

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070104825-01**

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

RE: Allan Yiv Chan, Respondent
Associated Person
CRD No. 4315701

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

On or about November 29, 2000, Allan Yiv Chan first entered the securities industry as an associated person of a FINRA member firm. Chan remained associated with that firm until on or about January 7, 2003. Chan did not re-enter the securities industry until on or about August 17, 2007, when he was hired as an associated person of FINRA member firm Farmers Financial Solutions, LLC (FFS) (CRD No. 103863). At the time of associating with FFS, Chan was also employed by Farmers Insurance Group. Chan's association with FFS was terminated on or about August 31, 2007, however, he continues to be employed by Farmers Insurance Group. Chan is not currently associated with any FINRA member firm and has no disciplinary history.

000074165 2008

FACTS AND VIOLATIVE CONDUCT

1. Upon being hired by FFS, Chan submitted a signed Uniform Application for Securities Industry Registration or Transfer (Form U4) to FFS to be filed with FINRA's Central Registration Depository (CRD). FFS then filed the Form U4 with CRD.

By signing the Form U4, Chan was swearing or affirming that he had read and understood the items and instructions on the Form U4 and that his answers were true and complete to the best of his knowledge. Further, Chan was acknowledging that he understood he was subject to administrative, civil or criminal penalties if he gave false or misleading answers.

Question 14A(1)(b) of the Form U4 asks "Have you ever been charged with any felony?" Chan answered "No" in response to question 14A(1)(b). By answering "No," Chan failed to disclose that on or about February 4, 2006, in Fairfield, California, he was charged with a violation of Section 273.5(a) of the Penal Code of the State of California, a felony. The charges were subsequently dismissed, on or about July 13, 2006.

The foregoing conduct constitutes separate and distinct violations of Article V, Section 2(a)(2) of FINRA's By-Laws, NASD Conduct Rule 2110, and NASD Membership and Registration Rule IM-1000-1.

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

1. Allan Yiv Chan shall be suspended for three (3) months from associating with any member of FINRA in any capacity; and
2. Chan shall pay a fine of \$5,000, which is deferred until he re-associates with a member firm.

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 fine shall be due and payable either immediately upon re-association with a member

firm following the three-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.

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 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.

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.

5/1/08
Date


Allan Yiv Chan

Accepted by FINRA:

May 29, 2008
Date

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

Mark A. Graves
Mark A. Graves, Senior Regional Counsel
FINRA Department of Enforcement
One Montgomery Street, Suite 2100
San Francisco, CA 94104
(415) 217-1100; Fax: (202) 721-6505
Email: Mark.Graves@finra.org