

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014042783901**

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

RE: Shannon Marie Rowland, Respondent
Investment Company Products/Variable Contracts Limited Representative
CRD No. 4526235

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Shannon Marie Rowland ("Rowland"), 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

Rowland entered the securities industry in March 2002 with State Farm VP Management Corp. ("State Farm VP" or the "Firm"), a FINRA-regulated broker-dealer. Rowland obtained her Series 6 and Series 63 securities licenses in April 2002, at which time she became an Investment Company Products/Variable Contracts Representative with the Firm. From March 2002 to September 2014, Rowland was also a licensed insurance agent and independent contractor with State Farm VP's insurance affiliate, State Farm Insurance Co. ("State Farm Insurance").

In a Uniform Termination Notice for Securities Registration ("Form U5") dated September 26, 2014, the Firm notified FINRA that it terminated Rowland's employment as of September 12, 2014 following an internal review by State Farm Insurance that concluded that Rowland was inappropriately handling a State Farm Insurance account established for the deposit of customers' insurance premiums.

Rowland is not currently associated with a FINRA-regulated broker-dealer; however, FINRA retains jurisdiction over her pursuant to Article V, Section 4(a) of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Rowland has no prior relevant disciplinary history in the securities industry.

OVERVIEW

From December 2013 to August 2014 (the "Relevant Period"), while associated as an Investment Company Products/Variable Contracts Representative with the Firm, Rowland converted at least \$15,885 in customer funds and funds belonging to her employer, State Farm Insurance, by using cash received from customers as insurance premium payments and monies deposited into her insurance office's designated premium fund account for her personal use and benefit, in violation of FINRA Rule 2010.

In addition, Rowland willfully failed to report a 2012 civil judgment on her Uniform Application for Securities Industry Registration or Transfer ("Form U4"), in violation of Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

I. Rowland Converted Customer Funds and Funds from State Farm Insurance

FINRA Rule 2010 requires each FINRA member and its associated persons to "observe high standards of commercial honor and just and equitable principles of trade." 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.

During the Relevant Period, pursuant to State Farm Insurance's requirements, Rowland controlled a Premium Fund Account ("PFA"), a bank account established in her name for the deposit of insurance customer premium payments. Rowland was required by State Farm Insurance to use the PFA for depositing insurance customer premium payments when she received them from her insurance agency customers. Rowland admits that the insurance customer premium payments deposited into the PFA were the property of State Farm Insurance and that she had no authority to withdraw funds from the PFA or use PFA funds for her personal and non-work related use.

During the Relevant Period, Rowland converted at least \$15,885 from insurance customers and from State Farm Insurance by improperly using cash received from customers and funds from the PFA for her own use and benefit, rather than their intended purpose as insurance premium payments. By converting funds belonging to her insurance customers and State Farm insurance, Rowland violated FINRA Rule 2010.

II. Rowland Willfully Failed to Update Her Form U4 to Report a Civil Judgment

Article V, Section 2(c) of the FINRA By-Laws requires registered persons to keep their Form U4 "current at all times," and requires that amendments to Forms U4 must be filed "not later than 30 days after learning of the facts or circumstances giving rise to the amendment."

FINRA Rule 1122 provides that "[n]o member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof." A violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rule 1122 constitutes a violation of FINRA Rule 2010.

On July 19, 2012, while Rowland was associated with the Firm, a civil judgment in the amount of \$14,731 was jointly rendered against Rowland and her husband (the "2012 Civil Judgment"). Although Rowland was fully aware of the 2012 Civil Judgment by at least May 22, 2014, the date she satisfied the judgment, and her obligation to report such information, she failed to amend her Form U4 to disclose the 2012 Civil Judgment. Rowland's failure to amend her Form U4 was willful, and resulted in it containing inaccurate, false and materially misleading information.

By willfully failing to amend her Form U4 to disclose the 2012 Civil Judgment, Rowland violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010.

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

A bar from association with any FINRA-regulated broker-dealer in all capacities.

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).

I understand that this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 accordance with FINRA Rule 8313;
 - 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.

5-19-16

Date (mm/dd/yyyy)

Shannon Marie Rowland
Shannon Marie Rowland, Respondent
Pro Se

Accepted by FINRA:

6/8/16
Date

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

Richard Chin
Richard Chin
Chief Counsel
FINRA Department of Enforcement
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