

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

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REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

Christopher H. Daume,
CRD No. 3182948,

Respondent.

Disciplinary Proceeding
No. 200812543301

Hearing Officer: RSH

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: December 30, 2009

INTRODUCTION

Disciplinary Proceeding No. 2008012543301 was filed on August 26, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Christopher H. Daume submitted an Offer of Settlement (Offer) to Complainant on December 4, 2009. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of

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findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent Christopher H. Daume first became registered with FINRA as an Investment Company and Variable Contracts Products Representative in June 1999. From September 2004 to June 2008, Daume was registered in that capacity with Allstate Financial Services, LLC. Daume has not been associated with a FINRA member firm since June 2008. FINRA has jurisdiction to issue the Complaint in this action pursuant to Article V, Section 4 of the FINRA By-Laws, because the alleged violative conduct occurred while Daume was associated with a member firm and the Complaint was filed within two years of his last association with a member firm.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

In or about September 2007, Daume sold a variable annuity contract to a public customer, AM. In connection with that transaction, the customer was required to complete a new account form for variable annuities ("NAF"), which included important disclosure information regarding the investment.

To complete the NAF, the customer was required to initial page 5 of the form, which contained eight separate disclosure paragraphs under the heading "Purchasing a Variable Annuity." The customer was also required to initial page 6 of the NAF, which contained two

additional disclosure paragraphs under the heading "Purchasing a Variable Annuity within Tax-Qualified Accounts." Next to each box for customer initials was the following statement: "By initialing, I/we acknowledge that I/we have read and understand each of the above statements." Finally, the customer was required to sign and date the last page of the NAF.

AM signed the last page of the NAF on or about August 30, 2007 during a meeting with Daume. After that meeting, Daume realized that AM had not initialed the required disclosure sections on pages 5 and 6 of the NAF. Daume wrote AM's initials on those pages, without the knowledge or consent of the customer, and submitted the completed application for processing.

Based on the foregoing, Respondent violated NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be sanctioned as follows:

A fine of \$5,000; and

Suspension from association with any FINRA member firm in all capacities for a period of three (3) months.

The fine shall be due and payable either immediately upon reassociation 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.

The sanctions herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "G. Lisker", is written over a horizontal line.

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