

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012035229401**

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

RE: Thomas J. Centeno, Respondent
Investment Company/Variable Contracts Product Representative
(CRD No. 3001882)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Thomas Joseph Centeno ("Respondent" or "Centeno"), 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. 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

Respondent entered the securities industry in December 1997 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. On December 17, 2012, the Firm filed a Form U-5 with FINRA, reporting that Respondent was terminated by the Firm and the State Farm on December 11, 2012 for failing to follow State Farm Insurance's procedures pertaining to the timely deposit of customer insurance premiums. During his association with the Firm, Respondent held a Series 6 and 63 licenses to sell property and casualty and life/health insurance.

Respondent is not currently associated with a FINRA regulated broker-dealer. However, FINRA retains jurisdiction over Respondent until December 16, 2014, pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

From April 2012 to September 2012 (the "Relevant Period"), Respondent converted approximately \$11,130 from State Farm Insurance, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

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, and violates FINRA Rule 2010.

Pursuant to State Farm Insurance's requirements, Respondent established a Premium Fund Account, a bank account in his name for depositing insurance customer premium payments, when he opened a State Farm Insurance agency in or about 1997. Respondent was to use the Premium Fund Account for depositing insurance customer premium payments when he received them from his insurance agency customers. 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 converted approximately \$11,130 from the Premium Fund Account, by improperly withdrawing the funds from the Premium Fund Account, and diverting them to his own use, rather than their intended purpose as insurance premiums. As a result, Respondent violated 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 Chief Legal Officer, 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. 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 Respondent's: (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.

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.

Date

08/08/14

Thomas Joseph Centeno

Reviewed by:

Douglas Centeno
Counsel for Respondent

Benton & Centeno, LLP
2019 Third Avenue North
Birmingham, Alabama 35203

Accepted by FINRA:

Date 8/12/14

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



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