

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015045351801**

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

RE: Cheryl Sue Kerber, Respondent
CRD No. 4854741

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Cheryl Sue Kerber ("Kerber"), 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

Kerber entered the securities industry in September 2004, and has been associated with several FINRA regulated broker-dealers. In August 2012, Kerber became employed by LPL Financial LLC (the "Firm"), a FINRA regulated broker-dealer, in a non-registered capacity. In November 2012, Kerber obtained her Series 7 General Securities Representative ("GSR") license, and became registered with the Firm as a GSR.

In May 2014, the Firm filed a partial Uniform Termination Notice for Securities Industry Registration ("Form U5") indicating that Kerber's GSR license had been terminated effective May 27, 2014. After her GSR license was terminated in May 2014, Kerber remained associated with the Firm, continuing to work with Firm customers and registered representatives in an advisory capacity.

In a Form U5 dated January 23, 2015, the Firm reported that on January 1, 2015, Kerber's association with the Firm had been voluntarily terminated.

Kerber is not currently associated with a FINRA regulated broker-dealer.

However, pursuant to Article V, Section 4 of the FINRA By-Laws, Kerber remains subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Kerber has no disciplinary history in the securities industry.

OVERVIEW

In May and August 2013, Kerber violated FINRA Rule 2010 by making two false statements to the Firm concerning a loan she provided to a registered representative associated with the Firm.

FACTS AND VIOLATIVE CONDUCT

Kerber Violated FINRA Rule 2010 by Making False Statements to the Firm.

Making false statements to a FINRA regulated broker-dealer violates FINRA Rule 2010, which requires associated persons to observe high standards of commercial honor and just and equitable principles of trade.

In or around May 2009 and April 2012, Kerber loaned funds to RS, a registered representative associated with the Firm. Kerber was also RS's customer at the Firm. RS used the funds that Kerber loaned him to purchase real estate in Hawaii and construct a vacation rental property on the premises, which opened for business in 2012. By as early as 2012, Kerber knew that RS was operating a business on the property.

In May 2013, Kerber submitted a compliance questionnaire to the Firm which asked Kerber, among other things, "Have you, or any related person or entity, borrowed or loaned any money or securities from or to another individual or entity"? Kerber answered "No." Because Kerber had loaned funds to RS in May 2009 and April 2012 which had not been repaid by this time, this statement was false.

In August 2013, Kerber submitted a disclosure form to the Firm which described the purpose of Kerber's loans to RS. In the form, Kerber told the Firm that the purpose of her loan to RS was for construction of his "home." Because Kerber knew by this time that her loan to RS was for a vacation rental property that RS was operating as a business, this statement was false.

By making false statements to her FINRA regulated broker-dealer employer, Kerber violated FINRA Rule 2010.

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

- a two-month suspension from associating with any FINRA member in any capacity; and
- a fine of \$5,000.

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.

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 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

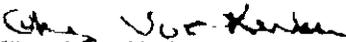
I understand that:

- 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

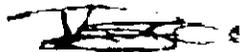
the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

08/25/2016
Date (mm/dd/yyyy)


Cheryl Sue Kerber

Reviewed by



Kelly Ba a
Counsel for Respondent
Bagla Law LLP
5205 Avenida
Carlsbad CA 92008
Telephone (760) 439-1111

Accepted by FINRA:

9/9/16
Date

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



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