

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 72737 / August 1, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15999**

**In the Matter of**

**DERL H. KNARR,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Derl H. Knarr (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Knarr was a former registered representative who, from November 18, 2002 to June 23, 2009, and from August 20, 2009 to January 31, 2013, was associated with Allstate Financial Services, LLC, a registered broker-dealer with the Commission. Knarr obtained his

Financial Industry Regulatory Authority Series 6, 26, and 63 licenses between 1983 and 1998. Knarr, 55 years old, is a resident of Herndon, Pennsylvania.

2. On February 7, 2014, Knarr pled guilty to one count of theft of insurance funds in violation of Title 18 United States Code, Section 1033(b) before the United States District Court for the Middle District of Pennsylvania, in United States v. Derl H. Knarr, Case Number 4:14-cr-00044-MWB.

3. The one count included in the criminal information to which Knarr pled guilty stated that from in or about 2006 and continuing up to on or about January 31, 2012, Knarr willfully embezzled, abstracted, purloined and misappropriated money, funds, premiums, credits and other property of his insurance business, in excess of \$5,000, namely approximately \$630,836.72, entrusted to Knarr's care and custody as part of his business.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Knarr's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Knarr be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Jill M. Peterson  
Assistant Secretary