

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100255279**

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

RE: Mark Alan Schroeder, Respondent
Limited Registered Representative
(CRD No. 3014840)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Mark Alan Schroeder ("Respondent"), 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Respondent entered the securities industry in February 1998 with State Farm VP Management Corporation (the "Firm"), a FINRA regulated broker-dealer. Respondent was also an independent contractor with State Farm Insurance, an affiliate of the Firm. Respondent was employed at the Firm and at State Farm Insurance until December 10, 2010 and March 18, 2011 respectively when he was terminated for converting funds that belonged to State Farm Insurance. During his registration with the Firm, Respondent held a Series 6, 26, and 63 and licenses to sell property and casualty and life/health insurance in New York State.

Respondent is not currently registered with a FINRA member, and FINRA retains jurisdiction over Respondent until December 10, 2012 pursuant to Article V, Section 4 of FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any prior disciplinary history in the securities industry.

OVERVIEW

From December 2009 to December 2010 (the "Relevant Period"), Respondent converted approximately \$31,730 from State Farm Insurance, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Respondent established a Premium Fund Account when he opened a State Farm insurance agency in 2008. State Farm Insurance required that Schroeder establish a Premium Fund Account, a bank account in his name for depositing insurance customer premium payments. Respondent used the Premium Fund Account for depositing insurance customer premium payments when he received them at his insurance agency. The insurance customer premium payments deposited into the Premium Fund Account became the property of State Farm Insurance. No other funds should have been deposited into the Premium Fund Account, and Respondent had no right to withdraw funds from the Premium Fund Account.

During the Relevant Period, Respondent made 57 improper withdrawals from his Premium Fund Account in various amounts for a combined total of \$31,730. Respondent admitted that he improperly withdrew funds from his Premium Fund Account and used those funds to pay for business and personal expenses. At the time of his termination from State Farm Insurance in March 2011, Respondent repaid all but \$321 of the improperly withdrawn amount.

Conversion is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it. By virtue of his conduct, Respondent converted \$31,730 from State Farm Insurance for his own use and benefit, in violation of FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanction:

- A bar from association with any FINRA registrant in any capacity.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Respondent 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has 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 Respondent to submit it.

2/8/2012

Date



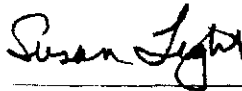
Mark Alan Schroeder

Accepted by FINRA:

2/14/12

Date

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



Susan Light
Senior Vice President and Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street 12th Floor
New York, New York 10281
(646) 315-7333 – t
(646) 315-7441 – f