

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018058977001**

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

RE: Torrey Brent Sattof, Respondent
Investment Company and Variable Contracts Products Representative
CRD No. 5851586

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Torrey Brent Sattof 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

Sattof first entered the securities industry in September 2010. In August 2017, Sattof associated with Bankers Life Securities, Inc. ("BLS" or the "Firm") and BLS filed a Form U4 applying for Sattof's registration. In March 2018, he became registered with BLS as an Investment Company and Variable Products Representative. BLS terminated Sattof's registration by Form U5 filed on June 26, 2018, wherein it disclosed that Sattof was terminated for being "involved in a scheme to defraud" BLS's affiliated insurance company by "submit[ing] fraudulent records for reimbursements for gift cards purchased as incentive awards but used by himself [for] personal use."

Sattof is no longer associated with a FINRA member, but FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's 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

From September 2017 through October 2017 (the “Relevant Period”), while associated with BLS, Sattof converted \$1,091.24 from BLS’s affiliated insurance company in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA began an investigation into this matter after receiving the Form U5 filed by BLS in June 2018.

Pursuant to FINRA Rule 2010, a registered representative “shall observe high standards of commercial honor and just and equitable principles of trade.” Conversion occurs when there 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. Conversion violates FINRA Rule 2010.

While associated with BLS, Sattof worked as a Branch Sales Manager (“BSM”) for Bankers Life and Casualty Company (“BLC”), BLS’s insurance affiliate. The BLC branches managed by Sattof utilized a discretionary spending program known as the Field Support Program (“FSP”). The FSP’s purpose was “to provide the [BSM] with marketing and developmental dollars for the payment or reimbursement of expenses incurred to support sales operations.”

As BSM, Sattof created insurance sales and training contests for agents in the branches he managed and used money from the FSP account to fund the awards given to the contest winners. He selected all prizes for the contest winners, with gift cards being the most commonly awarded. Sattof purchased the gift cards using his personal funds and then sought reimbursement from BLC with funds from the FSP account.

On two occasions during the Relevant Period, Sattof caused BLC to reimburse him for gift cards that he purchased and purportedly awarded to the winners of insurance sales and training contests when, in fact, Sattof had fabricated the contests and kept the gift cards for his personal use. In each instance, Sattof directed an assistant, who was unaware that the contest had been fabricated, to prepare the reimbursement request form, which Sattof then signed in his capacity as a supervisor.

First, on September 5, 2017, Sattof purchased \$375 and \$200 gift cards for which he paid \$581.48, including activation fees. The next day, he signed an FSP reimbursement request in which he sought reimbursement of \$581.48 for the two gift cards. According to the request, the gift cards had been awarded to the first and second place winners of a “Team Training Contest.” In fact, Sattof fabricated the “Team Training Contest” and kept the \$375 and \$200 gift cards for his personal use. Sattof had previously directed employees to pre-sign blank award forms, which were then used with the reimbursement request. BLC approved the request and deposited the reimbursement funds directly into Sattof’s personal bank account on October 6, 2017.

Second, on September 15, 2017, Sattof purchased two \$250 gift cards for which he paid \$509.76, including activation fees. On October 12, 2017, he signed an FSP reimbursement request in which he sought reimbursement of \$509.76 for the two gift cards. According to the request, the two gift cards had been awarded to two of the winners of a "Kickoff Fall Contest." In fact, Sattof fabricated the "Kickoff Fall Contest" and kept the two \$250 gift cards for his personal use. Again, Sattof used pre-signed blank award forms with the reimbursement request. BLC approved the request and deposited the reimbursement funds directly into Sattof's personal bank account on October 24, 2017.

Based on Sattof's false reimbursement requests, he received reimbursements totaling \$1,091.24, to which he was not entitled, for gift cards that he kept for personal use.

In May 2018, Sattof attempted to receive additional reimbursements from BLC totaling \$1,231.42 for gift cards he purchased in connection with further fictitious contests. Sattof also sought to involve two of his supervisees in his scheme by giving each a \$100 gift card to reimburse them for taxes they would owe on their purported contest winnings. In this instance, however, BLC detected that these sales contests were fictitious and did not reimburse Sattof for the claimed expenses.

By virtue of the foregoing, Sattof converted BLC's funds in violation of FINRA Rule 2010.

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

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

Respondent understands that if he is barred or suspended from associating with any FINRA member, he 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, he 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 him;

- 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

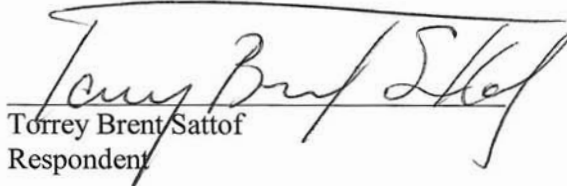
Respondent understands that:

- 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 he has read and understand 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 him 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 him to submit this AWC.

4/14/2020
Date


Torrey Brent Sattof
Respondent

Accepted by FINRA:

4/27/2020

Date

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


Joshua I. Sherman
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FINRA
Department of Enforcement
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