2010 (from December 15, 2008 through August 2016).

Causing the Firm to Maintain Inaccurate Books and Records

FINRA Rule 4511(a) and its predecessor, NASD Rule 3110, each require members to make and preserve books and records as required under FINRA Rules, the Exchange Act and the applicable Exchange Act rules."

Under Section 17(a) of the Exchange Act and Rule 17a-3(a)(17) thereunder, broker-dealers are required to make and keep an account record for the account of each natural person who is a customer or owner. Under Rule 17a-4 broker dealers are required to maintain all check books (Rule 17a-4(b)(2)) and originals of all communications received and copies of all communications sent relating to its business as such (Rule 17a-4(b)(4)). Implicit in the requirement to make and keep records is the requirement to do so accurately.

The new account approvals that Walcher made from the FA's Worklist by providing his electronic signature were books and records of the Firm. The incoming and outgoing correspondence and the Inventory Control Logs that Walcher signed the FA's name or initials to in order to document the FA's supervisory approvals were also books and records of the Firm. These books and records were inaccurate because the signatures evidencing the FA's review, approval and supervisory approval were not genuine and because the documents represented that the FA had reviewed and approved the documents, which was not true.

By virtue of the foregoing, Walcher violated NASD Rules 3110 (from July 2006 through December 4, 2011) and 2110 (from July 2006 through December 14, 2008) and FINRA Rules 4511 (from December 5, 2011 through August 2016) and 2010 (from December 15, 2008 through August 2016) by causing the Firm to create and maintain inaccurate books and records in violation of Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-4 promulgated thereunder.

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

- i. a two-month all capacities suspension; and
- ii. a \$5,000 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).

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

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 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.

- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

12/12/2018
Date (mm/dd/yyyy)

Holly Louise Walcher
Holly Louise Walcher
Respondent

Reviewed by:

Michael B. Merchant
Counsel for Respondent
Black Helterline LLP
805 SW Broadway
Portland, OR 97205
(503) 224-5560

Accepted by FINRA:

Date

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

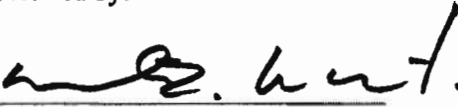
Josefina Martinez
Senior Counsel
FINRA Department of Enforcement
One Brookfield Place
200 Liberty Street
New York, NY 10281
(646) 315-7372

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Date (mm/dd/yyyy)

Holly Louise Walcher
Respondent

Reviewed by:

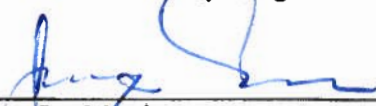


Michael B. Merchant
Counsel for Respondent
Black Helterline LLP
805 SW Broadway
Portland, OR 97205
(503) 224-5560

Accepted by FINRA:

12/14/18
Date

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



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