

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009019422401**

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

RE: Adam Jarod Utz, Respondent
Registered Representative
CRD No. 5130691

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

Adam Jarod Utz ("Utz") entered the securities industry in April 2006 with FINRA-regulated firm American Family Securities, LLC ("AFS"). Between May 3, 2006 and July 31, 2009, Utz was registered as an Investment Company and Variable Contracts Product Representative (Series 6) with AFS. ASF discharged Utz on July 31, 2009, terminating his registration. Between April 2006 and his termination, Utz was also a sales and servicing agent of American Family Mutual Insurance Company ("AFMIC"), an AFS-affiliated company, doing business as the Adam Utz Agency in Olathe, KS. AFMIC terminated Utz's insurance agent contract on July 31, 2009.

FINRA retains jurisdiction over Utz pursuant to Article V, Section 4(a) of the FINRA By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated firm and this AWC has been filed within two years after the date of his termination of registration.

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OVERVIEW

Between November 2007 and May 2009, Utz issued three false Certificates of Liability Insurance. Between March 2009 and June 2009, he converted customer premium payments by collecting lump-sum insurance premium payments from at least four customers, and rather than promptly posting the payments to the customers' accounts, he paid their premiums over time, using the residual amounts for his office expenses. Such conduct by Utz violated NASD Rule 2110 and FINRA Rule 2010 (requiring adherence to high standards of commercial honor and just and equitable principles of trade in conducting business).¹

Further, on three separate occasions, FINRA requested information from Utz pursuant to FINRA Rule 8210. Utz did not respond to these requests. By virtue of this conduct, Utz violated FINRA Rules 8210 (which requires persons subject to FINRA jurisdiction to provide information when requested) and 2010.

FACTS AND VIOLATIVE CONDUCT

Certificates of Liability Insurance

A Certificate of Liability Insurance evidences the insurance in force for a named insured. Businesses that contract for services rely on Certificates of Liability Insurance to substantiate a party's financial ability to uphold its obligations and to protect the indemnified party from any unexpected liability.

On or about November 26, 2007, Utz, knowing a company was not insured by AFMIC, signed and sent a Certificate of Liability Insurance to a business in Iowa falsely indicating that the company was then a named insured on an AFMIC commercial property insurance policy. The Iowa business relied on the certificate, and subsequently made an insurance claim for over \$2,400 that AFMIC paid, although AFMIC had not insured the company.

On or about May 5, 2009, Utz, knowing that another company did not have workers compensation coverage, sent a Certificate of Liability Insurance by facsimile to a contractor in Georgia, falsely showing that company was covered by workers' compensation under an AFMIC general liability policy.

On or about May 21, 2009, Utz, knowing that another company was not covered by a workers' compensation policy at that time, sent by electronic mail a Certificate of Liability Insurance to a business in Colorado falsely listing a workers' compensation policy for that company.

As a result of the foregoing conduct, Utz violated NASD Rule 2110 (with respect to the November 2007 certificate) and FINRA Rule 2010 (with respect to the May 2009 certificates).

¹ NASD consolidated with the member regulation and enforcement functions of NYSE Regulation in July 2007 and began operating under the new corporate name, FINRA. Following consolidation, FINRA began developing a new FINRA Consolidated Rulebook. In that process, NASD Rule 2110 was renumbered FINRA Rule 2010 effective December 15, 2008. Misconduct occurring before that date violates NASD Rule 2110. Misconduct occurring on, or after, December 15, 2008 violates FINRA Rule 2010.

Insurance Premium Payments

Between approximately March 11, 2009 and June 8, 2009, Utz collected lump-sum insurance premium payments from at least four AFMIC customers. Without authorization from the customers and contrary to AFMIC policy, Utz improperly converted the funds for his personal use. Rather than promptly posting the payments to the customers' accounts, he paid the premiums in smaller amounts over a period of months, using the residual amounts for his office expenses.² By virtue of this conduct, Utz violated FINRA Rule 2010.

FINRA Requests for Information

By letters dated December 1, 2010, December 16, 2010, and December 30, 2010, FINRA staff requested, pursuant to and in accordance with FINRA Rule 8210, that Utz provide information and documents relevant to the staff's investigation. Utz did not respond to the requests set forth in those letters, thereby violating FINRA Rules 8210 and 2010.

* * *

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

A bar from associating with any FINRA member firm in any capacity.

Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

I understand that if I am barred 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. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar (*see* FINRA Rules 8310 and 8311).

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

² FINRA finds that Utz misused the full payments, not that he ultimately failed to make payments on behalf of his insurance customers.

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 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 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 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 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.

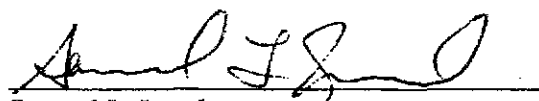
03/17/2010
Date (mm/dd/yyyy)

Adam Jarod Utz
Adam Jarod Utz
Respondent

Accepted by FINRA:

3/22/11
Date

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

A handwritten signature in black ink, appearing to read "Samuel L. Israel", written over a horizontal line.

Samuel L. Israel

Associate Vice President & Chief Counsel

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