

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033078801**

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

RE: DeCarla Mathis ("Mathis"), Respondent
General Securities Representative
CRD No. 4214466

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

Mathis entered the securities industry in May 1999, when she became employed as a non-registered employee at a FINRA-regulated entity. From May 2001 to March 2004 and from January 2005 to August 2006, Mathis was associated with that entity as a General Securities Representative. Mathis was associated with Wells Fargo Advisors, LLC ("Wells Fargo" or the "Firm") as a General Securities Representative from June 2007 through June 2012, when she was permitted to voluntarily resign. Mathis is currently associated with another FINRA-regulated entity.

RELEVANT DISCIPLINARY HISTORY

Mathis has no prior disciplinary history.

OVERVIEW

On May 7, 2012 and May 9, 2012, Mathis effected two wire transfers for \$27,530

and \$85,500, respectively, from a Firm customer's (the "Customer") account to unrelated third-party accounts after receiving fraudulent emails from someone purporting to be the Customer. In actuality, the email requests were from an imposter. The Firm's policies and procedures required that all wire transfer requests over \$10,000 be verbally confirmed with the customer. In order to process each of the wire transfers, Mathis completed Wells Fargo service request forms falsely attesting that she had spoken to the Customer to confirm the wire transfer requests.

As a result, Mathis violated FINRA Rule 2010 by making misrepresentations to her FINRA-regulated employer. Mathis also violated FINRA Rules 4511 and 2010 by causing the Firm's books and records to be inaccurate.

FACTS AND VIOLATIVE CONDUCT

Relevant Rules

FINRA Rule 2010 provides that "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade." A registered person's preparation of false firm documents is considered conduct that is inconsistent with the just and equitable principles of trade and violates the high standard of commercial honor required of individuals associated with member firms. In addition, FINRA Rule 4511 requires each member to make and preserve books and records in conformity with Section 17(a) of the Securities Exchange Act of 1934 and Rules 17a-3 and 17a-4 thereunder. 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. Thus, falsification of a firm's required books and records violates FINRA Rules 4511 and 2010.

Background

In 2012, Mathis worked for Wells Fargo as a sales assistant in one of the Firm's Cleveland, Ohio branches. Mathis's duties included processing certain types of transactions – including wire transfers.

Under Wells Fargo's policies and procedures, all wire requests over \$10,000 required verbal authorization by a customer. Wells Fargo also maintained books and records policies that prohibited employees from creating any firm entry that was false or misleading.

May 7, 2012 Wire Transfer

During the morning of May 7, 2012, an email was sent from the Customer's personal email account to SA, the registered representative for whom Mathis worked, requesting the information necessary to initiate an outgoing domestic

wire transfer. SA forwarded the email to Mathis and assigned her the task of processing the transfer request. The email was actually sent by an imposter. The imposter requested a domestic wire transfer for \$27,530. Mathis exchanged several emails with the imposter whom she thought was the Customer, including the receipt of a signed letter of authorization containing what Mathis believed to be the Customer's signature.

After Mathis obtained the required information, she completed a service request form to effectuate the wire transfer. In the comments section of that form, Mathis wrote that she spoke with the Customer that day and verified the wire instructions. In fact, Mathis had not spoken with the customer and all communication regarding this transfer was conducted via email with the imposter. The money was wired out of the Customer's account later that day.

May 9, 2012 Wire Transfer

During the afternoon of May 9, 2012, Mathis received an email from the same Customer's personal email account requesting the information necessary to initiate an international wire transfer. The email was actually sent by an imposter. Mathis again exchanged several emails with the imposter whom she thought was the Customer and collected the information necessary to process the wire transfer. The imposter requested a wire transfer for \$85,500 to a bank in Malaysia. Mathis again received a signed letter of authorization containing what she believed to be the Customer's signature.

After Mathis obtained the required information, she completed a service request form. In the comments section of that form, Mathis wrote that she spoke with the client and verbally confirmed the wire instructions. In fact, Mathis had not spoken with the customer and all communication regarding this transfer was conducted via email with the imposter. The money was wired out of the Customer's account later that day.

Violations

Mathis's preparation of two forms falsely attesting that she had spoken to the Customer to confirm the wire transfer instructions violated FINRA Rule 2010. Mathis also caused the firm to maintain false books and records in violation of FINRA Rules 4511 and 2010.

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

- A 30-day suspension from association with any FINRA member firm in all capacities; and
- A \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 30-day 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(s) imposed in this matter.

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 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 General Counsel, 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 response to public inquiries about my disciplinary record;
 - 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 the Firm to submit it.

7/23/2013
Date

De Carla Mathis
DeCarla Mathis

Accepted by FINRA:

7.30.13
Date

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

Richard R. Best

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