

2. On April 22, 2015, FINRA entered into the AWC in which Parthemer consented to findings, without admitting or denying, that included:

Outside Business Activities

- a) From June 2009 through January 2012, Parthemer engaged in an outside business activity involving CP, a Miami Beach, Florida nightclub. CP was owned by several professional athletes who were also customers of Parthemer while he was an agent of Morgan Stanley and Wells Fargo. Specifically, Parthemer served as President and Chief Executive Officer of CP, and managed its daily operations, including payroll, staffing, entertainment, supplies, and advertising. CP was owned by several professional athletes who were also customers of Parthemer while he was an agent of Morgan Stanley and Wells Fargo.
- b) On or about June 7, 2011, Parthemer incorporated AMI in the State of Florida purportedly to pay operational expenses related to his branch office. However, Parthemer used AMI to engage in outside business activities that were unrelated to his branch office. For example, on November 21, 2011, Parthemer made a \$50,000 “capital contribution” from AMI to a promotional company that operated a website that advertised nightclubs.
- c) In September 2011, at the request of several of his clients, AMI, through Parthemer, entered into an agreement with BI, the United States import and distribution division of an international liquor company, for AMI to provide publicity and product placement services for a brand of Tequila. On September 8, 2011, Parthemer, in his capacity as President of AMI, signed the agreement with BI, whereby AMI would be compensated upon selling a specified quantity of Tequila. From September 2011 to

in or about March 2013, AMI marketed the Tequila at nightclub CP, and through other means, including distributing complimentary gift baskets of the Tequila to various NFL and NBA teams.

- d) Parthemer participated in these outside business activities without prior notice or approval from his employing firm in violation of FINRA Rules 3030, 3070, and 2010.

Loans to Customers

- e) From November 2011 through January 23, 2012, Parthemer loaned approximately \$399,500 to three professional athletes who were owners of nightclub CP and customers of Parthemer at Wells Fargo. The loans were used to fund operational expenses related to CP. At the time, Wells Fargo's policies prohibited loans to firm customers unless the recipient was an immediate family member of the employee and the loan was unrelated to securities.
- f) Parthemer was not an immediate family member of any customer to whom he provided a loan and Parthemer never disclosed the loans to Wells Fargo. This conduct violated FINRA Rules 3420 and 2010.

Private Securities Transactions

- g) From in or about July 2009 through February 2012, Parthemer took part in a private securities transaction involving GVC, a startup company managed by GH, a friend of Parthemer. Parthemer referred many of his clients to GH for the purpose of investing in GVC. He also aided in the sale of approximately \$3.08 million of preferred GVC stock to eight of his clients. Parthemer hosted an investor presentation given by GH at Parthemer's home, disseminated PowerPoint presentations and other information

regarding GVC to potential investors, and transmitted the necessary documentation to and from investors.

- h) These activities were outside the course and scope of Parthemer's employment with his employing firms and Parthemer did not seek permission from his employing firms to participate in the transactions violating NASD Conduct Rule 3040 and FINRA Rule 2010.

False Information and False Documents

- i) On March 23, 2012 and November 15, 2012, Parthemer supplied false information and false documents in response to two FINRA 8210 requests. On March 23, 2013, Parthemer provided a written response in which he falsely stated that AMI was merely a shell corporation that had never engaged in business. On November 15, 2012, Parthemer provided a written response to a FINRA 8210 request in which he claimed that a \$50,000 "capital contribution" check was a loan from his family member to a relative. Parthemer also supplied a fabricated loan agreement. He later admitted in an on-the-record interview that the \$50,000 "capital contribution" check was not a loan from a relative and that he drafted and backdated a false loan agreement for the purpose of concealing the capital contribution made by Parthemer to AH, LLC. This conduct violated FINRA Rules 8210 and 2010.
- j) In March 2010, in response to a compliance questionnaire, Parthemer falsely reported to Morgan Stanley that he was not engaging in outside business activity necessitating disclosure and that he had not participated in any private securities transactions. In August 2010, in response to a compliance questionnaire, Parthemer falsely reported to Wells Fargo that he was not engaging in outside business activity necessitating

disclosure and that he had not participated in any private securities transactions. This conduct violated FINRA Rule 2010.

3. On April 22, 2015, FINRA and the National Adjudicatory Council accepted Parthemer's AWC. The bar from association with any FINRA member in any capacity became effective upon approval or acceptance of the AWC.

CONCLUSIONS OF LAW

PARTHEMER IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A SELF-REGULATORY ORGANIZATION

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

4. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

5. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ... (vi) ... is the subject of an order of ... a self-regulatory organization ... suspending or expelling him from a national securities or commodities association...

6. Having consented to a bar from association with any FINRA member, Parthemer has effectively been expelled from a self-regulatory organization. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke Parthemer's agent registration.

7. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Parthemer's registration as an agent and certain exemptions is in the public interest.

PARTHEMER HAS ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

8. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

9. The foregoing conduct by Parthemer as described above constitutes dishonest or unethical practices in the securities business, which is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke Parthemer's agent registration.

10. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Parthemer's registration as an agent and certain exemptions is in the public interest.

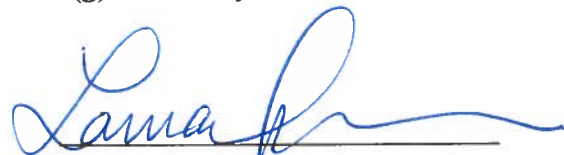
CONCLUSION

For the reasons stated above, it is on this 11th day of September, 2015:

ORDERED that the agent registration of Aaron Robert Parthemer be **REVOKED**; and it is further

ORDERED that Parthemer is denied all exemptions contained in N.J.S.A. 49:3-50 subsections (a) paragraph 9, 10, and 11 and subsection (b); and it is further

ORDERED that the exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby revoked.



Laura H. Posner
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.