

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016049086101**

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

RE: Brian Joseph Petterle, Respondent
General Securities Representative
CRD No. 1882084

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

Brian Joseph Petterle ("Petterle" or "Respondent") first became registered as a General Securities Representative (Series 7) with a FINRA member firm on October 19, 1988. From October 1988 to April 2009, Petterle was registered as a Series 7 with six different FINRA member firms. From April 2, 2009 through January 17, 2013, Petterle was registered as a Series 7 with FINRA member Princor Financial Services Corporation ("Princor"). From March 12, 2013 through October 18, 2016, Petterle was registered as a Series 7 with NYLife Securities LLC ("NYLife"). On October 18, 2016, NYLife filed a Form U5 terminating Petterle's registration. Petterle is not currently registered or associated with a FINRA member firm. Petterle has no disciplinary history.

FINRA retains jurisdiction over Petterle pursuant to Article V, Section 4(a) of FINRA's By-Laws because the conduct that serves as the basis for this action commenced prior to Petterle's termination of association from a FINRA member, and the AWC has been filed within two years after the effective date of his last termination of association from a FINRA member.

OVERVIEW

On May 17, 2012, Petterle, while registered with Prncor, purchased shares in an initial public offering ("IPO") in an undisclosed brokerage account held at Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"). By purchasing shares in the IPO while registered with a FINRA member firm, Petterle violated FINRA Rules 5130 and 2010.

In addition, between April 2009 and January 2013, Petterle failed to disclose in writing to Prncor that he had two brokerage accounts that he held away from Prncor, in violation of NASD Rule 3050(c) and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

A. Prohibited IPO Purchase

FINRA Rule 5130(a) prohibits a person associated with a member from purchasing a new issue in any account in which such person associated with a member has a beneficial interest.

On May 17, 2012, Petterle purchased 500 shares of Facebook Inc. stock at \$38 per share during its IPO in an undisclosed brokerage account held at Merrill in the name of Aberdeen Associates, LLC ("Aberdeen"). Facebook, Inc. stock opened at \$42.05 in the immediate aftermarket, resulting in a \$2,025 imputed profit to Petterle.

As a result of the foregoing conduct, Petterle violated FINRA Rules 5130 and 2010.

B. Failure to Disclose Outside Brokerage Accounts

NASD Rule 3050(c) requires a person associated with a member, prior to opening an account or placing an initial order for the purchase or sales of securities with another member, to notify both the employer member and executing member, in writing, of his or her association with the other member. If the account was established prior to the association of the person with the employer member, the associated person is required to notify both members in writing promptly after becoming so associated.

At the time Petterle became an associated person at Prncor in April 2009, he maintained a brokerage account at Merrill. Petterle opened an additional brokerage account at Merrill in December 2010. While associated with Prncor, Petterle failed to promptly notify Prncor in writing that he held two personal brokerage accounts at Merrill.

As a result of the foregoing conduct, Petterle violated NASD Rule 3050(c) and FINRA Rule 2010.

- B. I also consent to the imposition of a suspension from association with any FINRA member firm in any capacity of 30 business days, a fine of \$10,000, and payment of \$2,025 in disgorgement, plus interest on the disgorgement amount at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from May 18, 2012, until the date this AWC is accepted by the National Adjudicatory Council ("NAC").

The fine and disgorgement plus interest 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.

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

The sanction 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 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:

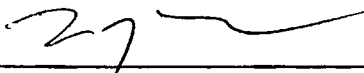
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

11-15-2016
Date (mm/dd/yyyy)


Brian Joseph Petterle, Respondent

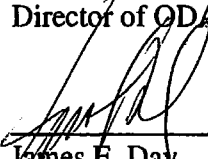
Reviewed by:


Brian J. Masternak, Esq.
Counsel for Respondent
Warner Norcross & Judd LLP
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, MI 49503
616-752-2205

Accepted by FINRA:

12/13/16
Date

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


James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
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Rockville, MD 20850
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