

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

Department of Enforcement,

Complainant,

v.

Elizabeth Ann Sollars (CRD No. 6606776),

Respondent.

DISCIPLINARY PROCEEDING
No. 2020065292102

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In connection with FINRA's investigation into allegations that she misappropriated insurance customer premium payments, Respondent Elizabeth Ann Sollars failed to provide information and documents and failed to appear and provide testimony to FINRA requested pursuant to FINRA Rule 8210. As a result, Sollars violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Sollars entered the securities industry in June 2017, when she became registered with FINRA as an Investment Company and Variable Contracts Products Representative and Uniform Securities Agent through her association with Allstate Financial Services, LLC (the "Firm"), a FINRA member. Until January 2020, Sollars was registered in that capacity and was dually-employed with the Firm's insurance affiliate, Allstate Insurance Company.

3. On January 10, 2020, the Firm filed a Uniform Termination Notice for

Securities Industry Registration (“Form U5”) stating it had terminated Sollars’ employment “after allegations by parent property & casualty insurance company of misappropriation of insurance premiums.”

4. Although Sollars is no longer registered or associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA’s By-Laws, because the Complaint (1) was filed within two years after January 10, 2020, which was the effective date of termination of Sollars’ registration with the Firm, and (2) charges her with failing to respond to FINRA's requests for documents and information, and with failing to appear for on-the-record (“OTR”) testimony during the two-year period after the date on which she ceased to be registered or associated with a FINRA member.

BACKGROUND

5. On January 27, 2020, FINRA’s Member Supervision department sent Sollars a request for information pursuant to FINRA Rule 8210 concerning among other things, the allegations in the Form U5. The request required Sollars to produce the requested information by February 7, 2020. Sollars did not respond to the January 27, 2020 Request by February 7, 2020.

6. On February 19, 2020, FINRA’s Member Supervision department sent Sollars a second request for the same information pursuant to FINRA Rule 8210. The February 19, 2020 Request required Sollars to produce the requested information by March 4, 2020. Sollars did not respond to the February 19, 2020 Request by March 4, 2020.

7. As a result of Sollars’ two failures to produce the information requested by Member Supervision, FINRA staff initiated an expedited proceeding against Sollars pursuant

to FINRA Rule 9552. On March 27, 2020, FINRA staff sent Sollars a Notice of Suspension Letter pursuant to FINRA Rule 9552, informing Sollars that she would be suspended unless she provided the requested information on or before April 20, 2020.

8. Following the Notice of Suspension Letter, on April 20, 2020, Sollars wrote a letter to FINRA staff responding to the outstanding 8210 requests and denying that she misappropriated any funds. Based on her letter, FINRA withdrew the Notice of Suspension.

CAUSE OF ACTION
Failure to Provide Information and Documents and
to Appear and Provide Testimony
(FINRA Rules 8210 and 2010)

9. The Department of Enforcement realleges and incorporates all preceding paragraphs.

10. FINRA Rule 8210(a)(1) requires a “member, person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically ... and to testify at a location specified by FINRA staff ... with respect to any matter involved in the investigation, complaint, examination, or proceeding[.]”

11. FINRA Rule 8210(c) similarly provides that “[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

12. FINRA Rule 8210(d) specifies that notice under Rule 8210 shall be deemed received by a current or former registered representative to whom it is directed by mailing or otherwise transmitting the notice to the last known residential address of the registered representative as reflected in the Central Registration Depository (“CRD”).

13. A violation of FINRA Rule 8210 also constitutes a violation of FINRA Rule 2010, which requires associated persons to “observe high standards of commercial honor and

just and equitable principles of trade.”

Sollars Failed to Provide Information and Documents in Response to a Rule 8210 Request

14. On February 23, 2021, as part of its investigation into whether Sollars had misappropriated insurance customer premium payments as set forth in the Form U5, FINRA staff mailed a letter to Sollars, pursuant to FINRA Rule 8210, requesting that she provide documents and information by March 9, 2021 (the “February 23, 2021 Request”). The February 23, 2021 Request provided that, under FINRA Rule 8210, Sollars was “obligated to respond to this request fully, promptly, and without qualification[, and] failure to satisfy these obligations could expose you to sanctions, including up to a permanent bar or expulsion from the securities industry.”

15. FINRA staff sent the February 23, 2021 request to Sollars by certified mail and first-class U.S. mail at her last known residential address, as identified in the CRD (the “CRD Address”) and by email to her known email address.

16. The United States Postal Service (“USPS”) reported that the copy of the February 23, 2021 Request sent by certified mail was delivered on March 6, 2021, and the certified mail delivery receipt shows the signature of the recipient as Elizabeth Sollars. The copies of the February 23, 2021 Request sent by first class U.S. mail and by email were not returned to FINRA.

17. The information and documents FINRA requested in the February 23, 2021 Request were material to FINRA’s investigation. Specifically, in light of Sollars’ April 2020 denial that she misappropriated insurance premiums or other funds, the February 23, 2021 Request sought (i) a list of all bank and brokerage accounts in which she had a financial interest during the period of August 1, 2019 through December 31, 2019 and

(2) copies of all account statements for each such account during the same period.

18. Sollars did not respond to the February 23, 2021 Request.

19. On March 16, 2021, FINRA staff sent a second letter to Sollars, pursuant to FINRA Rule 8210, attaching the February 23, 2021 Request (the “March 16, 2021 Request”). The March 16, 2021 Request requested Sollars to provide responsive documents and information by March 31, 2021. The March 16, 2021 Request provided that, under FINRA Rule 8210, Sollars was “obligated to respond to this request fully, promptly, and without qualification[, and] failure to satisfy these obligations could expose you to sanctions, including up to a permanent bar or expulsion from the securities industry.”

20. FINRA staff sent the March 16, 2021 Request to Sollars by certified mail and by first class U.S. mail at her CRD Address and by email to her known email address.

21. The USPS reported that the copy of the March 16, 2021 Request sent by certified mail was delivered on March 20, 2021, and the certified mail delivery receipt shows the signature of the recipient as E. Sollars. The copies of the March 16, 2021 Request sent by first class U.S. mail and by email were not returned to FINRA.

22. Sollars did not respond to the March 16, 2021 Request.

Sollars Failed to Appear for On-The-Record Testimony

23. On February 23, 2021, FINRA staff sent a letter to Sollars, pursuant to FINRA Rule 8210, requesting that she appear and provide OTR testimony by video on March 16, 2021 (the “First Testimony Request”).

24. The First Testimony Request enclosed a document titled “Supplemental

Information for Testimony Requests Pursuant to FINRA Rule 8210,” which stated, in relevant part: “[f]ailure to appear on the date scheduled for your testimony ... could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding and could lead to disciplinary action and the imposition of sanctions, including a bar from associating with any FINRA member in all capacities, suspension, censure and/or fine.”

25. FINRA staff sent the First Testimony Request to Sollars by certified mail and by first class U.S. mail at her CRD Address and by email to her known email address.

26. The USPS reported that the copy of the First Testimony Request sent to the CRD Address by certified mail was delivered on March 6, 2021 and the certified mail delivery receipt shows the signature of the recipient as Elizabeth Sollars. The copies of the First Testimony Request sent to the CRD Address by first class U.S. mail and by email were not returned to Enforcement.

27. Sollars failed to appear and provide testimony on March 16, 2021.

28. On March 16, 2021, FINRA staff sent a second letter to Sollars pursuant to FINRA Rule 8210, requesting that she appear and provide OTR testimony by video on April 6, 2021 (the “Second Testimony Request”).

29. The Second Testimony Request enclosed a document titled “Supplemental Information for Testimony Requests Pursuant to FINRA Rule 8210,” which stated, in relevant part: “[f]ailure to appear on the date scheduled for your testimony ... could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding and could lead to disciplinary action and the imposition of sanctions, including a bar from associating with any FINRA member in all capacities, suspension, censure and/or fine.”

30. FINRA staff sent the Second Testimony Request to Sollars’ CRD Address

by certified mail and by first class U.S. mail to the CRD Address and by email to Sollars' known email address.

31. The USPS reported that the copy of the Second Testimony Request sent to the CRD Address by certified mail was delivered on March 20, 2021, and the certified mail delivery receipt shows the signature of the recipient as E. Sollars. The copies of the Second Testimony Request sent by first class U.S. mail and by email were not returned to Enforcement.

32. Sollars failed to appear and provide testimony on April 6, 2021.

33. Sollars' failure to (1) provide documents and information in response to the February 23, 2021 and March 16, 2021 8210 Requests; and (2) appear and provide testimony on two occasions, impeded FINRA's investigation and deprived it of material information in Sollars' possession.

34. Specifically, Sollars' failure to provide the requested information, documents, and testimony prevented FINRA from investigating allegations that Sollars had misappropriated insurance premiums from insurance customers and evaluating her denial of misappropriating funds.

35. Sollars' failure to provide information and documents in response to the February 23, 2021 and March 16, 2021 Requests, and her failure to appear and provide testimony requested pursuant to Rule 8210 on two occasions, constitute separate and distinct violations of FINRA Rules 8210 and 2010.

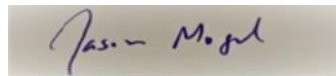
RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Sollars 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; and
- C. order that Sollars 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: June 7, 2021



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