

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035951701**

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

RE: Jacob Paul Hanson, Respondent
CRD No. 6129533

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

Respondent was associated with Farmers Financial Solutions, LLC ("Farmers Financial" or "the Firm") as a nonregistered fingerprint employee beginning October 15, 2012. He registered to take the Series 6 examination but withdrew before taking the exam. The Firm terminated Respondent's association on February 6, 2013, after its affiliated insurance company terminated his insurance appointment as a result of the instant conduct. Respondent has not been registered or associated with any FINRA member firm since his termination from the firm.

FINRA retains jurisdiction over Respondent pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to Respondent's termination of association with a FINRA member, and this AWC has been filed within two years after the effective date of his last termination of association with a FINRA member.

FACTS AND VIOLATIVE CONDUCT

During the time that Respondent was associated with Farmers Financial, he also was employed as an independent insurance agent by Farmers Insurance Group ("FIG"). On or about November 13, 2012, one of his insurance customers gave Respondent \$1,000 in cash for payment of a business liability insurance premium. Respondent failed to apply that payment to the customer's insurance premium and instead used it for his own personal use.

Additionally, from October 15, 2012 through on or about November, 2012, Respondent entered false information regarding the receipt of customer premiums into FIG's computer systems. Specifically, while associated with Farmers Financial, Hanson marked as "received" 21 insurance premiums totaling approximately \$3,600 that he had not actually received. Respondent marked the premiums as "received" based on his customers' promises to pay them at a future date. Moreover, in order to make his monthly quota, Respondent sometimes marked as "received" premiums that he intended to pay on behalf of his customers at a future date.

As a result, Hanson violated FINRA Rule 2010.

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

1. A bar from association with a FINRA member firm in any capacity.

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.

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 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:

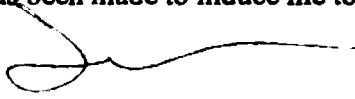
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

3/6/2014
Date (mm/dd/yyyy)

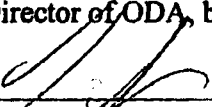


Jacob Paul Hanson, Respondent

Accepted by FINRA:

3/18/14
Date

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



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