

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016050951001**

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

RE: Charla Kabana, Respondent
General Securities Representative
CRD No. 1453982

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 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

Charla Kabana ("Kabana") entered the securities industry in August 1984 when she became associated with a FINRA member firm. She received her General Securities Representative ("GSR") license in March 1986. In May 2007, Kabana became associated with FINRA member firm LPL Financial, LLC (the "Firm") as a GSR. On August 9, 2016, the Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") reporting that Kabana's association with the Firm was terminated on July 11, 2016. Since August 25, 2016, Kabana has been associated with Sagepoint Financial, Inc., a FINRA member firm, as a GSR.

RELEVANT DISCIPLINARY HISTORY

Kabana has no prior disciplinary history.

OVERVIEW

On June 15, 2018, FINRA requested, pursuant to FINRA Rule 8210, that Kabana provide documents and information relevant to FINRA's investigation by no later than June 29, 2018. Kabana failed to provide the requested documents and information and therefore violated FINRA Rules 8210 and 2010.

Kabana also refuses to appear for on-the-record testimony that FINRA has requested pursuant to FINRA Rule 8210. By refusing to appear for on-the-record testimony, Kabana violates FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a) provides, in pertinent part, that, for the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, an adjudicator or 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, in writing, or electronically with respect to any matter involved in the investigation, complaint, examination, or proceeding. FINRA Rule 8210(c) provides, in pertinent part, that no person shall fail to provide information or testimony pursuant to Rule 8210.

On August 9, 2016, the Firm filed a Form U5 reporting that Kabana's association with the Firm was terminated on July 11, 2016 due to "[c]oncerns regarding [Kabana's] practices in respect to variable annuity business and related responses to Compliance."

In a letter sent to Kabana's counsel dated June 15, 2018, FINRA requested, pursuant to FINRA Rule 8210, that Kabana provide documents and information to FINRA, including copies of certain of Kabana's bank account statements, credit card statements, and checks, by June 29, 2018. However, Kabana did not provide the requested documents. In an email on July 9, 2018, Kabana, through counsel, informed FINRA that she would not be providing the requested documents and information.

On July 5, 2018, FINRA sent a letter, pursuant to FINRA Rule 8210, requesting that Kabana appear for on-the-record testimony on July 26, 2018. As stated in her counsel's e-mail to FINRA staff on July 9, 2018, and by this agreement, Respondent acknowledges that she received FINRA's request and will not appear for on-the-record testimony at any time.

By failing to provide documents and information, Kabana violated FINRA Rules 8210 and 2010. Also, by refusing to appear for on-the-record testimony, Kabana violates FINRA Rules 8210 and 2010.

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

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 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.

July 25, 2018
Date (mm/dd/yyyy)

Charla Kabana
Charla Kabana, Respondent

Reviewed by:

Jonathan Schwartz

Jonathan Schwartz
Counsel for Respondent
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Accepted by FINRA:

8-21-18
Date

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

Elizabeth Virga
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