

BrokerCheck Report

ESPOSITO SECURITIES, LLC

CRD# 143710

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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.

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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)



ESPOSITO SECURITIES, LLC

CRD# 143710

SEC# 8-67596

Main Office Location

200 CRESCENT COURT
SUITE 450
DALLAS, TX 75201

Mailing Address

200 CRESCENT COURT
SUITE 450
DALLAS, TX 75201

Business Telephone Number

214 855-2155

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 Texas on 12/15/2006.
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 | 2 |

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: 04/30/2019

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 Texas on 12/15/2006.

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.

ESPOSITO SECURITIES, LLC

Doing business as ESPOSITO SECURITIES, LLC

CRD# 143710

SEC# 8-67596

Main Office Location

200 CRESCENT COURT
SUITE 450
DALLAS, TX 75201

Mailing Address

200 CRESCENT COURT
SUITE 450
DALLAS, TX 75201

Business Telephone Number

214 855-2155



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): ESPOSITO FINANCIAL, LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Position MEMBER

Position Start Date 08/2013

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): ESPOSITO, MARK ALLEN

2333495

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

Position PRESIDENT, CEO, MSRB PRINCIPAL & CHIEF COMPLIANCE OFFICER

Position Start Date 12/2006

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): TOWNSEND, JAMES DOUGLAS

2029225

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

Position FINOP/CFO/COO

Position Start Date 10/2018

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 |
|-------------------------------------|----|

Firm Profile

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



Indirect Owners

| | |
|--|---------------------------------|
| Legal Name & CRD# (if any): | ESPOSITO, MARK ALLEN 2333495 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Company through which indirect ownership is established | ESPOSITO FINANCIAL LLC |
| Relationship to Direct Owner | OWNER |
| Relationship Established | 05/2011 |
| 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 |

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 09/14/2007 to 07/01/2019.



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 14 types of businesses.

Types of Business

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

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)

Mutual fund retailer

U S. government securities broker

Municipal securities dealer

Municipal securities broker

Broker or dealer selling variable life insurance or annuities

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Private placements of securities

Other - ESPOSITO SECURITIES, LLC WILL TRADE ON AN AGENCY BASIS FOR SOFT DOLLAR PROGRAMS WITH CUSTOMERS. ESPOSITO SECURITIES IS A MEMBER OF NFA AND WILL TRADE PROPRIETARY FUTURES POSITIONS. ESPOSITO SECURITIES WILL CREATE AND PUBLISH FIXED INCOME AND EQUITY RESEARCH REPORTS. ESPOSITO SECURITIES IS APPROVED TO ACT AS MARKET MAKER/LEAD MARKET MAKER IN 20 ETF ISSUES.

Other Types of Business

This firm does 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: 200 WEST STREET
NEW YORK, NY 10282-2198
Effective Date: 04/11/2016
Description: GOLDMAN SACHS WILL ACT AS ESPOSITO SECURITIES, LLC'S CLEARING AGENT FOR ALL DOMESTIC TRANSACTIONS AND WILL EXECUTE ORDERS IN MUTUAL FUNDS FOR EMPLOYEE ACCOUNTS, OPTIONS FOR EMPLOYEE AND CUSTOMER ACCOUNTS, ALL DEBT SECURITIES TRANSACTIONS, AND SAFE-KEEP THE SECURITIES THAT HAVE BEEN PURCHASED BY ESPOSITO SECURITIES, LLC ON A FULLY DISCLOSED BASIS.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 02/26/2009
Description: PERSHING, LLC WILL ACT AS ESPOSITO SECURITIES, LLC'S CLEARING AGENT FOR DOMESTIC TRANSACTIONS AND WILL EXECUTE ORDERS IN MUTUAL FUNDS FOR EMPLOYEE ACCOUNTS, OPTIONS FOR EMPLOYEE AND CUSTOMER ACCOUNTS, ALL DEBT SECURITIES TRANSACTIONS, AND SAFE-KEEP THE SECURITIES THAT HAVE BEEN PURCHASED BY ESPOSITO SECURITIES, LLC ON A FULLY DISCLOSED BASIS.

Firm Operations

Industry Arrangements



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

Name: GOLDMAN, SACHS & CO.

CRD #: 361

Business Address: 200 WEST STREET
NEW YORK, NY 10282-2198

Effective Date: 04/11/2016

Description: ESPOSITO HAS A CLEARING AGREEMENT WITH GOLDMAN SACHS TO REPRESENT THEM WITH REGARD TO ACTING AS A CLEARING BROKER OR DEALER. THE ARRANGEMENT WILL ALLOW ESPOSITO ACCESS TO ALL MAJOR EXCHANGES. GOLDMAN SACHS WILL ACT AS ESPOSITO'S CLEARING AGENT FOR ALL DOMESTIC TRANSACTIONS AND WILL EXECUTE ORDERS IN MUTUAL FUNDS FOR EMPLOYEE ACCOUNTS, OPTIONS FOR CUSTOMER AND EMPLOYEE ACCOUNTS, ALL DEBT SECURITIES TRANSACTIONS AND SAFE-KEEP THE SECURITIES THAT HAVE BEEN PURCHASED BY ESPOSITO ON A FULLY DISCLOSED BASIS

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 02/26/2009

Description: ESPOSITO HAS A CLEARING AGREEMENT WITH PERSHING, LLC TO REPRESENT THEM WITH REGARD TO ACTING AS A CLEARING BROKER OR DEALER. THE ARRANGEMENT WILL ALLOW ESPOSITO ACCESS TO ALL MAJOR EXCHANGES. PERSHING, LLC WILL ACT AS ESPOSITO'S CLEARING AGENT FOR DOMESTIC TRANSACTIONS AND WILL EXECUTE ORDERS IN MUTUAL FUNDS FOR EMPLOYEE ACCOUNTS, OPTIONS FOR CUSTOMER AND EMPLOYEE ACCOUNTS, ALL DEBT SECURITIES TRANSACTIONS AND SAFE-KEEP THE SECURITIES THAT HAVE BEEN PURCHASED BY ESPOSITO ON A FULLY DISCLOSED BASIS.

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.

Firm Operations

Industry Arrangements (continued)

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.**

ESPOSITO PRIVATE EQUITY GROUP, LP is under common control with the firm.

| | |
|--|---|
| Business Address: | 300 CRESCENT COURT SUITE 650 DALLAS, TX 75201 |
| Effective Date: | 07/16/2012 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | Yes |
| Investment Advisory Activities: | Yes |
| Description: | MARK ESPOSITO HOLDS CONTROLLING INTEREST IN ESPOSITO SECURITIES, LLC, ESPOSITO PARTNERS, LLC, ESPOSITO PRIVATE EQUITY GROUP,LP. |

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 | 2 | 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 2

Reporting Source: Regulator

Current Status: Final



| | |
|---|--|
| Allegations: | FINRA RULES 2010, 7450, NASD RULE 3010 - ESPOSITO SECURITIES, LLC FAILED TO TRANSMIT MOST OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON NUMEROUS BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING OATS REPORTING. THE FIRM TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA SO THAT OATS WAS UNABLE TO MATCH TO THE RECEIVING FIRM'S RELATED NEW ORDER REPORT. |
| Initiated By: | FINRA |
| Date Initiated: | 01/03/2012 |
| Docket/Case Number: | 2009019832401 |
| 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: | 01/03/2012 |
| 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 \$50,000.00 |
| 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 \$50,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. FINE PAID IN FULL JANUARY 19, 2012. |



| | |
|---|--|
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | FINRA RULES 2010, 7450, NASD RULE 3010 - ESPOSITO SECURITIES, LLC FAILED TO TRANSMIT MOST OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON NUMEROUS BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING OATS REPORTING. THE FIRM TRANSMITTED ROUTE OR COMBINED ORDER/ROUTE REPORTS TO OATS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA SO THAT OATS WAS UNABLE TO MATCH TO THE RECEIVING FIRM'S RELATED NEW ORDER REPORT. |
| Initiated By: | FINRA |
| Date Initiated: | 01/03/2012 |
| Docket/Case Number: | 2009019832401 |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | OTEHR SANCTIONS/RELIEF SOUGHT |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 01/03/2012 |
| Sanctions Ordered: | Censure Monetary/Fine \$50,000.00 |
| 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 \$50,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. |

Disclosure 2 of 2



| | |
|---|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | SEC RULE 17A-3, NASD RULES 2110, 3010, 3110, 4632(A)(5)(G), 6130(D) - ESPOSITO SECURITIES, LLC TRANSMITTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND FAILED TO DESIGNATE THROUGH THE FNTRF SUCH LAST SALE REPORTS AS REFLECTING A PRICE DIFFERENT FROM THE CURRENT MARKET WHEN THE EXECUTION WAS BASED ON A PRIOR REFERENCE POINT IN TIME. THE FIRM FAILED TO MAKE AND KEEP CURRENT BROKERAGE ORDER MEMORANDA THAT INCLUDED THE INFORMATION SPECIFIED IN SEC RULE 17A-3(A)(6). 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. THE FIRM FAILED TO REPORT TO THE FNTRF THE CORRECT EXECUTION TIME FOR TRANSACTIONS IN REPORTABLE SECURITIES. |
| Initiated By: | FINRA |
| Date Initiated: | 09/24/2010 |
| Docket/Case Number: | 2008014170601 |
| Principal Product Type: | Other |
| Other Product Type(s): | DESIGNATED SECURITIES, REPORTABLE SECURITIES |
| Principal Sanction(s)/Relief Sought: | |
| Other Sanction(s)/Relief Sought: | |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 09/24/2010 |
| 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.

| | |
|---|---|
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | SEC RULE 17A-3, NASD RULES 2110, 3010, 3110, 4632(A)(5)(G), 6130(D) - ESPOSITO SECURITIES, LLC TRANSMITTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND FAILED TO DESIGNATE THROUGH THE FNTRF SUCH LAST SALE REPORTS AS REFLECTING A PRICE DIFFERENT FROM THE CURRENT MARKET WHEN THE EXECUTION WAS BASED ON A PRIOR REFERENCE POINT IN TIME. THE FIRM FAILED TO MAKE AND KEEP CURRENT BROKERAGE ORDER MEMORANDA THAT INCLUDED THE INFORMATION SPECIFIED IN SEC RULE 17A-3(A)(6). 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. THE FIRM FAILED TO REPORT TO THE FNTRF THE CORRECT EXECUTION TIME FOR TRANSACTIONS IN REPORTABLE SECURITIES. |
| Initiated By: | FINRA |
| Date Initiated: | 09/24/2010 |
| Docket/Case Number: | 20080141706-01 |
| Principal Product Type: | Other |
| Other Product Type(s): | DESIGNATED SECURITIES, REPORTABLE SECURITIES |
| Principal Sanction(s)/Relief Sought: | Censure |
| Other Sanction(s)/Relief Sought: | FINE IN THE AMOUNT OF \$20,000 AND UNDERTAKING |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 09/24/2010 |
| 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.

End of Report



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