

**BrokerCheck Report**  
**PULSE TRADING, INC.**  
 CRD# 104022

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.  
 Please contact FINRA with any concerns.

## 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.

• **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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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).



**PULSE TRADING, INC.**

CRD# 104022

SEC# 8-52482

**Main Office Location**

2 LIBERTY SQUARE, 2ND FLOOR  
BOSTON, MA 02109

**Mailing Address**

2 LIBERTY SQUARE, 2ND FLOOR  
BOSTON, MA 02109

**Business Telephone Number**

617-316-5610

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 corporation.  
This firm was formed in Massachusetts on 04/11/2001.  
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	5

## 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:** 05/31/2012

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



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Massachusetts on 04/11/2001.

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.

### **PULSE TRADING, INC.**

**Doing business as PULSE TRADING, INC.**

**CRD#** 104022

**SEC#** 8-52482

### **Main Office Location**

2 LIBERTY SQUARE, 2ND FLOOR  
BOSTON, MA 02109

### **Mailing Address**

2 LIBERTY SQUARE, 2ND FLOOR  
BOSTON, MA 02109

### **Business Telephone Number**

617-316-5610



## Firm Profile

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

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	STATE STREET CORPORATION
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	PARENT CORPORATION
<b>Position Start Date</b>	11/2011
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	Yes

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<b>Legal Name &amp; CRD# (if any):</b>	BONN, NICHOLAS JOHN 2231387
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	DIRECTOR
<b>Position Start Date</b>	11/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	DUBOIS, CHRISTIAN ARTHUR 2391020
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRESIDENT AND CHIEF EXECUTIVE OFFICER
<b>Position Start Date</b>	11/2011

## 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?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** FAIRWEATHER, HOWARD H  
3242345

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

**Position** DIRECTOR

**Position Start Date** 11/2011

**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

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**Legal Name & CRD# (if any):** FOLEY, BRIAN THOMAS  
2647976

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

**Position** CFO - FINOP

**Position Start Date** 03/2010

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?**

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**Legal Name & CRD# (if any):** GAVELL, STEFAN MICHEL

## Firm Profile



### Direct Owners and Executive Officers (continued)

	4514326
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	DIRECTOR
<b>Position Start Date</b>	11/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	LEWIS, CLIFFORD MORSE 6002051
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	DIRECTOR
<b>Position Start Date</b>	11/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	MARTEL, LAWRENCE GILBERT 2177025
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	12/2007
<b>Percentage of Ownership</b>	Less than 5%



## Firm Profile



### Direct Owners and Executive Officers (continued)

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

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** SULLIVAN, JOHN WALLACE  
2417280

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

**Position** MANAGING DIRECTOR

**Position Start Date** 11/2011

**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

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**Legal Name & CRD# (if any):** WOODARD, RONALD BRYAN  
5037771

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

**Position** DIRECTOR

**Position Start Date** 11/2011

**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

No information reported.



## Firm History

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



<b>This firm was previously:</b>	PULSE TRADING, LLC
<b>Date of Succession:</b>	04/11/2001
<b>Predecessor CRD#:</b>	104022
<b>Predecessor SEC#:</b>	8-52482
<b>Description</b>	THE APPLICANT HAS SUBSTANTIALLY ASSUMED THE ASSETS AND LIABILITIES OF THE PREDECESSOR. AS A RESULT, THERE HAS BEEN NO CHANGE IN OWNERSHIP OR CONTROL.

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## 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 07/12/2000 to 01/18/2013.**



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 9 types of businesses.**

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
U S. government securities dealer
U S. government securities broker
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Other - THE APPLICANT HAS RECEIVED REGULATORY APPROVAL TO OPERATE AN ALTERNATIVE TRADING SYSTEM ("ATS") AFTER FILINGS WITH THE SEC AND NASD. THE NAME OF THE ATS WILL BE BLOCKCROSS.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.  
This firm does not engage in other non-securities business.

Non-Securities Business Description:



## 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:** GOLDMAN, SACHS & CO.  
**CRD #:** 361  
**Business Address:** 30 HUDSON STREET  
JERSEY CITY, NJ 07302-4699  
**Effective Date:** 05/01/2007  
**Description:** PULSE TRADING, INC. WILL ALLOW CERTAIN OF ITS CLIENTS WHO EXECUTE TRADES TO CLEAR THEM THROUGH GOLDMAN SACHS & CO.

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**Name:** GOLDMAN SACHS EXECUTION & CLEARING, L.P.  
**CRD #:** 3466  
**Business Address:** 85 BROAD STREET  
NEW YORK, NY 1004  
**Effective Date:** 05/01/2007  
**Description:** PULSE WILL HAVE CERTAIN OF ITS CLIENTS PLACE TRADES THROUGH THE REDI PLATFORM AND THOSE TRADES WILL BE CLEARED THROUGH GOLDMAN SACHS CLEARING AND EXECUTION.

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**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399  
**Effective Date:** 08/20/2003  
**Description:** PULSE TRADING, INC. WILL INTRODUCE ALL IT'S GENERAL SECURITIES BUSINESS THROUGH PERSHING, LLC.

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## **Firm Operations**

### **Industry Arrangements**



**This firm does not have books or records maintained by a third party.**

**This firm does not have accounts, funds, or securities maintained by a third party.**

**This firm does not have customer accounts, funds, or securities maintained by a third party.**

#### **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 not, 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.**

**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
- 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	5	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 5

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** NASD RULES 2110, 3010, 6130(D), 6955 - PULSE TRADING, INC. TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA SO THAT THE OATS SYSTEM WAS UNABLE TO LINK THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS IN A FINRA TRADE REPORTING SYSTEM. THE FIRM FAILED TO REPORT TO THE NASD/NASDAQ TRADE REPORTING FACILITY (NNTRF) THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRADE REPORTING.

**Initiated By:** FINRA

**Date Initiated:** 07/26/2011

**Docket/Case Number:** [2008015436101](#)

**Principal Product Type:** Other

**Other Product Type(s):** REPORTABLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/26/2011

**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 \$20,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$20,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TRADE REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY



THE NAC.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ASD RULES 2110, 3010, 6130(D), 6955 - PULSE TRADING, INC. TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA SO THAT THE OATS SYSTEM WAS UNABLE TO LINK THE EXECUTION REPORTS TO THE RELATED TRADE REPORTS IN A FINRA TRADE REPORTING SYSTEM. THE FIRM FAILED TO REPORT TO THE NASD/NASDAQ TRADE REPORTING FACILITY (NNTRF) THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRADE REPORTING.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	07/26/2011
<b>Docket/Case Number:</b>	<a href="#">2008015436101</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	REPORTABLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/26/2011
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$20,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TRADE REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY



THE NAC.

**Disclosure 2 of 5**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3010, 6955(A) - PULSE TRADING, INC. TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT WERE REJECTED FOR CONTEXT OR SYNTAX ERRORS AND WERE REPAIRABLE; AS A RESULT OF THE FIRM'S FAILURE TO REPAIR THE ROES, THE FIRM FAILED TO TRANSMIT THE ROES TO OATS. THE FIRM FAILED TO REPAIR SOME OF THE REJECTED ROES AND FAILED TO REPAIR MANY OF THEM WITHIN THE REQUIRED FIVE BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING OATS REPORTING.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	09/28/2009
<b>Docket/Case Number:</b>	<a href="#">2007007758201</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/28/2009
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$12,500.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$12,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 6955(A) - PULSE TRADING, INC. TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT WERE REJECTED FOR CONTEXT OR SYNTAX ERRORS AND WERE REPAIRABLE; AS A RESULT OF THE FIRM'S FAILURE TO REPAIR THE ROES, THE FIRM FAILED TO TRANSMIT THE ROES TO OATS. THE FIRM FAILED TO REPAIR SOME OF THE REJECTED ROES AND FAILED TO REPAIR MANY OF THEM WITHIN THE REQUIRED FIVE BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING OATS REPORTING.

**Initiated By:** FINRA

**Date Initiated:** 09/28/2009

**Docket/Case Number:** [2007007758201](#)

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/28/2009

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;



THEREFORE, THE FIRM IS CENSURED, FINED \$12,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

### Disclosure 3 of 5

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 17A-4 AND NASD RULES 3110 AND 2110: PULSE FAILED TO MAINTAIN AND PRESERVE ELECTRONIC COMMUNICATIONS DURING THE RELEVANT PERIOD AS REQUIRED BY SEC RULE 17A-4.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	05/31/2006
<b>Docket/Case Number:</b>	<a href="#">E112005000601</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/31/2006
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKE TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH NASD RULES AND THE FEDERAL SECURITIES LAWS AND REGULATIONS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF



FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$50,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FROM DECEMBER 27, 2003 THROUGH SEPTEMBER 24, 2005, PULSE TRADING UTILIZED A VENDOR TO MAINTAIN AND PRESERVE THE INSTANT MESSAGES OF ITS REGISTERED PERSONS. THE VENDOR, HOWEVER, DID NOT CAPTURE AND/OR RETAIN ALL OF THOSE MESSAGES. THEREFORE, PULSE TRADING FAILED TO MAINTAIN AND PRESERVE ALL ELECTRONIC COMMUNICATIONS DURING THE RELEVANT PERIOD AS REQUIRED BY SEC RULE 17A-4. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF SEC RULE 17A-4 AND NASD CONDUCT RULES 3110 AND 2110.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)

**Date Initiated:** 04/17/2006

**Docket/Case Number:** E1120050006

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** FINE OF \$50,000

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/31/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$50,000.00

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, A FINE AND CENSURE OF \$50,000 AND TO UNDERTAKE TO REVIEW WITHIN 180 DAYS ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC COMMUNICATIONS FOR COMPLIANCE WITH NASD RULES AND THE FEDERAL SECURITIES LAWS AND REGULATIONS.

#### Disclosure 4 of 5

**Reporting Source:** Regulator





**Current Status:** Final

**Allegations:** NASD MARKETPLACE RULES 6955(A), NASD CONDUCT RULES 2110 AND 3010 - RESPONDENT MEMBER PULSE TRADING, INC. FAILED TO SUBMIT REQUIRED INFORMATION TO OATS DURING PERIOD JANUARY 2002 THROUGH DECEMBER 2002; FAILED TO TIMELY REPORT TO OATS 39,478 REPORTABLE ORDER EVENTS; FAILED TO ENFORCE THE FIRM'S SUPERVISORY SYSTEM SO AS TO DETECT AND PREVENT VIOLATIONS OF THE OATS REPORTING RULE.

**Initiated By:** NASD

**Date Initiated:** 08/19/2004

**Docket/Case Number:** CMS040124

**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:** 08/19/2004

**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 \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINED \$20,000.00.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD MARKETPLACE RULE 6955(A), CONDUCT RULE 2110 AND 3010-



RESPONDENT MEMBER ("FIRM") FAILED TO SUBMIT REQUIRED INFORMATION TO OATS DURING THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002. THE FIRM FAILED TO TIMELY REPORT OATS 39,478 "ROES" DURING THE PERIOD JANUARY 1, 2003 THROUGH MARCH 31, 2003. THE FIRM SUPERVISORY SYSTEM FAILED TO DETECT AND PREVENT VIOLATIONS OF OATS REPORTING RULES.

**Initiated By:** NASD

**Date Initiated:** 08/19/2004

**Docket/Case Number:** CMS040124

**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:** 08/19/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS FINED \$20,000.

#### Disclosure 5 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULES 2110, 3010 AND 3350 - RESPONDENT MEMBER ("FIRM") EXECUTED SHORT SALE TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES AT OR BELOW THE CURRENT INSIDE BID WHEN THE CURRENT INSIDE BID WAS BELOW THE PRECEDING INSIDE BID IN THE SECURITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO NASD CONDUCT RULE 3350. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR (1) THE IDENTIFICATION OF THE



PERSON(S) RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE BID TEST RULE; (2) A STATEMENT OF THE STEP(S) THAT SUCH PERSON(S) SHOULD TAKE TO ENSURE COMPLIANCE THEREWITH; (3) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (4) HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AS THE FIRM.

**Initiated By:** NASD

**Date Initiated:** 10/14/2003

**Docket/Case Number:** CMS030236

**Principal Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/14/2003

**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 \$15,000.00

**Other Sanctions Ordered:** UNDERTAKING.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$15,000, AND REQUIRED TO UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO NASD CONDUCT RULE 3350 WITHIN 30 DAYS.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD CONDUCT RULE 2110, 3010 AND 3350 - RESPONDENT MEMBER



("FIRM") EXECUTED SHORT SALE TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES AT OR BELOW THE CURRENT INSIDE BID WHEN THE CURRENT INSIDE BID WAS BELOW THE PRECEDING INSIDE BID IN THE SECURITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO NASD CONDUCT RULE 3350. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR (1) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE BID TEST RULE; (2) A STATEMENT OF THE STEP(S) THAT SUCH PERSON(S) SHOULD TAKE TO ENSURE COMPLIANCE THEREWITH; (3) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (4) HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AS THE FIRM.

<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	10/14/2003
<b>Docket/Case Number:</b>	CMS030236
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNKNOWN TYPE OF SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/14/2003
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENTURED, FINED \$15,000, AND REQUIRED TO UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO NASD CONDUCT RULE 3350 WITHIN 30 DAYS.

**End of Report**



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