

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016050333401**

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

RE: Diana Lee Stallone, Respondent
Registered Representative
CRD No. 1870327

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 violation 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 purpose 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

Diana Lee Stallone ("Stallone") first entered the securities industry, through employment with a member firm, in July 1988. Stallone obtained her Series 7 (General Securities Representative/GSR) registration in September 1995. In June 2012, Stallone became an insurance agent for Farmer Insurance Group of Companies ("Farmers Insurance"). In January 2013, Stallone became associated with Farmers Financial Solutions, LLC (the "Firm") as a GSR. At all relevant times, Stallone was an agent for Farmers Insurance, and she was registered as a GSR through an association with the Firm.

On June 14, 2016, the Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), terminating Stallone's registration with the Firm and with FINRA. The Firm reported that Farmers Insurance terminated its association with Stallone, because she failed to adhere to certain guidelines concerning commercial property and casualty insurance.

Stallone is not currently registered with FINRA, and she is no longer associated

with any FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

Stallone has no prior disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization, or any state securities regulator.

OVERVIEW

From August 2015 through April 2016, while registered with FINRA through the Firm, Stallone converted customer insurance premiums to her personal use without authority. As a result, Stallone violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 requires all associated persons to observe high standards of commercial honor and just and equitable principles of trade.

Conversion is the 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. Conversion violates FINRA Rule 2010.

Between August 2015 and April 2016, while registered with FINRA through the Firm, Stallone received from two insurance customers, and deposited into her insurance agency bank account, nine payments of insurance policy premiums, totaling \$9,768. The payments were made in cash and by check. Stallone, however, remitted only \$6,033 of that amount for payment of the insurance policy premiums. Stallone intentionally converted the majority of the remaining \$3,735 of her insurance customers' funds to her personal use, without authority. Stallone used a portion of the remaining funds to satisfy other business expenses.

By reason of the forgoing, Stallone violated FINRA Rule 2010.

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

- A bar from associating with any FINRA member in any capacity.

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).

The sanction imposed herein shall be effective on a date set by FINRA staff. A bar 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.

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Date (mm/dd/yyyy)

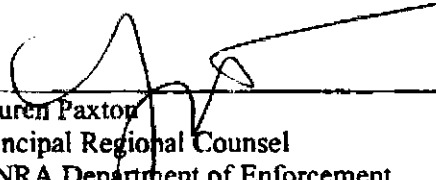
[Signature]
Respondent, Diana Lee Stallone

Accepted by FINRA:

November 17, 2016

Date

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



Lauren Paxton
Principal Regional Counsel
FINRA Department of Enforcement
200 Liberty Street
New York, New York 10281
(T) 212-858-4298 (F) 301-527-4810
Email: Lauren.Paxton@FINRA.org