

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040024301**

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

RE: James Wright, Respondent
Registered Representative
CRD No. 1629437

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James Wright, 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

Wright first became registered with FINRA as a General Securities Representative (Series 7) ("GSR") in February 1987 through an association with a former member firm, where he remained associated until his registration was terminated in January 2014. In February 2014, Wright became registered as a GSR through an association with another member firm, where he remained associated until his registration was terminated in February 2015. In March 2015, Wright became registered as a GSR through an association with American Portfolios Financial Services, Inc. (BD No. 18487) ("American Portfolios" or the "Firm"), where he is currently an associated person.

RELEVANT DISCIPLINARY HISTORY

Wright has no disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

While he was registered with American Portfolios, Wright used unapproved personal emails and text messages to communicate with an unregistered administrative assistant regarding Firm customers. By virtue of this conduct, Wright violated FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

From August 21, 2015, through May 26, 2016 (the "Relevant Period"), Wright communicated with his unregistered administrative assistant using two personal email addresses and the text message function of his personal smartphone, none of which were networked to the Firm's retention system for electronic communications. The emails exchanged by Wright and his assistant concerned approximately 20 Firm customers and included information regarding the customers' assets, securities holdings, and financial goals. Wright's text messages to his assistant primarily concerned trades in Wright's personal brokerage account, but on one occasion Wright used a text message to transmit a customer order to his assistant. During the Relevant Period, the Firm's written supervisory procedures required associated persons to use only Firm-sponsored or approved systems for business-related communications. Neither Wright's personal email addresses nor his text messages had been approved by American Portfolios for conducting Firm business.

FINRA Rule 4511 requires members to make and preserve books and records in conformity with the Securities Exchange Act of 1934 ("Exchange Act") and with applicable Exchange Act Rules. Exchange Act Rule 17a-4(b)(4) requires member firms to maintain, for a period of three years, all communications sent and received by the member relating to the member's business as such. By using his personal email accounts and text messages to conduct Firm business, Wright caused American Portfolios to fail to maintain records of his communications. Accordingly, Wright violated FINRA Rule 4511.

FINRA Rule 2010 requires members to observe high standards of commercial honor and just and equitable principles of trade. A violation of FINRA Rule 4511 is also a violation of FINRA Rule 2010. Accordingly, Wright violated FINRA Rule 2010.

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

- A suspension from associating with any FINRA member in any capacity for a period of 10 business days; and
- A fine of \$5,000.

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 Exchange Act. 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).

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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

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 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 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 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 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.

12-8-2017
Date (mm/dd/yyyy)

James Wright
James Wright (CRD No. 1629437)
Respondent

Reviewed by:

Mark M. Attar
Mark M. Attar
Counsel for Respondent
Schiff Hardin LLP
901 K Street NW
Suite 700
Washington, DC 20001
Tel.: (202) 778-6400

Accepted by FINRA:

1-11-18
Date

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

Michael Wajda

Michael Wajda
Senior Counsel
FINRA Department of Enforcement
15200 Omega Drive, Third Floor
Rockville, MD 20850-3241
Tel.: (301) 258-8546