

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090188202**

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

RE: James Harold Opheim
General Securities Representative
(CRD No: 1698507)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James Harold Opheim ("Opheim"), 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

Opheim entered the securities industry as a registered representative in 1987. In March 2004, Opheim became employed at Transamerica Financial Advisors, Inc., a FINRA registered broker-dealer, until November 2007. From November 2007 through July 15, 2009, Opheim was employed at ING Financial Partners, Inc. ("ING" or the "Firm"), a FINRA regulated broker-dealer.

OVERVIEW

Between August 2003 and July 2009, while employed at FINRA regulated broker-dealers, Opheim violated NASD Rule 2110 and FINRA Rule 2010 when he wrongfully converted funds totaling approximately \$105,516.54 from two individuals, and attempted to wrongfully convert funds totaling approximately \$60,000 from a third individual.

FACTS AND VIOLATIVE CONDUCT BY RESPONDENT

In July 2009, Opheim attempted to wrongfully convert the funds of an individual when he deposited a third party check payable to a financial institution into his own personal joint bank account at a regional bank.

000049097 2010

While this transaction was reversed preventing Opheim from benefitting financially, further investigation revealed that two other individuals had their funds wrongfully converted by Opheim when Opheim deposited their funds into Opheim's own personal joint bank account.

Customer VP

VP was born in [REDACTED] At the time of the alleged attempted misappropriation she was a customer of Opheim's at ING.

On or about July 8, 2009 VP wrote a check on her FB bank account (the "Bank") payable to AF (a family of mutual funds) in the amount of \$30,000. VP gave the check to Opheim with the understanding that Opheim was to purchase annuities for VP's grandchildren. On or about July 9, 2009, Opheim instead deposited the \$30,000 check into his personal joint account, which was also held at the Bank. Thereafter, the Bank's personnel detected that the check was endorsed "AF" and signed "James H Opheim." It was further detected that after the deposit, Opheim, who previously had a balance of only approximately \$4.50 in his account, had written checks on his account to pay his personal bills. The Bank contacted Opheim and advised that it could not accept the check payable to AF as a deposit to Opheim's personal account and stopped payment on the personal checks Opheim wrote against the \$30,000 deposit.

Opheim then visited VP at her home and secured a second \$30,000 check, this time payable directly to "Jim Opheim." Opheim endorsed the check "Jim Opheim" and on or about July 14, 2009, deposited it into his personal joint account at the Bank. However, VP intended the beneficiary of her check to be AF and not Opheim. Upon the Bank learning this fact, a stop payment was placed on the second \$30,000 check and the Bank did not credit Opheim with the \$30,000 deposit. Opheim did not have permission or authority to deposit VA's checks into his personal account, nor to use her funds to pay for his personal bills. The Bank's inquiry into the transaction prevented Opheim from wrongfully converting VA's funds.

Customer AS

AS was born in [REDACTED] AS was a customer of Opheim's while he was employed at Transamerica and at ING

On or about September 7, 2007, AS wrote a check from her personal bank account at CB ("C Bank") payable to PL (an insurance company) in the amount of \$40,000. AS gave the check to Opheim with the understanding that Opheim was to purchase an investment on her behalf. Opheim instead, without permission or authority, endorsed the check "PL" and "James H Opheim" and deposited the \$40,000 check into his personal joint account at the Bank. On or about September 30, 2008, AS wrote a second check in the amount of \$13,000 payable to AE (an insurance company) and drawn on her account at C Bank. Opheim endorsed the check "AE" and "James H Opheim" and, without permission or authority,

deposited the \$13,000 check into his personal account at the Bank. After each of AE's checks were deposited in Opheim's account at the Bank, Opheim wrongfully used these funds for his personal use and benefit. Opheim has not repaid AS. On December 16, 2009, the Bank reimbursed AS for the two checks in the amounts of \$40,000 and \$13,000 respectively.

Customer PF

PF was a customer of Opheim's while Opheim was employed at Northwestern Mutual Investment Services, LLC. On or about August 27, 2003, Opheim without permission or authority deposited a Northwestern Mutual check payable to PF in the amount of \$50,000 into Opheim's personal joint account at the Bank.

On December 21, 2005 a Northwestern Mutual check in the amount of \$2,516.54 was issued to PF. Opheim without permission or authority diverted PF's check for \$2,516.54 to an outside post office box in Opheim's name. Opheim endorsed the check "James H. Opheim" and on December 27, 2005 deposited the \$2,516.54 check into his personal joint account at the Bank. After each of PF's checks were deposited in Opheim's account at the Bank, Opheim wrongfully utilized these funds for his own uses and benefit. PF has been reimbursed \$50,000 plus interest. PF has not been repaid in the amount of \$2,516.54.

NASD Rule 2110 and FINRA Rule 2010 provide that "a member, in the conduct of his business shall observe high standards of commercial honor." Based upon the foregoing, Opheim violated NASD Rule 2110 in that he misappropriated customer funds from AS and PF totaling approximately \$105,516.54, and further violated FINRA Rule 2010 by attempting to wrongfully misappropriate funds from VP totaling approximately \$60,000.

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

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 Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. 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 Formal Complaint issued specifying the allegations against me;

- B. To be notified of the Formal 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, 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 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

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 response to public inquiries about my disciplinary record;
 - 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 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.

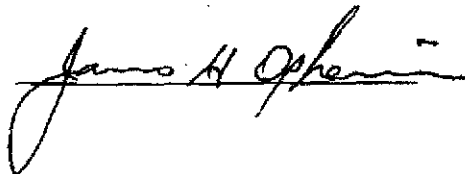
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

James Harold Opheim

3-29-10
Date

Reviewed by:

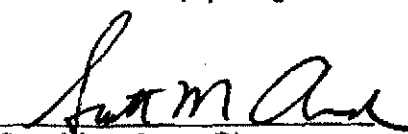

James A. Clarity, III, Esq.
Counsel for Respondent
1601 Keokuk P.O. Box 469
Spirit Lake, IA 51360
Tel: 712-336-4611
jaciii@rconnect.com



Accepted by FINRA:

04-05-10
Date

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


Scott M. Andersen, Director
Suzanne Elovic, Chief Counsel
FINRA Department of Enforcement
14 Wall Street
New York, New York 10005
(646) 315-7303