

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013038584601**

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

RE: Forethought Distributors, LLC, Respondent ("Forethought" or "the Firm")
Member Firm
CRD No. 8326

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Forethought Distributors LLC ("Forethought" or "the Firm") 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 the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Forethought 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

Forethought (formerly known as Planco Financial Services, Inc./LLC and Hartford Life Distributors, LLC) has been registered with FINRA since November 1980, and acts as a wholesaler and principal underwriter of variable annuity products. Forethought is headquartered in Simsbury, Connecticut and has 10 registered branch offices and 73 non-registered office locations.

RELEVANT DISCIPLINARY HISTORY

The Firm has no relevant formal disciplinary history.

OVERVIEW

Forethought failed to retain all business-related electronic communications, specifically emails, of approximately 28 individuals during an eleven month period in 2013. This conduct violated Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-4(b)(4) thereunder, and FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

At the times relevant herein, Exchange Act Rule 17a-4 required that member firms maintain and preserve, for a period of not less than three years (the first two years in an easily accessible place), electronic communications relating to the firm's business as a broker-dealer. In Notices to Members 98-11, 01-80 and 03-33, FINRA provided member firms information and guidance regarding their supervisory and recordkeeping obligations as to electronic communications, including e-mails and instant messaging.

On January 1, 2013, Forethought began using a new outside vendor for its email retention system. On three separate occasions, in February, September, and November 2013, the Firm discovered that, as a result of inadvertent gaps in internal processes, the Firm had not properly set up a total of approximately 28 individual email accounts to journal automatically to the email retention system. In February 2013, after discovering 11 email accounts affected by the issue, the Firm took steps to correct and prevent its recurrence. However, in September 2013, after receiving a request from FINRA for email concerning a registered representative, the Firm discovered that the issue had reoccurred with respect to certain additional email accounts and reported the issue to FINRA in October 2013.

By failing to maintain and preserve all of its business-related electronic communications, Forethought violated Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-4(b)(4) thereunder, and FINRA Rules 4511 and 2010.

B. Forethought also consents to the imposition of the following sanctions:

- a censure; and
- a fine in the amount of \$40,000.

Forethought agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payments are due and payable. Forethought has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Forethought specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against it;
- 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, Forethought 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.

Forethought 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

Forethought 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 the Firm;
- C. If accepted:
 - 1. this AWC will become part of Forethought's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Forethought'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. Forethought 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. Forethought 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 Forethought's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and
- D. Forethought may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Forethought understands that it 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.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given

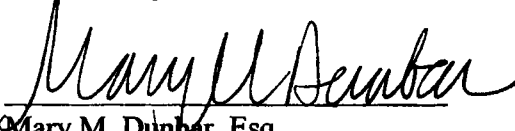
a full opportunity to ask questions about it; that the Firm has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

Forethought Distributors, LLC

12/2/2014
Date

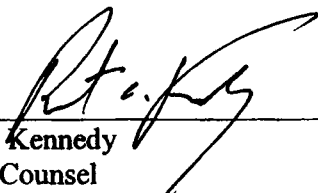
By: 
President

Reviewed by:


Mary M. Dunbar, Esq.
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Washington, DC 20004
202-739-5358
Counsel for Respondent

Accepted by FINRA:
12/26/14
Date

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


Robert C. Kennedy
Regional Counsel
FINRA Department of Enforcement
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