

FINRA

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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

20100250981-01

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Jennifer J. Guelinas, Respondent
CRD No. 2814512

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jennifer J. Guelinas ("Guelinas" or "Respondent"), 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

Guelinas was registered with a FINRA member firm from October 15, 1996 until November 5, 2010, when her employer firm filed a Form U5 terminating her registration. Guelinas is not currently associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of FINRA's By-Laws. She has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

Guelinas converted to her own use at least \$500,000 from the brokerage accounts of three customers (Violations of NASD Rules 2110 and 2330(a), and FINRA Rules 2150(a) and 2010).

1. From on or about October 15, 1996 until November 5, 2010, Guelinas was employed at a FINRA member firm, where she served as a General Securities Registered Representative.

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2. Between December 2006 and October 2010, Guelinas converted at least \$500,000 from the brokerage accounts of three senior citizen customers of her employer firm. Without authorization, Guelinas signed wire transfer requests, which resulted in the conversion of at least \$500,000 from the customers' accounts to outside bank accounts controlled by Guelinas and to third parties.
3. In the instances described above in paragraph two, the customers did not authorize the transfer of funds from their brokerage accounts to bank accounts controlled by Guelinas or to third parties.
4. By converting her customers' funds, Guelinas violated NASD Rule 2330(a) (for misconduct before December 14, 2009), FINRA Rule 2150(a) (for misconduct beginning December 14, 2009), NASD Rule 2110 (for misconduct before December 15, 2008), and FINRA Rule 2010 (for misconduct beginning December 15, 2008).

Guelinas forged the signatures of three customers on at least 83 wire transfer requests, as well as real estate closing agreements and a promissory note. (Violations of NASD Rule 2110 and FINRA Rule 2010).

5. Between December 2006 and October 2010, Guelinas, without authorization, signed at least 83 wire transfer requests on behalf of three senior citizen customers. In addition, on or about May 3, 2007, Guelinas, without authorization, signed three real estate purchase agreements on behalf of the three customers, and on or about March 30, 2007, Guelinas signed, without authorization, a promissory note on behalf of a senior citizen customer.
6. By signing her customers' signatures on the wire transfer requests and the other documents, Guelinas violated NASD Rule 2110 (for misconduct before December 15, 2008), and FINRA Rule 2010 (for misconduct beginning December 15, 2008).

Guelinas failed to disclose outside business activities and income to her employer (Violations of NASD Rules 2110 and 3030, and FINRA Rule 2010).

7. Between December 2006 and October 2010, Guelinas arranged and participated in certain real estate investments with three senior citizen customers of her employer firm, and received compensation from those real estate investments. In addition, during that time period, Guelinas received compensation from a rental apartment that she owned. Guelinas did not disclose the real estate investments, the compensation from those real estate investments, or the rental income to her FINRA member employer firm.
8. By failing to disclose those real estate investments and compensation to her member employer firm, Guelinas violated NASD Rules 2110 and 3030, and FINRA Rule 2010.

Guelinas failed to file a Form U-4 with CRD disclosing that she became subject to a federal tax lien (Violations of FINRA Rules 1122 and 2010).

9. On or about July 9, 2010, Guelinas was notified by the Internal Revenue Service that she was subject to a federal tax lien relating to the tax years 2005 and 2006. That federal tax lien was recorded with the Porter County Recorder of Valparaiso, Indiana on or about July 9, 2010.
10. Guelinas failed to file a Form U-4 with CRD disclosing that she became subject to the federal tax lien described above in paragraph eleven. Consequently, by failing to file a Form U-4 and update CRD, Guelinas violated FINRA Rules 1122 and 2010.

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

A bar in all capacities from associating with any FINRA member.

I understand that if I am barred from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

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 prejudice 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 right to take legal or factual positions in litigation or other 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.

02-07-2011

Date

Jennifer J. Guelinas
Jennifer J. Guelinas

Reviewed by:

JTB

Julie Thrall Burrow, Esq.
Hendrickson Law Firm
191 North Wacker Drive, Suite 2300
Chicago, IL 60606
Counsel for Jennifer J. Guelinas

Accepted by FINRA:

2-22-2011

Date

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

Cameron K. Funkhouser
Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection and
Market Intelligence