

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2020067338101**

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

RE: James A. Parrelly (Respondent)  
Former General Securities Representative  
CRD No. 728368

Pursuant to FINRA Rule 9216, Respondent James A. Parrelly 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 in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

Parrelly entered the securities industry in December 1980 and became registered as a General Securities Representative with a FINRA member firm in April 1981. Parrelly was registered through numerous FINRA member firms in various capacities from 1981 through March 2015, when he became associated with Investment Planners, Inc. In June 2020, Parrelly's association with Investment Planners, Inc. was terminated, as reported to FINRA by Investment Planners in a Uniform Termination Notice for Securities Industry Registration filed on July 23, 2020. Parrelly has not been registered or associated with a FINRA member firm since July 23, 2020. On July 12, 2021, Investment Planners filed a Form U5 Amendment with respect to Parrelly, the substance of which extended FINRA's jurisdiction. Although Parrelly is no longer associated with a FINRA member, the Form U5 Amendment operates to extend FINRA's jurisdiction over him pursuant to Article V, Section 4(a)(i) of FINRA's By-Laws.

On December 11, 2006, an Order accepting Parrelly's Offer of Settlement was issued in Disciplinary Proceeding No. E8A20030338, in which Parrelly consented to findings that he made unsuitable recommendations of Class B share mutual funds to a customer in violation of NASD Conduct Rules 2110, 2310, and IM-2310. Parrelly was ordered to pay restitution to the customer, suspended for twenty calendar days, and fined \$5,000.

On May 5, 2020, an Acceptance, Waiver, and Consent, was issued in Matter No. 2019062166301 in which Parrelly consented to findings that he exercised discretion in a customer's account, pursuant to the customer's prior verbal authorization but without written authorization from the customer or written approval from his firm, in violation of NASD Conduct Rule 2510(b) and FINRA Rule 2010. Parrelly was suspended for fifteen business days and fined \$5,000.<sup>1</sup>

### **OVERVIEW**

In May 2022, FINRA sent Respondent a notice to appear for on-the-record testimony pursuant to FINRA Rule 8210. Respondent refused to appear for this testimony, in violation of FINRA Rules 8210 and 2010.

### **FACTS AND VIOLATIVE CONDUCT**

This matter originated from an investigation regarding Parrelly's potential use of his personal email address to conduct securities business, in violation of Investment Planners' written supervisory procedures.

FINRA Rule 8210(a) states that, for purposes of an investigation, FINRA may require any person subject to its jurisdiction to provide information "orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) 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." A violation of FINRA Rule 8210 also is a violation of FINRA Rule 2010.

On May 3, 2022, FINRA sent a request to Respondent for on-the-record testimony pursuant to FINRA Rule 8210. As stated in his counsel's email to FINRA on May 24, 2022, and by this agreement, Respondent acknowledges that he 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, Respondent violated FINRA Rules 8210 and 2010.

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

- a bar from associating with any FINRA member in all capacities.

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.

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<sup>1</sup> For more information about the respondent, including prior regulatory events, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

The sanctions imposed in this AWC shall be effective on a date set by FINRA. 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 prejudice 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 its acceptance or rejection.

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 its subject matter 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; 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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

6/24/2022  
Date

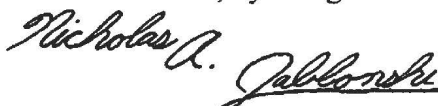
  
James A. Parrelly  
Respondent

Reviewed by:

  
Joshua Thomas  
Counsel for Respondent  
Perkins Law Group  
615 Griswold Street  
Detroit, MI 48226-3900

Accepted by FINRA:

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

  
Nicholas A. Jablonski

June 28, 2022

Date

Nicholas A. Jablonski  
Principal Counsel  
FINRA  
Department of Enforcement  
55 W. Monroe Street, Suite 2700  
Chicago, IL 60603