

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011028152201**

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

RE: Perry Stephen Abbonizio, Respondent
General Securities Representative
CRD No. 2787112

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Perry Stephen Abbonizio, 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

Perry Stephen Abbonizio ("Abbonizio" or "Respondent") entered the securities industry in July 1996 with a FINRA regulated firm. He became registered as a General Securities Representative ("GSR") in October 1996 and continued to be associated with that firm until July 1999. From July 1999 to March 2008, Abbonizio was associated with another FINRA regulated firm as a GSR. From March 2008 to April 2011, Abbonizio was registered as a GSR with Wells Fargo Advisors, LLC ("WFA" or the "Firm"). On April 26, 2011, during WFA's "review of Mr. Abbonizio's involvement with an outside investor relations firm unaffiliated with [WFA] and his recommendations of low-priced securities promoted by the outside relations firm made to [WFA] clients," Abbonizio voluntarily terminated his employment with WFA.

From April 26, 2011 to January 14, 2015, Abbonizio was associated with another FINRA regulated firm as a GSR. Pursuant to Article V, Section 4 of FINRA's

By-Laws, FINRA retains jurisdiction over Abbonizio until January 14, 2017.

RELEVANT DISCIPLINARY HISTORY

Abbonizio has no formal disciplinary history.

OVERVIEW

From in or about March 2008 through in or about April 2011 (the "Relevant Period"), Abbonizio, a former GSR with WFA, participated in private securities transactions by soliciting approximately ten Firm customers to invest in three private placements, without providing notice to WFA in violation of NASD Rules 3040 and 2110 and FINRA Rule 2010.

In addition, Abbonizio engaged in an outside business activity by referring individuals who were hired by a company involved in the private placements and receiving compensation from the company in the form of shares, without providing notice to WFA in violation of NASD Rules 3030 and 2110 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

1. Private Securities Transactions

NASD Conduct Rule 3040 prohibits an associated person from "participat[ing] in any manner in a private securities transaction" unless, prior to participating in the transaction, the associated person provides "written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction." A "private securities transaction" is defined in Rule 3040(e)(1) as "any transaction outside the course or scope of an associated person's employment with a member"

FINRA Rule 2010 and its predecessor rule, NASD Rule 2110,¹ provide that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

During the Relevant Period, while associated with WFA, Abbonizio solicited approximately ten Firm customers to invest approximately \$625,000 in three private placements. Abbonizio participated in these private securities transactions

¹ See FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules, including the change of NASD Rule 2110 to FINRA Rule 2010, effective December 15, 2008.

without the Firm's knowledge or permission.

WFA policies and procedures prohibited representatives from soliciting customers to participate in any private securities transaction not associated with the Firm, whether or not the representative received compensation for doing so.

Accordingly, Abbonizio violated NASD Rules 3040 and 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008) because, during his employment with WFA, he participated in private securities transactions by soliciting approximately ten Firm customers to invest in three private placements without the knowledge or consent of WFA.

2. Outside Business Activity

NASD Rule 3030 states that "[n]o person associated with a member in any registered capacity shall be employed by, or accept compensation from, any other person as a result of any business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to his employer."

Between March 2008 and in or about August 2009, while associated with WFA, Abbonizio engaged in an outside business activity with one of the companies involved in the private placements. Specifically, Abbonizio referred individuals who were hired by the company for high-level positions and received compensation from the company in the form of shares. Abbonizio was allocated these shares in 2009 – with a total value of approximately \$100,000 – outside the scope of his relationship with WFA.

WFA policies and procedures prohibited its representatives from participating in an outside business activity without providing prior notice and receiving prior approval from the Firm. Abbonizio never provided WFA with notice of his outside business activity and compensation from the company.

Accordingly, Abbonizio violated NASD Rules 3030 and 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008) because, during his association with WFA, he received compensation as the result of an outside business activity without providing prior notice to the Firm.

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

- a \$10,000 fine; and
- a four-month suspension from association with any FINRA member in any capacity.

The fine shall be due and payable either immediately upon reassociation with a member firm following the four-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

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 Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive 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 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 Rule 9144, in connection with such person'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.

- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

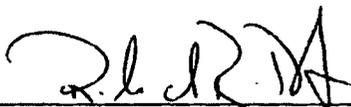
2-23-2015
Date


Respondent
Perry Stephen Abbonizio

Accepted by FINRA:

2.24.15
Date

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


Richard R. Best, Chief Counsel
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