

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005003511204**

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REGISTRATION & DISCLOSURE

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

RE: Jeffery D. Coleman, Respondent
Investment Company and Variable Contracts Products Representative
CRD No. 4009872

Pursuant to NASD 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

Jeffery D. Coleman entered the securities industry in 1999 as an Investment Company and Variable Contracts Products Representative of State Farm VP Management Corp., a member of FINRA. Coleman was terminated by the firm on April 7, 2006. Coleman became registered again with State Farm on May 14, 2007, where he remains registered. He has no prior disciplinary history.

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OVERVIEW

In meeting FINRA's Firm Element Continuing Education requirement pursuant to FINRA Rule 1120(b), State Farm implemented a computer-based training and testing program for its registered representatives in 2005. The Firm Element program included a proficiency test. Jeffery Coleman worked as a Series 6 supervisor in his State Farm Office. Respondent Coleman asked a subordinate in his office to complete the Firm Element program for him using Coleman's User ID and password. The subordinate completed the Firm Element program and proficiency test for Coleman, after logging onto the system as Coleman.

FACTS AND VIOLATIVE CONDUCT

1. In September 2005, Coleman's employer, State Farm, required all registered staff who had customer contact involving securities products and who were registered with the firm prior to January 1, 2005, to complete an internal, computer-based Firm Element Continuing Education program. Covered representatives were required to complete an approximately two hour training session and then pass a proficiency test with a minimum score of 80%.
2. In or about September 2005, Coleman was required to complete State Farm's Firm Element program and proficiency test.
3. In or about September 2005, Coleman asked agency intern JR, his subordinate at State Farm, to complete the Firm Element program by taking the proficiency test for him, using Coleman's User ID and password.
4. JR logged onto State Farm's system as Coleman and completed the Firm Element program for Coleman by taking and passing the proficiency test. Coleman did not have any authorization from State Farm to engage in this conduct and took no action to report it.

Such acts, practices and conduct constitute a violation of NASD Conduct Rule 2110 by Respondent Jeff Coleman.

OTHER FACTORS

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

A 60 day suspension from association with any member of FINRA in any capacity and a fine of \$5,000.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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 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 or suspension. (See NASD Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(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 Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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 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 NASD Rule 9143 or the separation of functions prohibitions of NASD 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:

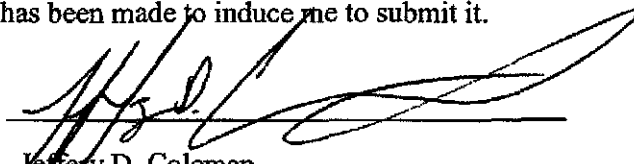
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not 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 NASD Rule 8310 and IM-8310-3; 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.

- 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.

12-12-07
Date


Jeffery D. Coleman

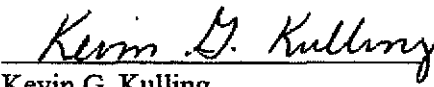
Reviewed by:

Attorney

Accepted by FINRA:

3/5/08
Date

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


Kevin G. Kulling
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FINRA Department of Enforcement
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