

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2013037390701**

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

**RE: Karen Elizabeth Hajek, Respondent  
Former Registered Representative  
CRD No. 3114386**

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**

Karen Hajek ("Hajek") was first associated with a FINRA member firm in August 1998. From November 2003 through June 2013, Hajek was registered with Genworth Financial Securities Corporation ("Genworth") and Cetera Financial Specialists LLC ("Cetera") as a General Securities Representative (Series 7).<sup>1</sup> She resigned from Cetera on June 14, 2013 during an internal review relating to self-directed individual retirement accounts held away from the firm. Hajek was registered with NFP Securities, Inc. ("NFP") from June 2013 through February 2014. NFP permitted her to resign on February 4, 2014, citing a "business decision to discontinue association based on activities conducted by representative outside broker-dealer." Throughout her association with Genworth, Cetera and NFP, Hajek also operated a certified public accountancy ("CPA") business ("H & H") as an approved outside business activity ("OBA").

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<sup>1</sup> Cetera acquired Genworth, effective November 1, 2012. Genworth was named Terra Securities Corporation until 2005. Hajek remained with the firm through the name change and the acquisition.

Hajek has not been registered or associated with a FINRA member firm since February 4, 2014. Although Hajek is no longer associated with a FINRA member firm, FINRA retains jurisdiction over her pursuant to Article V, Section 4, of FINRA's By-Laws.

### **OVERVIEW**

From June 2006 through February 2014, while she was registered with Genworth and Cetera, and continuing through her registration with NFP, Hajek was involved in numerous undisclosed OBAs, in violation of NASD Rules 3030<sup>2</sup> and 2110,<sup>3</sup> and FINRA Rules 3270 and 2010.

### **FACTS AND VIOLATIVE CONDUCT**

#### **1. Outside Business Activities**

##### **a) Family Corporation**

K. Hajek was involved with managing a family corporation ("KIS") that was incorporated in the State of Florida in August 2010. For the company's entire three-year existence, until it was dissolved in September 2014, Hajek served as a director, as well as vice president and manager. KIS shared an address and phone number with H & H. It also rented space from another entity controlled by her family. Hajek was a signatory on the KIS checking account. She also directed the allocation of certain expenses to KIS and signed documents on the company's behalf. For example, Hajek signed an August 2012 revenue-sharing agreement with a payroll services and human resources management company on behalf of KIS, which resulted in more than \$8,000 in revenue for the company. An invoice from this company was addressed to her as well.

Hajek was obligated to disclose to Genworth/Cetera and NFP her involvement in KIS, but she failed to do so.

##### **b) Additional Undisclosed OBAs**

Between June 2006 and February 2014, Hajek managed and had signing authority on behalf of seven other entities.

Hajek was obligated to disclose her involvement with these entities to Genworth/Cetera in writing, in accordance with the firms' written supervisory procedures. She failed to do so. Nor did she properly disclose her involvement to NFP upon associating with that firm.

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<sup>2</sup> NASD Rule 3030 was superseded by FINRA Rule 3270, effective December 15, 2010.  
<sup>3</sup> NASD Rule 2110 was superseded by FINRA Rule 2010, effective December 15, 2008.

By virtue of the above, Hajek violated NASD Rules 3030 and 2110 for her conduct prior to December 15, 2008. She violated NASD Rule 3030 and FINRA Rule 2010 for her conduct on or after December 15, 2008 and prior to December 15, 2010. She violated FINRA Rules 3270 and 2010 for her conduct on or after December 15, 2010.

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

1. A suspension in all capacities from association with a FINRA member firm for six months; and
2. A fine of \$15,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the six month 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 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.

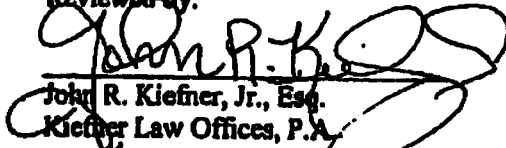
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

01/21/2016  
Date (mm/dd/yyyy)

  
Karen Elizabeth Hajek, Respondent


Reviewed by:

  
John R. Kiefner, Jr., Esq.  
Kiefner Law Offices, P.A.  
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Accepted by FINRA:

1/21/16  
Date

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

  
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