

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140421833-01**

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

RE: Kelsey Marie Molyet
General Securities Representative
CRD No. 5695243

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

In July 2009, Molyet became employed by J.J.B. Hilliard, W.L. Lyons, LLC (the "Firm"), a FINRA-registered broker-dealer. Molyet received her Series 7 license in December, 2009, and became a registered Sales Assistant with the Firm.

On August 6, 2014, the Firm filed a Form U5 (Uniform Termination Notice for Securities Industry Registration) stating that Molyet's employment with the Firm terminated on August 4, 2014. The Form U5 stated that Molyet had impersonated a client and provided altered documents to third parties on multiple occasions.

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

RELEVANT DISCIPLINARY HISTORY

On June 22, 2015, Molyet and the Indiana Secretary of State, Securities Division (the "Division") filed an executed agreement titled Order of Consent, subsequently approved and adopted by the Indiana Securities Commissioner on June 24, 2015, that among other things, permanently barred her from involvement in the securities industry in Indiana and required her to pay investigation costs of \$500.00. The Order of Consent arose out of a Division investigation of Molyet's conduct in connection with the events described below.

OVERVIEW

From May through July, 2014, Molyet violated FINRA Rule 2010 by (i) falsifying documents including checks and account statements and providing them to Firm customers and their agents; (ii) making written misrepresentations to customers and their agents regarding the value of their accounts and the execution status of certain requested transactions; and (iii) impersonating a customer during telephone calls with third parties.

In September 2014, Molyet also violated FINRA Rules 8210 and 2010 by falsely asserting, in response to an information request from Staff, that she did not alter documents before sending them to customers and their agents.

FACTS AND VIOLATIVE CONDUCT

1. FINRA Rule 2010

FINRA Rule 2010 requires that members and associated persons observe high standards of commercial honor and just and equitable principles of trade.

a. Falsification of Documents

Falsifying documents and providing them to customers is inconsistent with just and equitable principles of trade and constitutes a violation of Rule 2010.

On or about June 23, 2014, while registered at the Firm and working there as a Sales Assistant, Molyet falsified a check purporting to reflect a \$5,000 balance transfer from a customer's Firm securities account into a 529 college savings account the customer maintained with a third party provider ("CC"). Molyet copied a check previously submitted by the customer and changed the date; removed the stamp showing the clearance date; and modified the number of the receiving CC account. On June 23, 2014, Molyet e-mailed the falsified check to a customer's Certified Public Accountant ("CPA"), intending to deceive him and the customer into believing she had made a \$5,000 balance transfer into the customer's 529 account.

Additionally, on or about June 25, July 9, and July 10, 2014, Molyet altered CC account statements to reflect balance transfers that she had failed to execute with respect to two customers' accounts, and that had in fact not been executed. On June 25 and July 10, 2014, Molyet e-mailed falsified CC account statements to a customer's CPA, intending to deceive the customer and her agent, as well as third parties, into believing that she had previously executed the requested balance transfers, when she had failed to do so. In addition, on July 9, 2014, Molyet e-mailed a falsified CC account statement to a different customer's CPA, with the same fraudulent intent.

By falsifying a check and three account statements, and transmitting them to customers and their agents with intent to deceive them about their account balances, Molyet violated FINRA Rule 2010.

b. Misrepresentations to Customers

Rule 2010 prohibits the making of misrepresentations, whether or not made in connection with the sale of a security.

On July 1, July 7, and July 22, 2014, Molyet falsely represented to Firm customers and/or their CPAs that she had made \$5,000 balance transfers into those customers' 529 accounts held at CC. Moreover, on May 5, June 20, July 2 and July 9, 2014, Molyet falsely represented to a customer's CPA that she had requested copies of account statements and/or checks, which would purportedly prove that she had made the requested balance transfers. Further, on June 18, 2014, Molyet falsely represented to a customer's CPA that she had deleted an e-mail from CC containing documentation proving an account transfer that had never occurred. And on July 7, 2014, Molyet falsely represented to a customer that she had made a \$5,000 contribution to his 529 account and had requested verification from CC, when in fact she had not done so. In reality, Molyet never made the aforementioned balance transfers; there were no documents evidencing them; and Molyet never requested any such documents from CC or anyone else.

By making numerous misrepresentations to Firm customers and/or their agents, Molyet violated FINRA Rule 2010.

c. Impersonating Customers to Third Parties.

Rule 2010 prohibits registered persons from impersonating customers.

On May 7, 2014, Molyet impersonated a customer to a third party provider, CC, telling a CC representative that she was customer EM when in fact she was not. During the call, Molyet sought to persuade CC that EM had made \$5,000 balance transfers into her 529 account in both 2012 and 2013, even though she had not. On June 25, 2014, Molyet again impersonated a customer to a third party, CC, telling a CC representative that she was customer EM when in fact she was not.

On that occasion, Molyet attempted to obtain copies of EM's CC account statements, only to be informed that none existed because there had been no activity in her account.

By impersonating a customer to a third party on two occasions, Molyet violated FINRA Rule 2010.

2. FINRA Rule 8210

FINRA Rule 8210 requires firms and associated persons to respond completely and truthfully to all requests for information made by FINRA staff. Providing false or misleading information in the course of an investigation violates FINRA Rules 8210 and 2010.

On September 2, 2014, Molyet provided a written answer to FINRA Staff in response to a FINRA Rule 8210 letter requesting a response to the allegation that she had provided altered documents to third parties on more than one occasion. Molyet stated that she had provided an altered document to a CPA, but that it had been faxed to her by CC. On September 2, 2014, Molyet also provided a written answer to FINRA Staff in response to a FINRA Rule 8210 letter asking if she had altered documents to execute a transaction. Molyet stated that she had not altered any documents, but had merely forwarded an altered document she had received from CC. In reality, Molyet provided four falsified documents to customers and their agents; falsified those documents herself; and had not received them from CC.

By providing false and misleading answers in response to a FINRA Rule 8210 request for information made by staff, Molyet violated FINRA Rules 8210 and 2010.

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

A bar from association with any FINRA member in any capacity

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. Pursuant to FINRA Rule 8313(e), a bar or expulsion 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 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.

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.

Kelsey Marie Molyet
March 7, 2016

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Accepted by FINRA:

3/29/16
Date

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



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