

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018058777101**

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

RE: Kari Ann Buckles, Respondent
Former Investment Company and Variable Contracts Products Representative
CRD No. 6443019

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Kari Ann Buckles 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Respondent joined the securities industry in January 2015, when she associated with Allstate Financial Services LLC (CRD No. 18272) ("Allstate"). Beginning in December 2015, she registered through Allstate as an Investment Company and Variable Contracts Products Representative. Her registration terminated on September 12, 2018.

Although Respondent is not currently associated with a FINRA member, FINRA retains jurisdiction over her pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

When she registered with Allstate, Buckles owned an Allstate Insurance Company

insurance agency. Buckles's agency employed an individual who had a SIMPLE (Savings Incentive Match Plan for Employees) IRA brokerage account through Allstate and who, therefore, was a customer of Allstate. Buckles agreed to withhold money from the employee's paycheck and then contribute that money to the SIMPLE IRA account. After initially making those contributions, Buckles intentionally ceased payments for over two years, leaving the withholdings in the agency's operating account and using them to pay other expenses, including her own, personal expenses. By virtue of the foregoing, Buckles converted funds in violation of FINRA Rule 2010.

Additionally, Buckles failed to provide testimony requested by FINRA pursuant to FINRA Rule 8210. As a result, Buckles violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Buckles Converted Funds in Violation of FINRA Rule 2010

When Buckles registered through Allstate in December 2015, she owned an Allstate Insurance Company insurance agency that employed JN. Buckles, acting through the agency, had agreed to withhold 3% of JN's bi-weekly paycheck and remit that withholding to a SIMPLE IRA account that JN obtained through Allstate. Buckles was obligated to remit those withholdings to the SIMPLE IRA account within 30 days of the end of the month when the amounts would otherwise have been payable to JN in cash.

Buckles remitted withholdings to JN's SIMPLE IRA account through January 2016. But then Buckles stopped remitting the funds for over two years, without informing JN. During that time, Buckles did not segregate JN's withholdings from other agency funds; the withholdings remained in the agency's operating account, an account Buckles used to pay other expenses. Some of those expenses were for Buckles's personal activities. As of December 31, 2017, Buckles had failed to contribute about \$2,264 in JN's withholdings to the SIMPLE IRA account. Buckles acted intentionally when she failed to remit JN's withholdings. After JN discovered the non-payment, Buckles remitted the unpaid withholdings to JN's SIMPLE IRA account.

FINRA Rule 2010 requires registered representatives to observe high standards of commercial honor and just and equitable principles of trade. A representative violates Rule 2010 by committing conversion, which is an intentional and unauthorized taking of, or exercise of ownership over, property by one who neither owns the property nor is entitled to possess it. By virtue of the foregoing, Buckles converted JN's funds and thus violated FINRA Rule 2010.

Buckles Also Violated FINRA Rule 8210

FINRA Rule 8210 provides that, for the purpose of an investigation, FINRA staff shall have the right to "require a member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, . . . and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court . . .

reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding[.]”

On July 29, 2019, FINRA staff sent a request to Buckles for on-the-record testimony pursuant to FINRA Rule 8210. As stated in an e-mail to FINRA staff on July 29, 2019, and by this agreement, Buckles acknowledges that she received FINRA’s request and will not appear for on-the-record testimony at any time. By refusing to appear for on-the-record testimony as requested pursuant to FINRA Rule 8210, Buckles has violated FINRA Rules 8210 and 2010.

- B. Respondent also consents to the imposition of the following sanctions:

A bar from association with any FINRA member in any capacity.

Respondent understands that if she is barred or suspended from associating with any FINRA member, she becomes 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, she 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 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

Respondent specifically and voluntarily waives the following rights granted under FINRA’s Code of Procedure:

- A. To have a Complaint issued specifying the allegations against her;
- 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, Respondent specifically and voluntarily waives 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.

Respondent 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.

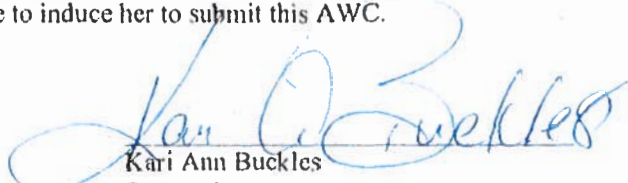
OTHER MATTERS

Respondent 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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. Respondent 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. Respondent 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 Respondent's: (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.

Respondent certifies that she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise her and Respondent cannot rely on FINRA or FINRA staff members for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and 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 her to submit this AWC.

8/16/19
Date


Kari Ann Buckles
Respondent

Accepted by FINRA:

8/27/19
Date

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


Josh C. Hess
Principal Counsel
FINRA
Department of Enforcement
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Rockville, MD 20850