

BrokerCheck Report

PRECISION SECURITIES, LLC

CRD# 103976

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

PRECISION SECURITIES, LLC

CRD# 103976

SEC# 8-52441

Main Office Location

2010 JIMMY DURANTE BLVD
SUITE 270
DEL MAR, CA 92014

Mailing Address

2010 JIMMY DURANTE BLVD
SUITE 270
DEL MAR, CA 92014

Business Telephone Number

858-673-6653

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in California on 03/07/2000.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

**Disclosure Events**

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	8

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 09/25/2023

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in California on 03/07/2000.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

PRECISION SECURITIES, LLC

Doing business as PRECISION SECURITIES, LLC

CRD# 103976

SEC# 8-52441

Main Office Location

2010 JIMMY DURANTE BLVD
SUITE 270
DEL MAR, CA 92014

Mailing Address

2010 JIMMY DURANTE BLVD
SUITE 270
DEL MAR, CA 92014

Business Telephone Number

858-673-6653



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	CLEAR STREET HOLDINGS, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	MEMBER
Position Start Date	07/2019
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	LIVINGSTON, DOUGLAS WILLIAM 4020811
Is this a domestic or foreign entity or an individual?	Individual
Position	COMPLIANCE OFFICER
Position Start Date	11/2014
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	MARMORA, CHRISTOPHER PAUL 7187188
Is this a domestic or foreign entity or an individual?	Individual
Position	FINOP
Position Start Date	09/2021

Firm Profile**Direct Owners and Executive Officers (continued)**

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): TURNER, SHAWN PHILLIP
2727278

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT, CCO & AMLCP

Position Start Date 02/2004

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	CLEAR STREET HOLDINGS USVI, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CLEAR STREET HOLDINGS LLC
Relationship to Direct Owner	OWNER
Relationship Established	02/2021
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	CLEAR STREET GROUP, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CLEAR STREET HOLDINGS LLC
Relationship to Direct Owner	INDIRECT OWNER
Relationship Established	05/2022
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 08/03/2000 to 11/27/2023.

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 7 types of businesses.

Types of Business

- Broker or dealer retailing corporate equity securities over-the-counter
- Broker or dealer selling corporate debt securities
- Put and call broker or dealer or option writer
- Broker or dealer selling tax shelters or limited partnerships in primary distributions
- Non-exchange member arranging for transactions in listed securities by exchange member
- Trading securities for own account
- Private placements of securities



Firm Operations

Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name: APEX CLEARING CORPORATION
CRD #: 13071
Business Address: 350 N. ST. PAUL
 SUITE 1300
 DALLAS, TX 75201
Effective Date: 02/18/2020
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH APEX CLEARING CORPORATION FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS

Name: ELECTRONIC TRANSACTION CLEARING, INC.
CRD #: 146122
Business Address: 660 SOUTH FIGUEROA, SUITE 1450
 LOS ANGELES, CA 90017
Effective Date: 09/17/2014
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH ELECTRONIC TRANSACTION CLEARING FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS.

Name: WEDBUSH SECURITIES INC.
CRD #: 877
Business Address: 1000 WILSHIRE BLVD
 LOS ANGELES, CA 90017
Effective Date: 09/17/2014
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH WEDBUSH SECURITIES, INC. FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: APEX CLEARING CORPORATION
CRD #: 13071
Business Address: 350 N. ST. PAUL
 SUITE 1300
 DALLAS, TX 75201
Effective Date: 02/18/2020
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH APEX CLEARING CORPORATION FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS

Name: ELECTRONIC TRANSACTION CLEARING, INC.
CRD #: 146122
Business Address: 660 SOUTH FIGUEROA STREET, SUITE 1450
 LOS ANGELES, CA 90017
Effective Date: 09/17/2014
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH ELECTRONIC TRANSACTION CLEARING FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS.

Name: WEDBUSH SECURITIES INC.
CRD #: 877
Business Address: 1000 WILSHIRE BLVD
 LOS ANGELES, CA 90017
Effective Date: 09/17/2014
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH WEDBUSH SECURITIES, INC. FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS.

This firm does have accounts, funds, or securities maintained by a third party.

Name: APEX CLEARING CORPORATION
CRD #: 13071

Firm Operations



Industry Arrangements (continued)

Business Address: 350 N. ST. PAUL
SUITE 1300
DALLAS, TX 75201

Effective Date: 02/18/2020

Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH APEX CLEARING CORPORATION FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS

Name: ELECTRONIC TRANSACTION CLEARING, INC.

CRD #: 146122

Business Address: 660 SOUTH FIGUEROA STREET, SUITE 1450
LOS ANGELES, CA 90017

Effective Date: 09/17/2014

Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH ELECTRONIC TRANSACTION CLEARING FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS.

Name: WEDBUSH SECURITIES INC.

CRD #: 877

Business Address: 1000 WILSHIRE BLVD
LOS ANGELES, CA 90017

Effective Date: 09/17/2014

Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH WEDBUSH SECURITIES, INC. FOR THE EXECUTION AND CLEARING OF SECURITIES TRANSACTIONS.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: APEX CLEARING CORPORATION

CRD #: 13071

Business Address: 350 N. ST. PAUL
SUITE 1300
DALLAS, TX 75201

Effective Date: 02/18/2020

Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN INTRODUCING/CLEARING ARRANGEMENT WITH APEX CLEARING

Firm Operations



Industry Arrangements (continued)

CORPORATION FOR THE EXECUTION AND CLEARING OF SECURITIES
TRANSACTIONS

Name: ELECTRONIC TRANSACTION CLEARING, INC.
CRD #: 146122
Business Address: 660 SOUTH FIGUEEROA STREET, SUITE 1450
 LOS ANGELES, CA 90017
Effective Date: 09/17/2014
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN
 INTRODUCING/CLEARING ARRANGEMENT WITH ELECTRONIC
 TRANSACTION CLEARING FOR THE EXECUTION AND CLEARING OF
 SECURITIES TRANSACTIONS.

Name: WEDBUSH SECURITIES INC.
CRD #: 877
Business Address: 1000 WILSHIRE BLVD
 LOS ANGELES, CA 90017
Effective Date: 09/17/2014
Description: PRECISION SECURITIES, LLC HAS ENTERED INTO AN
 INTRODUCING/CLEARING ARRANGEMENT WITH WEDBUSH
 SECURITIES, INC.FOR THE EXECUTION AND CLEARING OF SECURITIES
 TRANSACTIONS.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations



Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

CLEAR STREET CANADA INC. is under common control with the firm.

Business Address:	30 ADELAIDE STREET EAST, 12TH FLOOR TORONTO, CANADA M5C 3G8
Effective Date:	05/12/2023
Foreign Entity:	Yes
Country:	CANADA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE APPLICANT AND CLEAR STREET CANADA INC. ARE UNDER COMMON CONTROL AS BOTH ARE DIRECTLY OWNED BY CLEAR STREET HOLDINGS LLC.

CLEAR STREET INVESTMENTS LLC is under common control with the firm.

Business Address:	55 BROADWAY 21 FLOOR NEW YORK, NY 10006
Effective Date:	01/01/2020
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	PRECISION SECURITIES, LLC AND CLEAR STREET INVESTMENTS LLC IS UNDER COMMON CONTROL THROUGH CLEAR STREET HOLDINGS LLC.

Firm Operations



Organization Affiliates (continued)

CLEAR STREET MARKETS LLC is under common control with the firm.

CRD #: 159283

Business Address: 55 BROADWAY, SUITE 2120
NEW YORK, NY 10006

Effective Date: 01/01/2020

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: PRECISION SECURITIES, LLC AND CLEAR STREET MARKETS LLC ARE UNDER COMMON CONTROL THROUGH CLEAR STREET HOLDINGS LLC.

CLEAR STREET LLC is under common control with the firm.

CRD #: 288933

Business Address: 55 BROADWAY, SUITE 2120
NEW YORK, NY 10006

Effective Date: 01/01/2020

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: PRECISION SECURITIES LLC AND CLEAR STREET LLC ARE UNDER COMMON CONTROL. CLEAR STREET HOLDINGS LLC IS THE CLASS A MEMBER OF BOTH PRECISION SECURITIES LLC AND CLEAR STREET LLC.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union

Firm Operations



Organization Affiliates (continued)

- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	8	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 8

Reporting Source: Regulator

Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO MODIFY ITS SUPERVISORY SYSTEM TO ADAPT TO THE RISKS ASSOCIATED WITH NEW RETAIL CUSTOMER ACCOUNTS THAT ENGAGED IN ACTIVE DAY TRADING. THE FINDINGS STATED THAT A GROUP OF FIVE REGISTERED REPRESENTATIVE TRANSFERRED THEIR ASSOCIATION FROM ANOTHER BROKER-DEALER TO THE FIRM. THE REPRESENTATIVES BROUGHT WITH THEM HUNDREDS OF RETAIL CUSTOMER ACCOUNTS THAT ENGAGED IN DAY TRADING. AT THE TIME THAT THESE NEW REPRESENTATIVES JOINED, THE FIRM'S BUSINESS CONSISTED OF AGENCY AND RISKLESS PRINCIPAL TRANSACTIONS ON BEHALF OF HIGH NET WORTH AND INSTITUTIONAL CUSTOMERS; THE FIRM HAD NO EXPERIENCE WITH CUSTOMERS WHO ENGAGED IN DAY TRADING. NEVERTHELESS, THE FIRM FAILED TO MODIFY ITS SUPERVISORY SYSTEM TO ACCOUNT FOR THE RISKS PRESENTED BY THIS NEW BUSINESS, INCLUDING THE RISK THAT THESE ACCOUNTS WOULD BE USED IN MANIPULATIVE TRADING SCHEMES, SUCH AS WASH SALES AND PREARRANGED TRADING. THE FIRM'S FAILURE IN THIS REGARD PREVENTED IT FROM, FOR EXAMPLE, IDENTIFYING POTENTIALLY MANIPULATIVE TRADING IN A SECURITY WHERE THE SINGLE DAY TRADING VOLUME WAS MORE THAN TEN TIMES ITS AVERAGE DAILY VOLUME AND THE TRADING ACCOMPANIED A PRICE DAY-OVER-DAY INCREASE OF MORE THAN 100 PERCENT. UPON ONBOARDING THIS NEW BUSINESS, THE FIRM DESIGNATED A SUPERVISOR TO PERFORM REVIEWS OF THE TRADING IN THE NEW ACCOUNTS, INCLUDING REVIEWS FOR MANIPULATIVE TRADING. TO DO SO, THE REPRESENTATIVE CONDUCTED MANUAL REVIEWS OF DAILY TRADE BLOTTERS. THIS MANUAL BLOTTER REVIEW WAS NOT REASONABLY DESIGNED TO DETECT POTENTIALLY MANIPULATIVE TRADING. AS AN INITIAL MATTER, THE BLOTTERS DID NOT INCLUDE IMPORTANT INFORMATION THAT WOULD BE NECESSARY TO DETECT VARIOUS MANIPULATION SCHEMES, INCLUDING THE TIMES, SIZES, AND PRICES OF ORDERS ENTERED. SIMILARLY, THE BLOTTERS DID NOT INCLUDE CANCELED ORDERS, WHICH OFTEN ARE USED IN MANIPULATIVE SCHEMES SUCH AS LAYERING AND SPOOFING. ALSO, THERE WAS NO PRACTICAL WAY TO USE THE BLOTTERS TO DETECT MANIPULATIVE TRADING ACROSS MULTIPLE CUSTOMER ACCOUNTS OR TO DETECT PATTERNS OF MANIPULATION OVER TIME. FINALLY, THE SHEER VOLUME OF TRANSACTIONS REFLECTED ON THE BLOTTERS-THE ACCOUNTS OFTEN TRADED MILLIONS OF SHARES PER DAY-MADE IT DIFFICULT TO DETECT POTENTIALLY MANIPULATIVE TRADING. AS A RESULT, THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SYSTEM REASONABLY DESIGNED TO SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVE AND ASSOCIATED PERSON TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND WITH APPLICABLE NASDAQ RULES, IN VIOLATION OF NASDAQ RULES 3010 AND 2010A.

Initiated By:

NASDAQ STOCK MARKET



Date Initiated: 03/02/2022

Docket/Case Number: 2015044557301

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/02/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$80,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$80,000.

Reporting Source: Firm

Current Status: Final

Allegations: PRECISION SECURITIES, LLC ("PRECISION") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT BETWEEN SEPTEMBER 2014 AND DECEMBER 2016, IT FAILED TO ESTABLISH AND MAINTAIN A SYSTEM REASONABLY DESIGNED TO SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVE AND ASSOCIATED PERSON TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS. IN PARTICULAR, THE FIRM DID NOT ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES TAILORED TO THE FIRM'S BUSINESS, WHICH COULD BE REASONABLY EXPECTED TO DETECT POTENTIALLY MANIPULATIVE TRADING ACTIVITY. THE FIRM RELIED ON A MANUAL REVIEW TO IDENTIFY CERTAIN TYPES OF SUSPICIOUS TRADING, EVEN THOUGH IT DID NOT REFLECT CANCELED ORDER DATA OR PATTERNS OF TRADING ACROSS



ACCOUNTS OR ACROSS MULTIPLE DAYS. THE FIRM'S MANUAL REVIEW WAS UNREASONABLE GIVEN THE VOLUME AND COMPLEXITY OF THE TRADING BY THE FIRM'S CUSTOMERS.

Initiated By: THE NASDAQ STOCK MARKET LLC (NASDAQ)
Date Initiated: 03/02/2022
Docket/Case Number: 2015044557301
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: \$80,000 FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/02/2022
Sanctions Ordered: Censure
 Monetary/Fine \$80,000.00
Other Sanctions Ordered:
Sanction Details: \$80000.00 MONETARY FINE
Firm Statement MONETARY FINE HAS BEEN PAID.

Disclosure 2 of 8

Reporting Source: Regulator
Current Status: Final
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO DEVELOP AND IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY DESIGNED TO ACHIEVE AND MONITOR ITS COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. THE FINDINGS STATED THAT THE FIRM DID NOT TAILOR ITS AML PROGRAM TO REASONABLY MONITOR FOR AND REPORT SUSPICIOUS ACTIVITY IN LIGHT OF ITS BUSINESS MODEL. THE FIRM LACKED REASONABLE WRITTEN AML PROCEDURES FOR THE SURVEILLANCE OF POTENTIALLY SUSPICIOUS TRANSACTIONS IN CUSTOMER ACCOUNTS. THE PROCEDURES DID NOT IDENTIFY ANY EXCEPTION REPORTS AND DID NOT DESCRIBE HOW OR HOW FREQUENTLY SUPERVISORS SHOULD USE



THEM. THE FIRM'S AML PROCEDURES ALSO DID NOT CONTAIN ANY PROCEDURES ABOUT DOCUMENTING ANY ANALYSES OR RECORDS REGARDING THE INVESTIGATION OF POTENTIALLY SUSPICIOUS ACTIVITY, AND THE FIRM DID NOT DOCUMENT THE FINDINGS OF ITS INVESTIGATIONS. IN ADDITION, THE FIRM RELIED ALMOST EXCLUSIVELY ON A MANUAL REVIEW OF THE DAILY TRADE BLOTTER TO IDENTIFY CERTAIN TYPES OF SUSPICIOUS TRADING, EVEN THOUGH IT DID NOT REFLECT CANCELED ORDER DATA OR PATTERNS OF TRADING ACROSS ACCOUNTS OR ACROSS MULTIPLE DAYS. THE FIRM'S MANUAL REVIEW WAS UNREASONABLE GIVEN THE VOLUME AND COMPLEXITY OF THE TRADING BY ITS CUSTOMERS. THE FIRM ALSO HAD A PRACTICE OF FAILING TO REASONABLY RESPOND TO CERTAIN TYPES OF RED FLAGS OF SUSPICIOUS ACTIVITY. THE FIRM'S PRACTICE WAS TO NOT FILE A SUSPICIOUS ACTIVITY REPORT (SAR) EVEN AFTER IT FOUND THAT THE CUSTOMER WAS ENGAGING IN TRANSACTIONS THAT WERE NOT THE SORT THAT THE FIRM EXPECTED THE CUSTOMER TO ENGAGE IN. AS A RESULT OF THE FIRM'S FAILURE TO IMPLEMENT A REASONABLY DESIGNED AML PROGRAM, IT FAILED TO TIMELY OR REASONABLY DETECT, INVESTIGATE, OR RESPOND TO POTENTIALLY SUSPICIOUS ACTIVITIES BY RETAIL CUSTOMERS. FOR EXAMPLE, THE FIRM FAILED TO DETECT, INVESTIGATE AND RESPOND TO SUSPICIOUS TRADING BY MULTIPLE CUSTOMERS BASED IN CHINA. TWO OF THESE ACCOUNTS ALONE GENERATED OVER 33,000 ORDERS AND TRADED OVER \$200 MILLION IN SECURITIES OVER THREE MONTHS. NEARLY ALL OF THE TRADES RELATED TO LOW-VOLUME SECURITIES AND PRESENTED RED FLAGS OF ATTEMPTS TO MANIPULATE PRICES. HOWEVER, THE FIRM FAILED TO RESPOND REASONABLY TO THOSE RED FLAGS.

Initiated By: FINRA

Date Initiated: 07/19/2021

Docket/Case Number: [2020067467601](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/19/2021



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$350,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$350,000 AND REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE REASONABLENESS OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES (WRITTEN AND OTHERWISE), AND TRAINING RELATING TO COMPLIANCE WITH FINRA RULE 3310 AND THE REQUIREMENTS OF THE BANK SECRECY ACT AND THE REGULATIONS PROMULGATED THEREUNDER RELATED TO MONITORING FOR, IDENTIFYING, INVESTIGATING, DOCUMENTING, AND RESPONDING TO RED FLAGS OF SUSPICIOUS ACTIVITY. FINE PAID IN FULL ON AUGUST 9, 2021.

Reporting Source: Firm

Current Status: Final

Allegations: PRECISION SECURITIES, LLC ("PRECISION") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT BETWEEN JANUARY 2017 AND DECEMBER 2018, IT FAILED TO DEVELOP AND IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY DESIGNED TO ACHIEVE AND MONITOR THE FIRM'S COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. IN PARTICULAR, THE FIRM DID NOT ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES TAILORED TO THE FIRM'S CENTERPOINT BUSINESS, WHICH COULD BE REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS ACTIVITY IN DOMESTIC AND FOREIGN-BASED RETAIL ACCOUNTS. AS A RESULT, THE FIRM VIOLATED FINRA RULES 3310(A) AND 2010. THE FIRM RELIED ON A MANUAL REVIEW TO IDENTIFY CERTAIN TYPES OF SUSPICIOUS TRADING, EVEN THOUGH IT DID NOT REFLECT CANCELED ORDER DATA OR PATTERNS OF TRADING ACROSS ACCOUNTS OR ACROSS MULTIPLE DAYS. THE FIRM'S MANUAL REVIEW WAS UNREASONABLE GIVEN THE VOLUME AND COMPLEXITY OF THE TRADING BY THE FIRM'S CUSTOMERS. ADDITIONALLY, THE FIRM DID NOT FILE A SAR EVEN AFTER IT FOUND THAT THE CUSTOMER WAS ENGAGING IN TRANSACTIONS THAT WERE NOT THE SORT IN WHICH THE FIRM EXPECTED THE CUSTOMER TO ENGAGE.



Initiated By:	FINRA
Date Initiated:	07/19/2021
Docket/Case Number:	2020067467601
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/22/2021
Sanctions Ordered:	Monetary/Fine \$350,000.00
Other Sanctions Ordered:	PRECISION ENTERED INTO AN UNDERTAKING WHICH REQUIRES IT TO RETAIN AT ITS OWN EXPENSE AND WITHIN 60 DAYS OF THE DATE OF THE NOTICE OF ACCEPTANCE OF THIS AWC AN INDEPENDENT CONSULTANT NOT UNACCEPTABLE TO FINRA TO CONDUCT A COMPREHENSIVE REVIEW AND PRODUCE A WRITTEN REPORT DETAILING THE REASONABLENESS OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES (WRITTEN AND OTHERWISE), AND TRAINING RELATING TO COMPLIANCE WITH FINRA RULE 3310 AND THE REQUIREMENTS OF THE BANK SECRECY ACT, 31 USC §5311, ET SEQ., AND THE REGULATIONS PROMULGATED THEREUNDER RELATED TO MONITORING FOR, IDENTIFYING, INVESTIGATING, DOCUMENTING, AND RESPONDING TO RED FLAGS OF SUSPICIOUS ACTIVITY, INCLUDING BUT NOT LIMITED TO TRANSACTIONS INVOLVING CUSTOMERS BASED OUTSIDE OF THE UNITED STATES, LOW-PRICED SECURITIES, LOW-VOLUME SECURITIES, HIGH VOLUME TRADING, AND HIGH-ORDER CANCELATION RATES BY CUSTOMERS OF CENTERPOINT.
Sanction Details:	\$350,000.00

Disclosure 3 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT MARKET ACCESS CONTROLS TO LIMIT ITS FINANCIAL EXPOSURE. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY



PRE-SET CREDIT THRESHOLDS FOR ITS CUSTOMERS OR CAPITAL THRESHOLDS FOR THE FIRM, AND IT DID NOT IMPLEMENT ANY CONTROLS TO PREVENT THE ENTRY OF DUPLICATIVE ORDERS. FURTHERMORE, ITS CONTROLS WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT CONTROLS AND SUPERVISORY PROCEDURES TO RESTRICT THE USE OF ITS MARKET ACCESS. SPECIFICALLY, THE FIRM DID NOT HAVE ANY CONTROLS REASONABLY DESIGNED TO PREVENT THE ENTRY OF ORDERS FOR SECURITIES THAT A CUSTOMER WAS RESTRICTED FROM TRADING. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT PERFORM AN ANNUAL REVIEW OF THE OVERALL EFFECTIVENESS OF ITS MARKET ACCESS RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES IN 2011 AND 2012. IN BOTH YEARS, THE FIRM REVIEWED ONLY A SINGLE CONTROL. FURTHERMORE, THE FIRM'S CEO CERTIFICATIONS IN 2011 AND 2012 DID NOT STATE THE FIRM'S CONTROLS AND PROCEDURES COMPLIED WITH THE NECESSARY RULES. FINRA FOUND THAT THE FIRM'S WRITTEN DOCUMENTATION OF ITS MARKET ACCESS SUPERVISORY SYSTEM WAS UNREASONABLE. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES INCLUDED CERTAIN CONTROLS AND SUPERVISORY PROCEDURES RELATING TO ITS PROVISION OF MARKET ACCESS, BUT THESE WERE NOT REASONABLY DESIGNED.

Initiated By: FINRA

Date Initiated: 02/22/2021

Docket/Case Number: [2017055591602](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/22/2021

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No



Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$70,000 TO BE PAID JOINTLY TO FINRA AND NYSE ARCA, OF WHICH \$35,000 SHALL BE PAID TO FINRA. FINE PAID IN FULL ON MAY 4, 2021.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT MARKET ACCESS CONTROLS TO LIMIT ITS FINANCIAL EXPOSURE. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ANY PRE-SET CREDIT THRESHOLDS FOR ITS CUSTOMERS OR CAPITAL THRESHOLDS FOR THE FIRM, AND IT DID NOT IMPLEMENT ANY CONTROLS TO PREVENT THE ENTRY OF DUPLICATIVE ORDERS. FURTHERMORE, ITS CONTROLS WERE NOT REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IMPLEMENT CONTROLS AND SUPERVISORY PROCEDURES TO RESTRICT THE USE OF ITS MARKET ACCESS. SPECIFICALLY, THE FIRM DID NOT HAVE ANY CONTROLS REASONABLY DESIGNED TO PREVENT THE ENTRY OF ORDERS FOR SECURITIES THAT A CUSTOMER WAS RESTRICTED FROM TRADING. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT PERFORM AN ANNUAL REVIEW OF THE OVERALL EFFECTIVENESS OF ITS MARKET ACCESS RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES IN 2011 AND 2012. IN BOTH YEARS, THE FIRM REVIEWED ONLY A SINGLE CONTROL. FURTHERMORE, THE FIRM'S CEO CERTIFICATIONS IN 2011 AND 2012 DID NOT STATE THE FIRM'S CONTROLS AND PROCEDURES COMPLIED WITH THE NECESSARY RULES. FINRA FOUND THAT THE FIRM'S WRITTEN DOCUMENTATION OF ITS MARKET ACCESS SUPERVISORY SYSTEM WAS UNREASONABLE. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES INCLUDED CERTAIN CONTROLS AND SUPERVISORY PROCEDURES RELATING TO ITS PROVISION OF MARKET ACCESS, BUT THESE WERE NOT REASONABLY DESIGNED.

Initiated By: FINRA

Date Initiated: 02/22/2021

Docket/Case Number: [2017055591602](#)

Principal Product Type: No Product

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 02/22/2021**Sanctions Ordered:** Censure
Monetary/Fine \$35,000.00**Other Sanctions Ordered:****Sanction Details:** THE FIRM WAS CENSURED AND FINED A TOTAL OF \$70,000 TO BE PAID JOINTLY TO FINRA AND NYSE ARCA, OF WHICH \$35,000 SHALL BE PAID TO FINRA.**Disclosure 4 of 8****Reporting Source:** Regulator**Current Status:** Final**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT CERTAIN FINANCIAL CONTROLS TO ADDRESS THE RISKS OF ITS MARKET ACCESS BUSINESS, SUCH AS CREDIT THRESHOLDS FOR ANY OF ITS CUSTOMERS, CAPITAL THRESHOLDS FOR THE FIRM, AND DUPLICATIVE ORDER CONTROLS. THE FINDINGS STATED THAT THE FIRM IMPLEMENTED SOME FINANCIAL CONTROLS INTENDED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BUT THESE WERE NOT REASONABLY DESIGNED TO DO SO. THE FIRM DID NOT ESTABLISH ANY PRE-SET LIMITS IN THE AGGREGATE FOR ITS CUSTOMERS OR CAPITAL THRESHOLDS FOR THE FIRM, DID NOT IMPLEMENT RISK MANAGEMENT CONTROLS OR SUPERVISORY PROCEDURES REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, AND DID NOT IMPLEMENT ANY CONTROLS TO PREVENT THE ENTRY OF DUPLICATIVE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM FOR REGULARLY REVIEWING ITS MARKET ACCESS CONTROLS AND PROCEDURES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) STATED THE REQUIREMENT THAT THE FIRM CONDUCT AN ANNUAL REVIEW OF ITS RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES TO ASSURE THEIR EFFECTIVENESS, BUT DID NOT SPECIFY THE CONTROLS TO BE REVIEWED OR ANY DETAILS ABOUT HOW SUCH REVIEWS SHOULD BE CONDUCTED.



FURTHERMORE, THE FIRM'S CEO DID NOT COMPLETE ANY CERTIFICATIONS IN 2013 OR 2014 REGARDING THE FIRM'S COMPLIANCE WITH MARKET ACCESS RULES AND IN 2015 THE CEO'S CERTIFICATION WAS INCOMPLETE. THE FINDINGS ALSO INCLUDED THAT, AS A RESULT OF THE DEFICIENCIES DESCRIBED, THE FIRM'S WSPS CONCERNING ITS MARKET ACCESS SUPERVISORY SYSTEM WERE UNREASONABLE.

Initiated By: NYSE ARCA, INC.

Date Initiated: 02/22/2021

Docket/Case Number: 2017055591601

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/22/2021

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$70,000 TO BE PAID JOINTLY TO NYSE ARCA AND FINRA, OF WHICH \$35,000 SHALL BE PAID TO NYSE ARCA, AND REQUIRED TO, BEFORE IT REAPPLIES FOR REGISTRATION WITH ANY NYSE FAMILY EXCHANGE, REVISE ITS CONTROLS, SUPERVISORY SYSTEMS, AND WSPS TO ADDRESS THE DEFICIENCIES IN THE AWC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT CERTAIN FINANCIAL CONTROLS TO ADDRESS THE RISKS OF ITS MARKET ACCESS BUSINESS, SUCH AS CREDIT THRESHOLDS FOR ANY OF ITS CUSTOMERS, CAPITAL THRESHOLDS FOR THE FIRM, AND DUPLICATIVE ORDER CONTROLS. THE FINDINGS STATED THAT THE FIRM IMPLEMENTED SOME FINANCIAL CONTROLS INTENDED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, BUT THESE WERE NOT REASONABLY DESIGNED TO DO SO. THE FIRM DID NOT ESTABLISH ANY PRE-SET LIMITS IN THE AGGREGATE FOR ITS CUSTOMERS OR CAPITAL THRESHOLDS FOR THE FIRM, DID NOT IMPLEMENT RISK MANAGEMENT CONTROLS OR SUPERVISORY PROCEDURES REASONABLY DESIGNED TO PREVENT THE ENTRY OF ERRONEOUS ORDERS, AND DID NOT IMPLEMENT ANY CONTROLS TO PREVENT THE ENTRY OF DUPLICATIVE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM FOR REGULARLY REVIEWING ITS MARKET ACCESS CONTROLS AND PROCEDURES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) STATED THE REQUIREMENT THAT THE FIRM CONDUCT AN ANNUAL REVIEW OF ITS RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES TO ASSURE THEIR EFFECTIVENESS, BUT DID NOT SPECIFY THE CONTROLS TO BE REVIEWED OR ANY DETAILS ABOUT HOW SUCH REVIEWS SHOULD BE CONDUCTED. FURTHERMORE, THE FIRM'S CEO DID NOT COMPLETE ANY CERTIFICATIONS IN 2013 OR 2014 REGARDING THE FIRM'S COMPLIANCE WITH MARKET ACCESS RULES AND IN 2015 THE CEO'S CERTIFICATION WAS INCOMPLETE. THE FINDINGS ALSO INCLUDED THAT, AS A RESULT OF THE DEFICIENCIES DESCRIBED, THE FIRM'S WSPS CONCERNING ITS MARKET ACCESS SUPERVISORY SYSTEM WERE UNREASONABLE.

Initiated By: NYSE ARCA, INC.

Date Initiated: 02/22/2021

Docket/Case Number: 2017055591601

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/22/2021

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00



Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED AND FINED A TOTAL OF \$70,000 TO BE PAID JOINTLY TO NYSE ARCA AND FINRA, OF WHICH \$35,000 SHALL BE PAID TO NYSE ARCA, AND REQUIRED TO, BEFORE IT REAPPLIES FOR REGISTRATION WITH ANY NYSE FAMILY EXCHANGE, REVISE ITS CONTROLS, SUPERVISORY SYSTEMS, AND WSPS TO ADDRESS THE DEFICIENCIES IN THE AWC.

Disclosure 5 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO QUALIFY AND REGISTER WITH NASDAQ IN THE APPROPRIATE CATEGORY OF REGISTRATION FOR AN ASSOCIATED PERSONS WHO ENGAGED IN SECURITIES TRADING ACTIVITY. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE QUALIFICATION AND REGISTRATION REQUIREMENTS. THE FIRM'S WSPS FAILED TO SPECIFY THE PROCESS, METHOD, OR FREQUENCY FOR ITS CHIEF COMPLIANCE OFFICER'S REVIEWS FOR REGISTRATION COMPLIANCE. ACCORDINGLY, THE FIRM'S WSPS FAILED TO SPECIFY A PROCESS OR METHOD THROUGH WHICH THE FIRM WOULD REASONABLY MONITOR FOR AND EFFECTIVELY REVIEW WHETHER ITS ASSOCIATED PERSONS WERE APPROPRIATELY QUALIFIED AND REGISTERED FOR THEIR ACTIVITIES AND DUTIES, IN COMPLIANCE WITH APPLICABLE REQUIREMENTS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 07/17/2020

Docket/Case Number: 2018057166402

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 07/17/2020

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: PRECISION SECURITIES, LLC ("PRECISION") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT BETWEEN THE PERIOD OF MARCH 28, 2014 AND FEBRUARY 2, 2019 (THE "RELEVANT PERIOD"), PRECISION FAILED TO QUALIFY AND REGISTER AS AN EQUITY TRADER/SECURITIES TRADER WITH NASDAQ ONE GENERAL SECURITIES REPRESENTATIVE WHO ENGAGED IN SECURITIES TRADING ACTIVITY. ON FEBRUARY 2, 2019, PRECISION TOOK STEPS TO PREVENT THE TRADER FROM ENGAGING IN ACTIVITY REQUIRING REGISTRATION AS A SECURITIES TRADER. PRECISION ALSO DID NOT ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES ("WSPS") THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS QUALIFICATION AND REGISTRATION REQUIREMENTS.

Initiated By: THE NASDAQ STOCK MARKET LLC

Date Initiated: 07/17/2020

Docket/Case Number: 2018057166402

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE OF \$10,000



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/17/2020

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: APPLICANT CONSENTED TO A CENSURE AND A FINE OF \$10,000.

Disclosure 6 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO QUALIFY AND REGISTER WITH FINRA IN THE APPROPRIATE CATEGORIES OF REGISTRATION FOR TWO ASSOCIATED PERSONS WHO ENGAGED IN SECURITIES TRADING ACTIVITY. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS QUALIFICATION AND REGISTRATION REQUIREMENTS. THE FIRM'S WSPS FAILED TO SPECIFY THE PROCESS, METHOD, OR FREQUENCY FOR ITS CHIEF COMPLIANCE OFFICER'S REVIEWS FOR REGISTRATION COMPLIANCE. ACCORDINGLY, THE FIRM'S WSPS FAILED TO SPECIFY A PROCESS OR METHOD THROUGH WHICH THE FIRM WOULD REASONABLY MONITOR FOR AND EFFECTIVELY REVIEW WHETHER ITS ASSOCIATED PERSONS WERE APPROPRIATELY QUALIFIED AND REGISTERED FOR THEIR ACTIVITIES AND DUTIES, IN COMPLIANCE WITH APPLICABLE REQUIREMENTS.

Initiated By: FINRA

Date Initiated: 07/17/2020

Docket/Case Number: [2018057166401](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 07/17/2020

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$12,500. FINES PAID IN FULL ON SEPTEMBER 8, 2020.

Reporting Source: Firm

Current Status: Final

Allegations: PRECISION SECURITIES, LLC ("PRECISION") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT BETWEEN THE PERIOD OF MARCH 28, 2014 AND JUNE 10, 2019 (THE "RELEVANT PERIOD"), PRECISION FAILED TO QUALIFY AND REGISTER WITH FINRA IN THE APPROPRIATE CATEGORY OF REGISTRATION TWO ASSOCIATED PERSONS WHO ENGAGED IN SECURITIES TRADING ACTIVITY. SPECIFICALLY, BETWEEN MARCH 28, 2014 AND FEBRUARY 2, 2019, PRECISION DID NOT QUALIFY AND REGISTER A GENERAL SECURITIES REPRESENTATIVE AS AN EQUITY TRADER/SECURITIES TRADER. ON FEBRUARY 2, 2019, PRECISION TOOK STEPS TO PREVENT THE TRADER FROM ENGAGING IN ACTIVITY REQUIRING REGISTRATION AS A SECURITIES TRADER. BETWEEN MAY 3, 2018 AND JUNE 10, 2019, PRECISION DID NOT QUALIFY AND REGISTER A SECOND GENERAL SECURITIES REPRESENTATIVE AS A SECURITIES TRADER. PRECISION ALSO DID NOT ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES ("WSPS") THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS QUALIFICATION AND REGISTRATION REQUIREMENTS.

Initiated By: FINRA

Date Initiated: 07/17/2020

Docket/Case Number: [2018057166401](#)

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE OF \$12,500
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/17/2020
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	APPLICANT CONSENTED TO A CENSURE AND A FINE OF \$12,500 PAYABLE TO FINRA.

Disclosure 7 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) THE CORRECT SYMBOL INDICATING THE FIRM'S CAPACITY IN 26 TRANSACTIONS IN REPORTABLE SECURITIES. THE FINDINGS STATED THAT THE FIRM INCORRECTLY REPORTED 16 TRANSACTIONS TO THE FNTRF IN A PRINCIPAL CAPACITY, WHEN THE TRANSACTIONS WERE, IN FACT, RISKLESS PRINCIPAL TRANSACTIONS; AND THE FIRM INCORRECTLY REPORTED 10 TRANSACTIONS TO THE FNTRF AS RISKLESS PRINCIPAL TRANSACTIONS, WHEN, IN FACT, A PORTION OF EACH TRANSACTION WAS IN A PRINCIPAL CAPACITY.
Initiated By:	FINRA
Date Initiated:	10/20/2015
Docket/Case Number:	2010023492401
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/20/2015

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) THE CORRECT SYMBOL INDICATING THE FIRM'S CAPACITY IN 26 TRANSACTIONS IN REPORTABLE SECURITIES. THE FINDINGS STATED THAT THE FIRM INCORRECTLY REPORTED 16 TRANSACTIONS TO THE FNTRF IN A PRINCIPAL CAPACITY, WHEN THE TRANSACTIONS WERE, IN FACT, RISKLESS PRINCIPAL TRANSACTIONS; AND THE FIRM INCORRECTLY REPORTED 10 TRANSACTIONS TO THE FNTRF AS RISKLESS PRINCIPAL TRANSACTIONS, WHEN, IN FACT, A PORTION OF EACH TRANSACTION WAS IN A PRINCIPAL CAPACITY.

Initiated By: FINRA

Date Initiated: 10/20/2015

Docket/Case Number: [2010023492401](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 10/20/2015

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000.00

Disclosure 8 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: TRANACTING BUSINESS AS A BROKER-DEALER WITHOUT REGISTRATION.

Initiated By: NEBRASKA

Date Initiated: 03/17/2015

Docket/Case Number:

URL for Regulatory Action: [HTTP://WWW.NDBF.NE.GOV/SEARCHES/ORDERS/20150317_PRECISION_SECURITYESLLC.PDF](http://www.ndbf.ne.gov/searches/orders/20150317_precision_securitiesllc.pdf)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT ORDER/FINE

Resolution: Consent

Resolution Date: 03/17/2015

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: \$7500 FINE PAID IN FULL 03/18/2015.

Regulator Statement PRECISION EFFECTED TRADES IN NEBRASKA BETWEEN 11/6/2014 AND



12/08/2014 W/O BEING REGISTERED IN NEBRASKA AS A BROKER-DEALER.

Reporting Source: Firm

Current Status: Final

Allegations: TRANACTING BUSINESS AS A BROKER-DEALER WITHOUT REGISTRATION

Initiated By: NEBRASKA

Date Initiated: 03/17/2015

Docket/Case Number: HTTP://WWW.NDBF.NE.GOV/SEARCHES/ORDERS/20150317_PRECISION_SECURITYESLLC.PDF

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT ORDER/FINE

Resolution: Consent

Resolution Date: 03/17/2015

Sanctions Ordered: Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: \$7500 FINE PAID IN FULL 03/18/2015.

Firm Statement PRECISION EFFECTED TRADES FOR A NEBRASKA RESIDENT AFTER APPLYING TO BUT BEFORE BEING APPROVED BY NEBRASKA AS A BROKER-DEALER. NEITHER THE ACCOUNT NOR ANY OF THE TRADES CAUSING THE VIOLATION WAS SOLICITED BY PRECISION. MOST NOTABLY, THE TOTAL COMMISSION EARNED FROM ALL OF THESE TRADES COMBINED WAS \$168.31.

End of Report



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