

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

**KA KIERTONKAYSY LOR
(CRD No. 4761591),**

Respondent.

**DISCIPLINARY PROCEEDING
No. 2014041073501**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In or about October 2013, Respondent Ka Kiertonkaysy Lor ("Lor" or "Respondent") converted certain insurance customer funds and used them to pay for her office rent, staff salaries and office expenses, rather than making the customers' insurance premium payments. Subsequently, in or about January 2014, Lor converted approximately 34 additional insurance customers' funds, totaling more than \$4,700. Those customers intended the funds for their insurance premium payments. However, Lor used the funds to make insurance premium payments for other customers whose monies she had previously converted. Lor thereby violated FINRA Rule 2010.

2. Lor also failed to provide testimony and documents that FINRA requested pursuant to FINRA Rule 8210. Accordingly, Lor violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Lor entered the securities industry during February 2004 when she became associated with a FINRA member firm. During August 2008, she became associated with FINRA member Farmers Financial Solutions, LLC ("Farmers Financial" or the "Firm"). Between 2004 and 2005, Lor obtained the following securities licenses: Series 6 (Investment Company Products/ Variable Contracts Representative); Series 63 (Uniform Securities Agent); and Series 26 (Investment Company Products/Variable Contracts Principal. Lor was registered with FINRA in those capacities during her employment with the Firm.

4. While associated with Farmers Financial, Lor was also an insurance agent and independent contractor with Farmers Insurance Group ("Farmers Insurance"), an affiliate of Farmers Financial.

5. From approximately 2008 through 2009, Lor worked in Farmers Insurance's district office in Elk Grove, California. Subsequently, Lor worked out of her own location that she called the Ka Lor Agency in Sacramento, California. Lor sold property, casualty, and life insurance products.

6. On May 2, 2014, Farmers Financial filed a Uniform Termination Notice for Securities Industry Registration (Form U5) terminating her association with the Firm as of May 1, 2014 and reporting that Lor "in her capacity as an insurance agent, allegedly used property and casualty insurance premiums for office/business expenses." Lor has not been registered with FINRA or associated with any FINRA member since her termination from Farmers Financial.

7. Although Lor is no longer registered or associated with a FINRA member firm, she remains subject to FINRA's jurisdiction for the purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years

after the effective date of termination of Respondent's registration with Farmers Financial and (2) the Complaint charges her with misconduct committed while she was registered or associated with a FINRA member and with failing to provide testimony and documents in response to FINRA requests during the two-year period after the date upon which she ceased to be registered or associated with a FINRA member.

FIRST CAUSE OF ACTION
Conversion of Funds
Violation of FINRA Rule 2010

8. The Department realleges and incorporates by reference paragraphs 1 through 7 above.

9. During in or about October 2013, Lor converted certain Farmers Insurance customers' cash to pay members of the staff Lor retained for the Ka Lor Agency and to pay other business and office expenses of the Ka Lor Agency. The customers intended those monies for their insurance premium payments. Lor used those monies for her own business expenses, rather than making those premium payments. Subsequently, during January 2014, Lor collected additional cash insurance premium payments, totaling more than \$4,700, from approximately 34 additional Farmers Insurance customers, but failed to apply those funds for the customer's benefit.

10. Instead, Lor converted the funds by using them to make premium payments for other insurance customers whose funds she had previously converted.

11. As a result of the foregoing conduct, Lor violated FINRA Rule 2010.

SECOND CAUSE OF ACTION
Failure to Provide Documents
Violations of FINRA Rules 8210 and 2010

12. The Department realleges and incorporates by reference paragraphs 1 through 11 above.

13. On August 25, 2015, pursuant to FINRA Rule 8210, the FINRA Enforcement Staff (the "Staff") sent a letter to the attorney acting as Lor's counsel of record at the time, NA, requesting, among other information and documents, Lor's federal and state tax returns for tax year 2013. Lor's deadline to provide the documents was September 14, 2015.

14. In emails dated August 25, 2015 and August 30, 2015, Lor, through NA, refused to provide her federal or state tax returns for 2013.

15. Lor never provided her federal or state tax returns for 2013.

16. By failing to provide documents and information pursuant to FINRA Rule 8210, Lor violated FINRA Rules 8210 and 2010.

THIRD CAUSE OF ACTION
Failure to Appear and Testify
Violations of FINRA Rules 8210 and 2010

17. The Department realleges and incorporates by reference paragraphs 1 through 16 above.

18. On December 2, 2015, pursuant to Rule 8210, the Staff sent a written request (the "December 2 Request") to NA, requesting that Lor provide investigative testimony at FINRA's Los Angeles, California offices on January 14, 2016.

19. The December 2 Request was sent by certified mail and email to NA's office located in Beverly Hills, California and at NA's business email address.

20. The United States Postal Service's certified Domestic Return Receipt Form was signed and returned indicating delivery of the December 2nd Request.

21. In a letter dated December 2, 2015, NA acknowledged receipt of the request and stated that Lor would not appear for testimony on January 14, 2016, or on any other date during January 2016 or February 2016.

22. On December 11, 2015, pursuant to Rule 8210, the Staff sent a second written request (the "December 11 Request") to NA, requesting that Lor provide investigative testimony at FINRA's Los Angeles, California offices on January 14, 2016.

23. The December 11 Request was sent by certified mail, first class mail, and email to NA's office located in Beverly Hills, California and at NA's business email address.

24. The United States Postal Service's certified Domestic Return Receipt Form was signed and returned indicating delivery of the December 11 Request.

25. In an email dated December 12, 2015, NA acknowledged receipt of the request and stated that Lor would not appear for testimony on January 14, 2016.

26. On December 16, 2015, in an email to NA's business email address, the Staff stated that the December 2, 2015 Request and the December 11, 2015 Request remained outstanding.

27. Lor failed to appear for and provide testimony on January 14, 2016. Nor has she provided testimony on any other date since.

28. By virtue of the foregoing, Lor violated FINRA Rules 8210 and 2010.

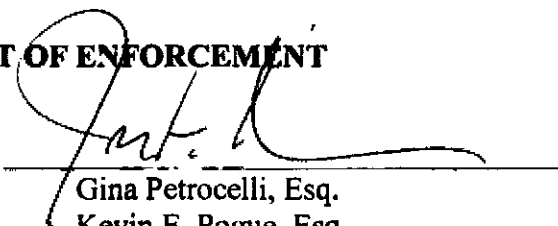
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330;

FINRA DEPARTMENT OF ENFORCEMENT

Date: April 7, 2016



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