

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934  
Rel. No. 50730 / November 23, 2004

Admin. Proc. File No. 3-4393

In the Matter of  
  
MARK S. PARNASS

ORDER DENYING PETITION TO VACATE ADMINISTRATIVE BAR ORDER

Mark S. Parnass has petitioned to vacate a 1975 Commission bar order entered with his consent. Parnass argues that relief should be granted under the standard for review discussed by the Commission in its December 2003 orders in the Edward I. Frankel, Stephen S. Wien, and Ciro Cozzolino matters. <sup>1/</sup> The Division of Enforcement has opposed the grant of relief. For the reasons set forth below, we have determined to deny Parnass's petition.

In the 1975 order, the Commission found that Parnass, who was secretary and a director of Bovers Parnass & Turel, Inc., a former registered broker-dealer, aided and abetted the firm's net capital violations. <sup>2/</sup> The Commission also found that Parnass had been enjoined in a related civil action from violating net capital provisions. The Commission further found that a trustee had been appointed for the firm under the Securities Investor Protection Act of 1970. <sup>3/</sup> The Commission barred Parnass from association with any broker, dealer, investment adviser, or investment company, with the right to reapply to become associated with a broker-dealer in a non-supervisory and non-proprietary capacity after eighteen months and in a supervisory

---

<sup>1/</sup> Edward I. Frankel, Securities Exchange Act Rel. No. 49002 (Dec. 29, 2003), 81 SEC Docket 3778; Stephen S. Wien, Exchange Act Rel. No. 49000 (Dec. 29, 2003), 81 SEC Docket 3758; Ciro Cozzolino, Exchange Act Rel. No. 49001 (Dec. 29, 2003), 81 SEC Docket 3769.

<sup>2/</sup> Mark Parnass, Exchange Act Rel. No. 11218 (Jan. 31, 1975), 6 SEC Docket 212.

<sup>3/</sup> Id. at 213. See Bovers, Parnass & Turel, Inc., Exchange Act Rel. No. 10873 (June 25, 1974), 4 SEC Docket 500.

and proprietary capacity after three and one-half years. Since 1980, Parnass has been permitted to associate as a registered representative in a supervised capacity with a number of broker-dealer firms.

In 1986, the Commission found, by consent, that Parnass violated the security registration provisions of the Securities Act of 1933 in connection with market making activity while he was employed as a registered representative for M.H. Meyerson & Co., a registered broker-dealer. 4/ The Commission suspended Parnass for sixty days from association with any broker, dealer, investment adviser, investment company, municipal securities broker, or municipal securities dealer. 5/

In 2001, Parnass sought to associate as a general securities principal with GBI Capital Partners, Inc. NASD denied permission because of Parnass's 1986 suspension and GBI Capital's disciplinary history. 6/

Parnass now requests that the Commission vacate the 1975 supervisory and proprietary bar order. 7/ Parnass asserts that twenty-nine years have passed since the bar was issued. Parnass maintains that the net capital violations that gave rise to the bar were not serious and probably would have resulted in a lesser sanction under current standards. Parnass points out that he is

---

4/ Mark Parnass, Exchange Act Rel. No. 23250 (May 19, 1986), 35 SEC Docket 1227.

5/ Id.

6/ In reaching its decision, NASD also considered a Letter of Caution issued to Parnass in 2000. The letter was issued in response to visits that Parnass made to a GBI Capital office before receiving NASD's permission to associate with the firm. NASD stated that it expected statutorily disqualified individuals to be vigilant in avoiding activities that may violate the securities laws and rules. NASD declared that Parnass's behavior fell short of this expectation.

7/ Parnass represents that he is currently associated with STC Securities Corp. as a general securities representative. At STC, Parnass, subject to supervisory procedures, engages in wholesale trading for the firm's proprietary accounts and receives and enters orders for institutional and accredited investor accounts. Parnass states that he has no duties involving the firm's financial responsibilities.

sixty-two years old and has been continuously employed in the securities industry for twenty-four years. Parnass also asserts that he is subject to verifiable and unanticipated consequences of the bar because of the onerous application procedures required to change firms or to modify restrictions on his activities, and because of NASD's \$1,500 annual fee on member firms employing statutorily-disqualified individuals. 8/

The Commission's long-standing approach has been that administrative bars will "remain in place in the usual case and be removed only in compelling circumstances." 9/ Preservation of the status quo "ensures that the Commission, in furtherance of the public interest and investor protection, retains its continuing control over such barred individuals' activities." 10/

Consistent with this approach, we have determined that there are no compelling circumstances here that would warrant vacating the 1975 bar order. As an initial matter, we have made clear that the mere passage of time since the issuance of the bar order -- in this case, twenty-nine years -- does not justify relief. 11/ In addition, Parnass's original violation of the net capital rule resulted in the appointment of a trustee to liquidate his firm. The fact that the firm had to be liquidated is suggestive of financial irresponsibility and demonstrates the seriousness of the net capital violations. Furthermore, in 1986, eleven years after issuance of the bar, we suspended Parnass for violating the Securities Act's security registration provisions. In 2001, NASD considered this intervening misconduct and his then-current employer's disciplinary history in refusing to allow

---

8/ We have previously considered and rejected claims that the reentry procedure and NASD's fee and audit processes constitute unanticipated harms that would justify setting aside a bar order. See Edward I. Frankel, 81 SEC Docket at 3787; Stephen S. Wien, 81 SEC Docket at 3768; Ciro Cozzolino, 81 SEC Docket at 3777.

9/ Edward I. Frankel, 81 SEC Docket at 3785; Stephen S. Wien, 81 SEC Docket at 3765-66; Ciro Cozzolino, 81 SEC Docket at 3775.

10/ Edward I. Frankel, 81 SEC Docket at 3785; Stephen S. Wien, 81 SEC Docket at 3766; Ciro Cozzolino, 81 SEC Docket at 3775.

11/ Edward I. Frankel, 81 SEC Docket at 3786; Ciro Cozzolino, 81 SEC Docket at 3776.

Parnass to associate in a principal capacity. Parnass's conduct since the bar was issued in 1975 underscores the need for our continued control over his activities. 12/ Because we find that the public interest and investor protection will not be served if Parnass is permitted to function in the securities industry without the safeguards provided by the 1975 bar order, we have decided that it is not appropriate to grant the petition.

Accordingly, IT IS ORDERED that Mark S. Parnass's petition to vacate the bar order entered against him on January 31, 1975, be, and it hereby is, denied.

By the Commission.

Jonathan G. Katz  
Secretary

---

12/ See Edward I. Frankel, 81 SEC Docket at 3786 & 3787 (denying Frankel's petition to vacate 1972 bar order based on recent Florida sanctions against him).