

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022077314501**

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

RE: James P. Pelletiere (Respondent)
Former Investment Company and Variable Contracts Products Representative
CRD No. 2628708

Pursuant to FINRA Rule 9216, Respondent James P. Pelletiere (Pelletiere) 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

Pelletiere entered the securities industry in 1995 when he became associated with two FINRA member firms. He first became registered as an Investment Company and Variable Contracts Products Representative (IR) in 1998 upon his association with a third FINRA member firm. Pelletiere remained in the securities industry as an IR while registered with two additional FINRA member firms from 2004 through 2019.

In June 2019, Pelletiere became registered as an IR through Pruco Securities, LLC (Pruco), a FINRA member firm. On October 31, 2022, Pruco filed with FINRA a Uniform Termination Notice for Securities Industry Registration (Form U5) reporting Pelletiere's October 21, 2022 termination due to the "Expiration of [His] Approved Leave." On December 16, 2022, Pruco filed an Amended Form U5 that reported a customer complaint alleging that Pelletiere failed to disclose certain surrender fees associated with the purchase of a life insurance policy and an unrelated internal review involving, among other things, whether Pelletiere had mishandled customer funds. On March 31, 2023, Pruco filed a second Amended Form U5 that disclosed Pruco had concluded its internal review of Pelletiere and found he had accepted cash from a customer that he then deposited in his personal bank account.¹

¹ The firm filed a third Amended Form U5 on July 3, 2023, reporting the resolution of the customer complaint filed against Pelletiere.

Although Pelletiere is not currently registered or associated with any FINRA member firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.²

OVERVIEW

Pelletiere violated FINRA Rules 8210 and 2010 by failing to provide information and documents requested pursuant to FINRA Rule 8210 in connection with FINRA's investigation into whether Pelletiere had, among other things, misused customer funds.

FACTS AND VIOLATIVE CONDUCT

This matter originated from Form U5 and Amended Forms U5 filed by Pruco.

FINRA Rule 8210(a)(1) and (2) states, in relevant part, that FINRA has the right to "require a . . . 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 that "[n]o member or person shall fail to provide information . . . pursuant to this Rule."

FINRA Rule 2010 requires an associated person, in the conduct of his or her business, to "observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 8210 also violates FINRA Rule 2010.

As part of its investigation concerning Pelletiere's alleged misuse of customer funds and other violative conduct, FINRA sent a request to Pelletiere pursuant to FINRA Rule 8210 for the production of information and documents. The Rule 8210 Request informed Pelletiere that a failure to produce the requested information and documents constituted a violation of FINRA Rule 8210 exposing him to sanctions, including a bar from the securities industry. Pelletiere, however, failed to provide a response to FINRA's Rule 8210 request.

Specifically, FINRA's Rule 8210 request for documents and information dated June 27, 2023 asked Pelletiere for information and documents regarding his alleged misuse of customer funds and acceptance of cash payments from a client. Pelletiere's response was due on July 12, 2023. As stated in his telephone communications with FINRA staff on June 30, 2023, and by this agreement, Pelletiere acknowledges that he received FINRA's June 27, 2023, request and will not produce the information and documents requested at any time. To date, Pelletiere has not provided the requested information and documents to FINRA.

By refusing to produce the information or documents as requested pursuant to FINRA Rule 8210, Pelletiere violated FINRA Rules 8210 and 2010.

² For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

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.

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 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 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 understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA 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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

October 4, 2023

Date

James P. Pelletiere

James P. Pelletiere
Respondent

Accepted by FINRA:

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

October 4, 2023

Date

David E. Marvin

David E. Marvin
Counsel
FINRA
Department of Enforcement
1735 K Street, NW
Washington, DC 20006