

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010023232101**

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

RE: Alan S. Pattee, Respondent
Investment Company and Variable Contracts
Products Representative
[CRD No. 3002976]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Alan S. Pattee, submits 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

Alan S. Pattee entered the securities industry in March 19, 1998, as an Investment Company and Variable Contracts Products Representative of a FINRA member firm. During all periods mentioned herein, Pattee was associated with State Farm VP Management Corp. ("State Farm" or the "Firm"), a FINRA member firm, and was registered with FINRA under Article V of the By-Laws as an Investment Company and Variable Contracts Products Representative. Pattee has not previously been the subject of a formal disciplinary action by any regulatory body. Although Pattee is not currently registered with a FINRA member firm, he remains subject to the jurisdiction of FINRA until May 31, 2012, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

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RELEVANT DISCIPLINARY HISTORY

Respondent Pattee has not been the subject of prior regulatory discipline.

OVERVIEW

Between 2007 and 2009, while registered with State Farm, Pattee forged the signatures of approximately forty customers on insurance-related forms without their knowledge, authorization or consent, in violation of NASD Conduct Rule 2110 (January 1, 2007 through December 14, 2008) and FINRA Rule 2010 (December 15, 2008 through December 31, 2009). In addition, from November 1, 2006 through September 28, 2008, while registered with State Farm, Pattee engaged in an outside business activity for compensation, without providing State Farm with prompt written notice of his activity, in violation of NASD Rules 3030 and 2110.

FACTS AND VIOLATIVE CONDUCT

Over a three-year period, Pattee forged the homeowner signatures of approximately forty customers on Uniform Mitigation Verification Inspection Forms ("UMVI Forms"). UMVI Forms are documents that provide construction information about a home's roof covering, roof deck attachment, roof-to-wall attachment, roof geometry, gable-end bracing, wall construction type, secondary water resistance, and opening protection. The UMVI Form is completed in connection with an inspection performed by a qualified inspector and is required to be signed by both the inspector and the homeowner applicant. The form is then submitted to the homeowner's insurance company to be used in connection with insurance pricing. Pattee forged approximately twenty-five homeowner signatures in 2007, twelve homeowner signatures in 2008, and three homeowner signatures in 2009. Pattee forged the homeowner signatures to accommodate his clients who either were not at home at the time of the inspection or who were his longtime clients. By reason of the foregoing, Pattee violated NASD Conduct Rule 2110 (January 1, 2007 through December 14, 2008) and FINRA Rule 2010 (December 15, 2008 through December 31, 2009).

From November 1, 2006 through September 28, 2008, while associated with State Farm, Pattee acted as an officer for All County Insurance Inspections, Inc. ("ACII"), which was formed to conduct inspections for Wind Mitigations in Florida to determine homeowner policy premiums. ACII paid Pattee between \$1,231 and \$3,000 for his services. Respondent Pattee did not provide prompt written notice to State Farm for this outside business activity. Instead, on April 30, 2007 and April 28, 2008, Pattee completed a Securities Annual Compliance

Online Certification for State Farm representing that he had complied with the requirements of NASD Conduct Rule 3030. Additionally, for the April 30, 2007 and April 28, 2008 online certifications, Pattee certified that no changes were needed to his Form U4 or that he had requested appropriate changes to the Form U4 regarding outside business activities. By reason of the foregoing, Pattee violated NASD Rule 3030 and NASD Rule 2110.

Such acts, practices and conduct constitute separate and distinct violations of NASD Rule 2110 (November 1, 2006 through December 14, 2008), FINRA Rule 2010 (December 15, 2008 through December 31, 2009), and FINRA Rule 3030 by Alan S. Pattee.

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

A bar of Alan S. Pattee from association with any FINRA member in all capacities.

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 FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(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 Complaint issued specifying the allegations against me;
- B. To be notified of the 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 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.

9/26/2011

Date (mm/dd/yyyy)

NO. 74

Alan S. Pattie, Respondent

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

October 13, 2011

Date _____

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

[Handwritten signature]

Sarah B. Belter, Principal Counsel
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