

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("the Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENT

1. **CHERYL B. CASEBERE ("CASEBERE")**, CRD #2991982, during all times relevant, was a registered representative with Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill"), CRD #7691, with a business address of 100 Grandview Place Birmingham, AL 35243.

STATEMENT OF FACTS

2. On September 17, 2010, **CASEBERE** began employment as a duly licensed registered representative with Merrill. During the time of her employment with Merrill, and for ten years prior to that, **CASEBERE** managed investment accounts for two elderly Alabama residents who had no known living family members. During the entire time she managed the accounts, the accounts were suitably invested in the best interests of the clients, and no funds were misappropriated.

3. On December 26, 2019, both elderly Alabama residents were admitted to the hospital and it was determined by medical authority and the Alabama Department of Human Services (“DHR”) that both would need managed care. An approved senior services provider was obtained to provide home health care and the residents were sent home.

4. Between on or about December 26, 2019 and March 5, 2020, **CASEBERE** consulted with the senior services provider and DHR and determined that someone needed to be given a power of attorney in order to authorize appropriate care. **CASEBERE** took the necessary actions to have a close personal friend assigned power of attorney to control the affairs of the clients. **CASEBERE** consulted with her supervisor at Merrill about the steps necessary for a Merrill registered representative to be named a beneficiary of a client account. She then took the steps necessary to have herself named as the contingent beneficiary on the client investment accounts at Merrill. **CASEBERE** failed to make an official notification to Merrill, as required by their procedures, of the change made in the client accounts.

5. By on or about March 5, 2020, at least one of the elderly investors had recovered sufficiently to be able to resume managing their financial affairs and **CASEBERE** was removed as beneficiary and the power of attorney given to her friend was revoked. No money ever inured to the benefit of **CASEBERE** and the account remained suitably invested while under her supervision. **CASEBERE** no longer manages the account or has any control over it.

6. On March 16, 2020, **CASEBERE** was placed on administrative leave with Merrill. On April 23, 2020, **CASEBERE** was terminated from Merrill for failure to comply with company procedures surrounding the change in beneficiary.

7. On June 10, 2020, the Commission conducted an interview with **CASEBERE**. **CASEBERE** admitted all the above and stated that she took the actions because she believed they were necessary to protect the client’s interests and she felt pressure to act. She stated she believed she was acting in the best interests of her clients when she took the actions detailed above based on the then existing circumstances and that she never intended any harm to her client.

8. On or about May 5, 2021 **CASEBERE** and the staff of the Commission engaged in a telephone conversation and **CASEBERE** expressed a desire to resolve the outstanding issue of her failure to follow the proper directives of her broker dealer employer.

CONCLUSIONS OF LAW

9. Pursuant to Sections 8-6-2 (2) and (3), Code of Alabama 1975, an agent is any individual other than a dealer who represents a dealer in effecting sales of securities and a dealer is any person engaged in the business of effecting transaction in securities for the account of others. **CASEBERE** was an agent of Merrill and Merrill was a dealer.

10. Pursuant to Commission Rule 830-X-3.13 (1), every associated person of a dealer shall be subject to the supervision of a supervisor designated by such dealer. **CASEBERE** was an associated person of Merrill and subject to Merrill's supervision. **CASEBERE** failed to subject herself to supervision by Merrill when she failed to notify them that she was being named as the beneficiary of a client account while employed as their agent.

WHEREAS, **CASEBERE** understands the Commission relied upon information and assertions made by **CASEBERE** in its determination to accept this Order and that should such information or assertions prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil or criminal remedies that may be available to it under the provisions of the Act.

WHEREAS, **CASEBERE** has voluntarily waived all rights to a hearing upon entry of this Order and has consented to the entry of this Order, and

WHEREAS, the Commission finds this Order appropriate for the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act, and

WHEREAS, the Commission and **CASEBERE** desire to settle this matter as hereafter set forth and agree to the entry of this Order,

ACCORDINGLY, IT IS HEREBY ORDERED:

1. This Order concludes the investigation against **CASEBERE**. This Order is entered into solely for this purpose and is not intended to be used for any other purpose. This Order does not resolve or settle any violation or potential violation of the Alabama law that the Commission may become aware of after the entry of this order. **CASEBERE** shall ensure that she follows proper supervisory directives of her future dealer employers to avoid any future non-compliance with the Act. This Order shall not form the sole basis for disqualification from participation in the securities industry in Alabama but will be considered in conjunction with **CASEBERE'S** regulatory record for future registration and or licensure decisions.

2. **CASEBERE** shall pay to the State of Alabama Securities Commission \$5,000 as a partial reimbursement for the Commission's cost of investigating this matter, pursuant to Section 8-6-19(k)(1) and \$5,000 as a civil money penalty, pursuant to Section 8-6-19(j)(1). Any payment made by **CASEBERE** shall be tendered in certified funds.

AGREED AND CONSENTED to on the dates indicated:

RESPONDENT

CHERYL B. CASEBERE:

Cheryl B. Caseber

DATE: 5-13-2021

APPROVED AND AGREED this 13th day of May, 2021.

ALABAMA SECURITIES COMMISSION
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(334) 242-2984

BY: 

Joseph P. Borg
Director