

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035417001**

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

RE: Brian Wolf, Respondent
General Securities Representative
CRD No. 2038773

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

Wolf entered the securities industry in 1990. From April 2007 to December 2012, he was registered with MidAmerica Financial Services, Inc. ("MFS") as a General Securities Representative. Wolf voluntarily terminated his association with MFS on December 19, 2012, and since that time he has not been registered with any FINRA member.

RELEVANT DISCIPLINARY HISTORY

None

OVERVIEW

Between January 2010 and November 2012, Wolf sold equity-indexed annuities without submitting the applications to his member firm, MFS, as the firm

required. Because this constituted an undisclosed outside business activity, Wolf's conduct violated NASD Conduct Rule 3030 and FINRA Rules 3270¹ and 2010.

FACTS AND VIOLATIVE CONDUCT

While acting as a registered representative of MFS, Wolf also sold equity-indexed annuities ("EIAs") through an outside insurance agency. During 2010-2012, Wolf sold at least 132 EIAs and received a total of approximately \$840,000 in commissions from those sales.

When Wolf joined MFS in 2008, he signed a Registered Representative Agreement. That agreement referenced other outside business activities, and Wolf disclosed that his outside business activities included sales of indexed annuities and other insurance products, but MFS did not at that time place specific requirements or restrictions on the sale of EIAs away from MFS.

In 2010, however, MFS changed its requirements for registered representatives who sold EIAs. The firm's new process required representatives to submit every EIA application to the firm for review and approval. To offset the firm's cost of providing supervisory review, MFS also charged its representatives \$50 per EIA application submitted. Following this policy change, Wolf submitted at least two EIA applications to MFS in 2010. The firm assessed him the \$50 review fee for each application.

Wolf and MFS later agreed to eliminate the \$50 fee per application in exchange for Wolf accepting a lower commission on the securities transactions that he placed through the firm. A 2010 amendment to Wolf's Registered Representative Agreement memorialized that change:

The Company [MFS] acknowledges Representative [Wolf] is actively selling EIA's (sic) and Representative acknowledges the Company may be required to supervise this outside business activity. As such, Representative agrees to submit copies of all new EIA contracts to the Company at least five (5) days prior to the end of the "free look" period and will submit copies of all EIA client statements to the Company.

Company acknowledges Representative will not pay for supervision of new EIA contracts and Representative will accept a lower payout on all securities business in return for no EIA supervision fee.

Although the amendment reiterated the requirement that Wolf submit all new EIA contracts to MFS for review, and although Wolf continued selling EIAs, he did not submit applications for the vast majority of EIAs he sold during 2010-12 to

¹ NASD Rule 3030 was superseded by FINRA Rule 3270, effective December 15, 2010.

MFS for review. During that time, Wolf sold approximately 125 EIAs without submitting the contracts to MFS.

In November 2011, Wolf signed an attestation that he had sent MFS copies of all EIAs for principal review. Specifically, the attestation included the statement, "The undersigned has NOT submitted any equity-indexed annuities to any carrier without disclosing [them] to the firm." Wolf contended that he had a verbal agreement with MFS under which he was exempt from the principal-review requirement, ostensibly because the firm was comfortable with his business practices. MFS denied making any such agreement.

Through this conduct, Wolf violated NASD Rule 3030 and FINRA Rules 3270 and 2010.

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

1. A six-month suspension from associating with any broker-dealer in any capacity, and
2. A fine of \$5,000.00.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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).

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 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.

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.

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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 [the Firm] to submit it.

12-03-2014
Date (mm/dd/yyyy)

Brian A. Wolf
Brian Wolf, Respondent

Reviewed by:

Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

12/10/14

Date

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



Adam B. Walker
Senior Regional Counsel
FINRA Department of Enforcement
120 W. 12th Street, 8th floor
Kansas City, Missouri 64105
(816) 421-5700 / (816) 421-4519 (fax)