

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033490101**

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

RE: Sean Steven Howell, Respondent
Former Registered Representative
CRD No. 4231662

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

Sean Steven Howell ("Howell" or "Respondent") first entered the securities industry in 2000. In May 2005, he became registered with Allstate Financial Services, LLC (the "Firm"), a FINRA member. While at the Firm, Howell maintained a General Securities Representative (Series 7). He was terminated on July 26, 2012. Howell became associated with Hornor, Townsend & Kent ("HTK"), a FINRA member, on April 10, 2013. He was terminated on September 19, 2013, and has not been associated with a FINRA-member firm since that date. Pursuant to FINRA By-Laws, Article V, Section 4, Howell remains subject to FINRA jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Respondent has no previous disciplinary history.

OVERVIEW

In 2010-2012, in six separate applications, Howell applied for life insurance on himself with Allstate Insurance ("Allstate"), the Firm's affiliate. Howell made misstatements on each of the applications. For example, on the sixth and final application, Howell incorrectly identified himself to be older and a smoker, causing the premium (and his commission) to be higher. Although he was paid an initial commission by the Firm on each of the policies, none of the policies ever went into effect, either because Howell failed to complete the underwriting process or failed to take delivery of the policy. Howell was charged back the commissions as the policies lapsed, but failed to repay the last and final commission, which was in excess of \$92,000.

In 2013-2014, Howell failed to fully or timely respond to three Rule 8210 requests for documents and information issued to him in the course of FINRA's investigation,

In 2011-2013, Respondent failed to timely and accurately disclose, in one instance willfully, two unsatisfied federal tax liens on his Form U4.

By reason of the foregoing, Howell violated FINRA Rules 2010 and 8210, and willfully violated FINRA Rule 1122 and Art. V, Section 2(c) of FINRA's By-Laws.

FACTS AND VIOLATIVE CONDUCT

Respondent Made Misstatements on Life Insurance Applications and Failed to Repay An Unearned Commission

Between March 30, 2010, and March 28, 2012, Howell applied for six life insurance policies on himself with Allstate, and the Firm paid him an initial commission in connection with each application. Howell failed, however, to take delivery or complete the underwriting on any of the policies; and, for four of the applications, failed to pay the initial premium. Because the insurance policies did not go into effect, Howell was charged back the commissions. For the sixth and last policy, Howell was paid an initial commission of \$92,016. This policy, like the other policies, never went into effect, and Howell was charged back the initial commission, leaving a deficit in his account. After he was terminated, Howell failed to repay this commission.

By reason of making material misstatements on insurance applications and by failing to repay a commission to which he was not entitled, Howell violated FINRA Rule 2010.

Respondent Failed to Timely and Fully Provide Requested Documents

In the course of FINRA's investigation, Howell was served with FINRA Rule 8210 requests, dated May 21, 2013, June 10, 2014, and June 26, 2014. Howell failed to timely and fully respond to these requests, thereby failing to produce documents and information material to FINRA's investigation such as tax returns, bank statements, and documents relating to federal tax liens entered against him.

As a result of the foregoing conduct, Howell violated FINRA Rules 8210 and 2010.

Respondent Failed to Disclose Tax Liens

During the period 2011-2013, Howell failed timely and accurately to disclose two liens from the Internal Revenue Service ("IRS").

The first lien, in the amount of \$245,282, was filed on December 14, 2011 in King County, WA, and on December 15, 2011 in San Francisco County, CA. Howell failed to disclose the lien prior to his termination July 26, 2012, while still associated with the Firm. In addition, Howell filed two amended form U4s in which he failed to disclose the lien, one on January 12, 2012 and one on February 23, 2012.

The second lien, in the amount of \$162,513, was filed on August 30, 2012 in King County, WA, and on October 19, 2012 in San Francisco County, CA. On April 10, 2013, Howell became associated via an initial Form U4 with HTK. In his initial Form U4, Howell disclosed an inaccurate amount and the wrong filing date for the first lien and willfully failed to disclose the second lien. Howell failed to correct this misinformation in two subsequent Form U4 amendments made on May 30, 2013 and July 30, 2013.

As a result of this foregoing conduct, Howell willfully violated FINRA Rules 1122 and 2010 and FINRA By-Laws, Art. V, Section 2(c).

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

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

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 Article III, Section 4 of FINRA's By-Laws, incorporating 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 or suspension (see FINRA Rules 8310 and 8311).

I understand that this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a

member.

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: (i) testimonial obligations; or (ii) 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.

9/4/2014

Date



Sean Steven Howell, Respondent

Reviewed by:

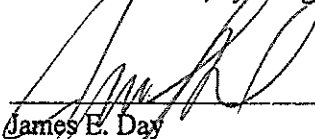


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Counsel For Respondent

Accepted by FINRA:

9/22/14
Date

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



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