

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2019061034501**

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

RE: James Michael Rapisarda, Respondent
Former General Securities Representative and General Securities Principal
CRD No. 1851883

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent James Michael Rapisarda 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 herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Rapisarda first became registered with FINRA in 1988. Rapisarda was registered as a General Securities Representative and General Securities Principal through an association with LPL Financial LLC (CRD No. 6413) ("LPL") from November 2017 to December 2018, when LPL filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") stating that it had terminated Rapisarda's registration for a "[v]iolation of the Firm's private securities transactions policy."

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

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

Between February and March 2018, while registered through LPL, Rapisarda participated in private securities transactions without providing prior written notice to his firm, in violation of FINRA Rules 3280 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3280 requires that prior to participating in a private securities transaction, a person associated with a member firm shall provide written notice to his or her firm “describing in detail the proposed transaction and the person’s proposed role therein[.]” FINRA Rule 3280 defines a private securities transaction as “any securities transaction outside the regular course or scope of an associated person’s employment with a member[.]” A violation of FINRA Rule 3280 is also a violation of FINRA Rule 2010.

Between February and March 2018, while registered through LPL, Rapisarda participated in private securities transactions involving a company in which he was a minority shareholder (the “Company”). Specifically, Rapisarda recommended that four individuals, including one LPL customer, invest in the Company. Three of those individuals subsequently paid a total of more than \$10,000 to purchase shares in the Company. In addition, Rapisarda assisted each of the individuals with executing their purchases of the Company’s shares.¹ Rapisarda’s participation in those securities transactions was outside the regular course and scope of his employment with LPL, and Rapisarda failed to provide prior written notice to LPL of the transactions or of his role in the transactions.

By virtue of the foregoing, Rapisarda violated FINRA Rules 3280 and 2010.

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

- a suspension from association with any FINRA member firm in any and all capacities for 15 business days; and
- a \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

¹ Rapisarda did not receive any selling compensation associated with any of these transactions.

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

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 acceptance or rejection of this AWC.

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

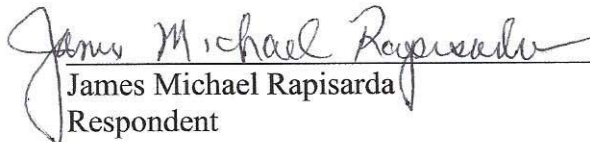
C. If accepted:

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 the subject matter thereof 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: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

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 or FINRA staff members 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce him to submit this AWC.


8-12-2020
Date


James Michael Rapisarda
Respondent

Accepted by FINRA:

8/28/2020
Date

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

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Gabrielle Hirz
Principal Counsel

FINRA
Department of Enforcement
99 High Street, 9th Floor
Boston, MA 02110