

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017056100101**

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

RE: Jodie Lane, Respondent
General Securities Representative
CRD No. 5069112

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Jodie Lane 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

Lane entered the securities industry in November 2005 and first became registered as a general securities representative (GSR) in January 2006 through an association with a member firm. In December 2010, Lane became associated with a subsidiary of LPL Financial (BD 13787) (LPL), and later with LPL as a GSR and worked out of a Milwaukee, Wisconsin branch office. Lane voluntarily resigned from LPL in July 2017. LPL filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on August 8, 2017, terminating her registration.

On October 24, 2017, LPL amended the Form U5, stating that the Firm opened a review "of activities of a former representative who had Power of Attorney for a customer, with respect to distributions of monies to herself, and purporting to be through a gifting process." The Firm further amended the U5 filing on December 15, 2017 to disclose it concluded its investigation, and determined that between May 2015 and May 2017, Lane's client, "gifted monies to . . . Lane," "[named] Lane as a beneficiary of two Transfer on Death accounts and transferr[ed] monies from [the client's] individual account to Lane for Lane to pay for her own personal expenses. . . . Lane . . . also advised that she had been appointed Health [Care] Power of Attorney for the client [and] had

signing authority on the client's bank checking accounts”

Lane is not currently associated with a FINRA-regulated broker-dealer. Pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Lane.

RELEVANT DISCIPLINARY HISTORY

Lane does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

At all times relevant to this matter, the Firm's written supervisory procedures (WSPs) prohibited brokers from engaging in certain relationships with customers and accepting gifts. Between May 2011 and July 2017, Lane circumvented these procedures in connection with her customer, NL, who was Lane's second cousin once removed. Lane also failed to disclose required information in her annual questionnaires. For these reasons, Lane violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 requires member firms and associated persons to observe high standards of commercial honor and just and equitable principles of trade. Circumventing firm procedures designed to protect customers is a violation of FINRA Rule 2010.

At all times relevant, the firm prohibited brokers from: (1) acting as a power of attorney for a customer; (2) being designated as a beneficiary on customer accounts; (3) having check writing authority over customer accounts; and (4) receiving gifts from customers exceeding \$100. In limited circumstances, the WSPs permitted brokers to serve as a power of attorney, be designated as a beneficiary, and have check writing authority for an immediate family member provided such arrangements were first approved by the firm. This exception did not extend to gifts.

NL was Lane's long-time customer who followed her to LPL. Between May 2011 and July 2017, Lane circumvented LPL's WSPs in several ways with respect to NL's accounts. NL has been deceased since May 2017.

First, in April 2011, NL granted Lane three powers of attorney (POA) over NL's financial affairs: a Health Care POA, a general financial POA, and a POA over NL's outside checking account, which included the power to withdraw funds from, and write checks on, NL's checking account. But, in May 2011, when LPL hired Lane, she did not inform the Firm of the powers of attorney, or that she had check writing authority over NL's bank accounts as required. Lane requested guidance from LPL as to disclosure and approval of these designations and was directed to submit an outside business activity form. Lane submitted the form, but omitted the true nature of her authority, and stated only she was the “personal representative for the estate of. . . [her] cousin.”

Second, contrary to the Firm's prohibition on receiving gifts, between May 2015 and May 2017, Lane accepted \$154,299 in gifts from NL, by transferring the funds from NL's checking account to Lane's accounts.

Third, in 2016, NL designated Lane the transfer on death beneficiary for two of NL's brokerage accounts. At the time, the total value of the accounts was approximately \$768,000. Lane was aware of the designation, but did not notify the Firm as required by the Firm's procedures. Lane also did not designate the accounts as employee-related. When NL died in May 2017, Lane inherited more than \$715,000.

Further, Lane stated in three annual compliance questionnaires that she did not have any customer relationships such as a power of attorney to report, and she had not received gifts valued at over \$100 dollars from a customer, which was not true.

By virtue of the foregoing, Lane violated FINRA Rule 2010.

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

- A four-month suspension from associating with any FINRA member in any capacity; and
- \$10,000 fine.

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, she 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 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 an inability 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

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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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; Respondent has agreed to the AWC's provisions voluntarily; and 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 this AWC.

September 8, 2020

Date

Jodie Lane

Jodie Lane
Respondent

Reviewed by:

Jon Hackbarth

Jonathan Hackbarth
Counsel for Respondent
Quarles & Brady LLP
411 East Wisconsin Avenue, Suite 2400
Milwaukee, WI 53202-4426

Accepted by FINRA:

09.09.2020
Date

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



Karen Cherrington
Senior Counsel
FINRA
Department of Enforcement
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