

BrokerCheck Report

ASCENDIANT CAPITAL MARKETS, LLC

CRD# 152912

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 6
Firm History	7
Firm Operations	8 - 14
Disclosure Events	15

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:

- o 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
- o 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



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)



ASCENDIANT CAPITAL MARKETS, LLC

CRD# 152912

SEC# 8-68487

Main Office Location

18881 VON KARMAN, 16TH FLOOR
IRVINE, CA 92612
Regulated by FINRA Los Angeles Office

Mailing Address

18881 VON KARMAN, 16TH FLOOR
IRVINE, CA 92612

Business Telephone Number

949 259-4909

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 Nevada on 01/04/2010.

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 firm is registered with:

- the SEC
- 3 Self-Regulatory Organizations
- 27 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 11 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

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	9



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Nevada on 01/04/2010.

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.

ASCENDIANT CAPITAL MARKETS, LLC

Doing business as ASCENDIANT CAPITAL MARKETS, LLC

CRD# 152912

SEC# 8-68487

Main Office Location

18881 VON KARMAN, 16TH FLOOR
IRVINE, CA 92612

Regulated by FINRA Los Angeles Office

Mailing Address

18881 VON KARMAN, 16TH FLOOR
IRVINE, CA 92612

Business Telephone Number

949 259-4909



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):	ASCENDIANT CAPITAL PARTNERS, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	PARENT CO / SOLE MEMBER
Position Start Date	01/2010
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):	BERGENDAHL, MARK ALLAN 1394272
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT
Position Start Date	01/2010
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	

Legal Name & CRD# (if any):	BROWN, MICHAEL OWEN 1658070
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO/ FINOP
Position Start Date	01/2010



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?

Legal Name & CRD# (if any): MEGENITY, BRIAN MCDONALD
2889637

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

Position CCO

Position Start Date 08/2013

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): WILHITE, BRADLEY
4722291

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

Position CHIEF OPERATING OFFICER

Position Start Date 01/2010

Percentage of Ownership Less than 5%

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

Is this a public reporting company?



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	ASCENDIANT CAPITAL GROUP LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	ASCENDIANT CAPITAL PARTNERS LLC
Relationship to Direct Owner	SOLE MEMBER
Relationship Established	01/2010
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):	BERGENDAHL, MARK ALLAN 1394272
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	ASCENDIANT CAPITAL GROUP LLC
Relationship to Direct Owner	MANAGING MEMBER
Relationship Established	08/2003
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):	WILHITE, BRADLEY JOHN 4722291
--	----------------------------------

Firm Profile



Indirect Owners (continued)

Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	ASCENDIANT CAPITAL GROUP LLC
Relationship to Direct Owner	MANAGING MEMBER
Relationship Established	08/2003
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?	

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 currently registered with the SEC, 3 SROs and 27 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	02/28/2011

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	02/28/2011
NYSE Arca, Inc.	Approved	05/03/2011
Nasdaq Stock Market	Approved	03/07/2011



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Arizona	Approved	05/18/2011
California	Approved	03/01/2011
Colorado	Approved	03/13/2012
Connecticut	Approved	04/13/2011
Delaware	Approved	04/14/2011
Florida	Approved	04/04/2011
Georgia	Approved	05/09/2011
Hawaii	Approved	09/29/2011
Illinois	Approved	07/05/2011
Indiana	Approved	05/09/2011
Iowa	Approved	01/03/2012
Louisiana	Approved	06/15/2011
Massachusetts	Approved	08/25/2011
Michigan	Approved	04/05/2011
Minnesota	Approved	04/06/2011
Nevada	Approved	05/05/2011
New Jersey	Approved	11/02/2011
New York	Approved	03/14/2011
North Carolina	Approved	06/06/2011
Ohio	Approved	10/28/2013
Oregon	Approved	09/14/2011
Pennsylvania	Approved	05/09/2011
Texas	Approved	06/16/2011
Utah	Approved	03/07/2012
Virginia	Approved	06/17/2011
Washington	Approved	03/08/2011
Wyoming	Approved	02/10/2012



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 11 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

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

Other - ASCENDIANT CAPITAL MARKETS,LLC WILL ALSO ENGAGED IN THE FOLLOWING TRANSACTIONS:
M&A ADVISORY,INVESTMENT BANKING ACTIVITIES INCLUDING THE PRIVATE PLACEMENTS OF PRIVATE
INVESTMENT FUNDS,PRIVATE PLACEMENTS OF PIPES,AND RESEARCH SERVICES.

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: AXOS CLEARING LLC
CRD #: 117176
Business Address: 1200 LANDMARK CENTER
SUITE 800
OMAHA, NE 68102
Effective Date: 06/01/2016
Description: ASCENDIANT CAPITAL MARKETS INTRODUCES SECURITIES
TRANSACTIONS ON A FULLY DISCLOSED BASIS TO AXOS CLEARING
LLC.

Firm Operations**Industry Arrangements****This firm does have books or records maintained by a third party.**

Name: AXOS CLEARING LLC
CRD #: 117176
Business Address: 1200 LANDMARK CENTER
 SUITE 800
 OMAHA, NE 68102
Effective Date: 06/01/2016
Description: ASCENDIANT CAPITAL MARKETS INTRODUCES SECURITIES
 TRANSACTIONS ON A FULLY DISCLOSED BASIS TO AXOS CLEARING
 LLC

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

Name: AXOS CLEARING LLC
CRD #: 117176
Business Address: 1200 LANDMARK CENTER
 SUITE 800
 OMAHA, NE 68102
Effective Date: 06/01/2016
Description: ASCENDIANT CAPITAL MARKETS INTRODUCES SECURITIES
 TRANSACTIONS ON A FULLY DISCLOSED BASIS TO AXOS CLEARING
 LLC

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

Name: AXOS CLEARING LLC
CRD #: 117176
Business Address: 1200 LANDMARK CENTER
 SUITE 800
 OMAHA, NE 68102
Effective Date: 06/01/2016
Description: ASCENDIANT CAPITAL MARKETS INTRODUCES SECURITIES
 TRANSACTIONS ON A FULLY DISCLOSED BASIS TO AXOS CLEARING
 LLC

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.

ASCENDIANT SECURITIES, LLC is under common control with the firm.

CRD #:	129236
Business Address:	18881 VON KARMAN, SUITE 1630 IRVINE, CA 92616
Effective Date:	01/04/2010
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE PARENT COMPANY(ASCENDIANT CAPITAL PARTNERS LLC) OF ASCENDIANT CAPITAL MARKETS,LLC IS MAJORITY OWNED BY ASCENDIANT CAPITAL GROUP LLC,THE PARENT COMPANY OF ASCENDIANT SECURITIES 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
- 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	9	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:**
 - o 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:**
 - o 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:**
 - o 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.
 - o 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 9

Reporting Source: Regulator
Current Status: Final

**Allegations:**

THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT CHARGED UNFAIR AND UNREASONABLE PRICES WITH FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS IN PRINCIPAL BASIS STOCK SALES MADE BY THE FIRM TO A CORPORATE CUSTOMER AND THEREBY, ACTING WITH SCIENTER, WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AND RULE 10B-5. THE COMPLAINT ALLEGES THAT THE FACTS REGARDING THE FRAUDULENTLY EXCESSIVE PRICES AND FRAUDULENTLY EXCESSIVE MARKUPS ON THESE PRINCIPAL BASIS SALES OF COMPANIES' SHARES WERE MATERIAL FACTS THAT THE FIRM WAS REQUIRED TO DISCLOSE TO ITS CORPORATE CUSTOMER AND IT FAILED TO DISCLOSE THESE FACTS. THUS, THE FIRM OVERCHARGED ITS CUSTOMER \$140,000 FOR THESE STOCK PURCHASES. IN ADDITION, THE FIRM WAS A CONTROL PERSON OF A REGISTERED REPRESENTATIVE UNDER SECTION 20(A) OF THE EXCHANGE ACT IN CONNECTION WITH THE SALE OF THE COMPANIES' SHARES TO THE CORPORATE CUSTOMER, IN THAT THE FIRM HAD CONTROL OVER THE REPRESENTATIVE WHO WAS ITS HEAD TRADER. JUST AS THE FIRM ACTED WITH SCIENTER, THE REPRESENTATIVE ACTED WITH SCIENTER IN CONNECTION WITH THE SALES OF THE SHARES TO THE CUSTOMER, FOR AS HEAD TRADER, HE WAS AWARE OF ALL OF THE SCIENTER-RELATED FACTS OF WHICH THE FIRM ALSO WAS AWARE. ACCORDINGLY, IN ADDITION TO THE FIRM'S DIRECT AND PRIMARY LIABILITY FOR VIOLATIONS OF SECTION 10(B) AND RULE 10B-5, IT IS LIABLE FOR VIOLATIONS OF SECTION 10(B) AND RULE 10B-5 UNDER THE CONTROL PERSON PROVISIONS OF SECTION 20(A) OF THE EXCHANGE ACT. THE FIRM ALSO IS LIABLE FOR SECURITIES FRAUD UNDER THE DOCTRINE OF RESPONDEAT SUPERIOR. BY VIOLATING SEC RULE 10B-5 AND EXCHANGE ACT SECTION 10(B), THE FIRM VIOLATED FINRA RULES 2010 AND 2020. THE COMPLAINT ALSO ALLEGES THAT THE FIRM SOLD THE COMPANIES' SHARES TO ITS CUSTOMER IN THESE PRINCIPAL BASIS SALES AT PRICES THAT WERE EXCESSIVE, UNREASONABLE AND UNFAIR (AND HAD EXCESSIVE MARKUPS). THE COMPLAINT FURTHER ALLEGES THAT THE FIRM FAILED TO SUPERVISE REASONABLY THE ACTIVITIES OF THE REGISTERED REPRESENTATIVE FOR THE CORPORATE CUSTOMER'S ACCOUNT TO ACHIEVE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA. THE FIRM HAD THE RESPONSIBILITY, AUTHORITY, AND ABILITY TO SUPERVISE THIS REPRESENTATIVE'S ACTIVITIES AT THE FIRM. THE FIRM FAILED TO TAKE REASONABLE STEPS IN THE SUPERVISION OF THE REPRESENTATIVE IN CONNECTION WITH THE PRINCIPAL BASIS SALES BY THE FIRM OF STOCKS TO ITS CUSTOMERS. THE FIRM FAILED TO TAKE REASONABLE STEPS BOTH TO PREVENT CHARGING ITS CORPORATE CUSTOMER UNFAIR AND UNREASONABLE PRICES AND EXCESSIVE MARKUPS IN SUCH PRINCIPAL BASIS SALES AND TO PREVENT SECURITIES FRAUD IN THE SALE OF STOCKS TO THE CUSTOMER AT FRAUDULENTLY EXCESSIVE PRICES WITH



FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS. IN ADDITION, THE COMPLAINT ALLEGES THAT THE FIRM FAILED TO HAVE ADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO REVIEW THE PRICES AND MARKUPS CHARGED BY IT TO CUSTOMERS IN PRINCIPAL BASIS SALES (INCLUDING SYSTEMS AND PROCEDURES TO ASSESS WHETHER SUCH PRICES AND MARKUPS COMPLIED WITH NASD RULE 2440 AND NASD IM-2440-1. MOREOVER, THE COMPLAINT ALLEGES THAT THE FIRM DID NOT HAVE POLICIES AND PROCEDURES REASONABLY DESIGNED TO RESTRICT OR LIMIT THE INFORMATION FLOW BETWEEN RESEARCH DEPARTMENT PERSONNEL AND OTHER PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL. IN ADDITION, THE FIRM FAILED TO SUPERVISE REASONABLY ITS RESEARCH DEPARTMENT TO ENSURE THAT THE RESEARCH DEPARTMENT DID NOT SHARE INFORMATION REGARDING THE ISSUANCE OR CONTENT OF A RESEARCH REPORT PRIOR TO PUBLICATION WITH TRADING DEPARTMENT PERSONNEL. ON AT LEAST THREE OCCASIONS, THE FIRM PROVIDED A COPY OF A RESEARCH REPORT TO ALL PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL, PRIOR TO THE RESEARCH REPORT'S PUBLICATION.

Initiated By: FINRA

Date Initiated: 12/19/2017

Docket/Case Number: [2014038989201](#)

Principal Product Type: Other

Other Product Type(s): OVER THE COUNTER STOCKS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/15/2018

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

Other Sanctions Ordered: PROHIBITED FROM ENGAGING IN PRINCIPAL BASIS STOCK AND EQUITY TRADES WITH ITS CUSTOMERS AND CUSTOMER ACCOUNTS FOR 12



MONTHS.

Sanction Details:

THE FIRM WAS CENSURED, FINED \$60,000, AND PROHIBITED FROM ENGAGING IN PRINCIPAL BASIS STOCK AND EQUITY TRADES WITH ITS CUSTOMERS AND CUSTOMER ACCOUNTS FOR 12 MONTHS. PROVIDED, HOWEVER, THAT THIS LIMITATION WILL NOT APPLY TO PRINCIPAL BASIS STOCK AND EQUITY TRADES IN CUSTOMER ACCOUNTS THAT ARE OWNED BY EMPLOYEES AND ASSOCIATED PERSONS OF THE FIRM, AND THIS LIMITATION ALSO DOES NOT LIMIT THE ABILITY OF THE FIRM TO ENGAGE IN RISKLESS PRINCIPAL STOCK AND EQUITY TRADES AND COMMISSION-BASED AGENCY TRADES WITH FIRM CUSTOMERS. A LOWER FINE WAS IMPOSED AFTER CONSIDERING, AMONG OTHER THINGS, THE FIRM'S REVENUE AND FINANCIAL RESOURCES.

Regulator Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SEC RULE 10B-5, AND VIOLATED FINRA RULE 2020 BY CHARGING UNFAIR AND UNREASONABLE PRICES WITH FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS IN PRINCIPAL BASIS STOCK SALES MADE BY THE FIRM TO A CORPORATE CUSTOMER. THE FINDINGS STATED THAT THE FIRM FAILED TO DISCLOSE THE FACTS REGARDING THE FRAUDULENTLY EXCESSIVE PRICES AND FRAUDULENTLY EXCESSIVE MARKUPS TO THE CUSTOMER. THUS, THE FIRM OVERCHARGED ITS CUSTOMER \$140,000 FOR THESE STOCK PURCHASES. IN ADDITION, THE FIRM WAS A CONTROL PERSON OF A REGISTERED REPRESENTATIVE IN CONNECTION WITH THE SALE TO THE CUSTOMER, IN THAT THE FIRM HAD CONTROL OVER THE REPRESENTATIVE WHO WAS ITS HEAD TRADER. ACCORDINGLY, THE FIRM IS ALSO LIABLE FOR VIOLATIONS OF SECTION 10(B) AND RULE 10B-5 UNDER THE CONTROL PERSON PROVISIONS OF SECTION 20(A) OF THE SECURITIES EXCHANGE ACT OF 1934. IN ADDITION, THE FIRM IS LIABLE FOR SECURITIES FRAUD UNDER THE DOCTRINE OF RESPONDEAT SUPERIOR. THE FINDINGS ALSO STATED THAT THE FIRM SOLD THE SHARES TO ITS CUSTOMER IN THESE PRINCIPAL BASIS SALES AT PRICES THAT WERE EXCESSIVE, UNREASONABLE AND UNFAIR (AND HAD EXCESSIVE MARKUPS), TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO SUCH SECURITIES AT THE TIME OF THE TRANSACTION. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE ACTIVITIES OF THE REPRESENTATIVE FOR THE CUSTOMER'S ACCOUNT SO AS TO ACHIEVE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND FINRA RULES. THE FIRM FAILED TO TAKE REASONABLE STEPS IN THE SUPERVISION OF THE REPRESENTATIVE IN CONNECTION WITH THE PRINCIPAL BASIS SALES BY THE FIRM OF STOCKS TO ITS CUSTOMERS. THE FIRM FAILED TO TAKE REASONABLE STEPS BOTH TO PREVENT CHARGING THE CUSTOMER UNFAIR AND



UNREASONABLE PRICES AND EXCESSIVE MARKUPS IN SUCH PRINCIPAL BASIS SALES AND TO PREVENT SECURITIES FRAUD IN THE SALE OF STOCKS TO THE CUSTOMER AT FRAUDULENTLY EXCESSIVE PRICES WITH FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS. FINRA FOUND THAT DESPITE THE FACT THAT THE FIRM, AS PART OF ITS REGULAR BUSINESS OPERATIONS, SOLD STOCKS ON A PRINCIPAL BASIS WITH MARKUPS TO ITS CUSTOMERS, THE FIRM DID NOT HAVE ANY ADEQUATE SYSTEMS OR PROCEDURES IN PLACE (AND NO ADEQUATE WSPS) TO ADDRESS THE SUPERVISION OF THE PRICES THAT CUSTOMERS WERE CHARGED FOR THESE PRINCIPAL BASIS STOCK SALES, AND WHETHER THESE PRICES (AND ASSOCIATED MARKUPS ON PRINCIPAL BASIS STOCK SALES) WERE IN COMPLIANCE WITH APPLICABLE RULES. FINRA ALSO FOUND THAT THE FIRM DID NOT HAVE POLICIES AND PROCEDURES REASONABLY DESIGNED TO RESTRICT OR LIMIT THE INFORMATION FLOW BETWEEN THE FIRM'S RESEARCH DEPARTMENT PERSONNEL AND OTHER PERSONNEL AT THE FIRM, INCLUDING ITS TRADING DEPARTMENT PERSONNEL. IN ADDITION, THE FIRM FAILED TO REASONABLY SUPERVISE ITS RESEARCH DEPARTMENT TO ENSURE THAT IT DID NOT SHARE INFORMATION REGARDING THE ISSUANCE OR CONTENT OF A RESEARCH REPORT PRIOR TO PUBLICATION WITH TRADING DEPARTMENT PERSONNEL. ON AT LEAST THREE OCCASIONS, THE FIRM PROVIDED A COPY OF A RESEARCH REPORT TO ALL PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL, PRIOR TO THE RESEARCH REPORT'S PUBLICATION.

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT CHARGED UNFAIR AND UNREASONABLE PRICES IN 2012 WITH FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS IN PRINCIPAL BASIS STOCK SALES MADE BY THE FIRM TO A CORPORATE CUSTOMER AND THEREBY, ACTING WITH SCIENTER, WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AND RULE 10B-5. THE COMPLAINT ALLEGES THAT THE FACTS REGARDING THE FRAUDULENTLY EXCESSIVE PRICES AND FRAUDULENTLY EXCESSIVE MARKUPS ON THESE PRINCIPAL BASIS SALES OF COMPANIES' SHARES WERE MATERIAL FACTS THAT THE FIRM WAS REQUIRED TO DISCLOSE TO ITS CORPORATE CUSTOMER AND IT FAILED TO DISCLOSE THESE FACTS. THUS, THE FIRM OVERCHARGED ITS CUSTOMER \$140,000 FOR THESE STOCK PURCHASES. IN ADDITION, THE FIRM WAS A CONTROL PERSON OF A REGISTERED REPRESENTATIVE UNDER SECTION 20(A) OF THE EXCHANGE ACT IN CONNECTION WITH THE SALE OF THE COMPANIES' SHARES TO THE CORPORATE CUSTOMER, IN THAT THE FIRM HAD CONTROL OVER THE



REPRESENTATIVE WHO WAS ITS HEAD TRADER. JUST AS THE FIRM ACTED WITH SCIENTER, THE REPRESENTATIVE ACTED WITH SCIENTER IN CONNECTION WITH THE SALES OF THE SHARES TO THE CUSTOMER, FOR AS HEAD TRADER, HE WAS AWARE OF ALL OF THE SCIENTER-RELATED FACTS OF WHICH THE FIRM ALSO WAS AWARE. ACCORDINGLY, IN ADDITION TO THE FIRM'S DIRECT AND PRIMARY LIABILITY FOR VIOLATIONS OF SECTION 10(B) AND RULE 10B-5, IT IS LIABLE FOR VIOLATIONS OF SECTION 10(B) AND RULE 10B-5 UNDER THE CONTROL PERSON PROVISIONS OF SECTION 20(A) OF THE EXCHANGE ACT. THE FIRM ALSO IS LIABLE FOR SECURITIES FRAUD UNDER THE DOCTRINE OF RESPONDEAT SUPERIOR. BY VIOLATING SEC RULE 10B-5 AND EXCHANGE ACT SECTION 10(B), THE FIRM VIOLATED FINRA RULES 2010 AND 2020. THE COMPLAINT ALSO ALLEGES THAT THE FIRM SOLD THE COMPANIES' SHARES TO ITS CUSTOMER IN THESE PRINCIPAL BASIS SALES AT PRICES THAT WERE EXCESSIVE, UNREASONABLE AND UNFAIR (AND HAD EXCESSIVE MARKUPS). THE COMPLAINT FURTHER ALLEGES THAT THE FIRM FAILED TO SUPERVISE REASONABLY THE ACTIVITIES OF THE REGISTERED REPRESENTATIVE FOR THE CORPORATE CUSTOMER'S ACCOUNT TO ACHIEVE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA. THE FIRM HAD THE RESPONSIBILITY, AUTHORITY, AND ABILITY TO SUPERVISE THIS REPRESENTATIVE'S ACTIVITIES AT THE FIRM. THE FIRM FAILED TO TAKE REASONABLE STEPS IN THE SUPERVISION OF THE REPRESENTATIVE IN CONNECTION WITH THE PRINCIPAL BASIS SALES BY THE FIRM OF STOCKS TO ITS CUSTOMERS. THE FIRM FAILED TO TAKE REASONABLE STEPS BOTH TO PREVENT CHARGING ITS CORPORATE CUSTOMER UNFAIR AND UNREASONABLE PRICES AND EXCESSIVE MARKUPS IN SUCH PRINCIPAL BASIS SALES AND TO PREVENT SECURITIES FRAUD IN THE SALE OF STOCKS TO THE CUSTOMER AT FRAUDULENTLY EXCESSIVE PRICES WITH FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS. IN ADDITION, THE COMPLAINT ALLEGES THAT THE FIRM FAILED TO HAVE ADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO REVIEW THE PRICES AND MARKUPS CHARGED BY IT TO CUSTOMERS IN PRINCIPAL BASIS SALES (INCLUDING SYSTEMS AND PROCEDURES TO ASSESS WHETHER SUCH PRICES AND MARKUPS COMPLIED WITH NASD RULE 2440 AND NASD IM-2440-1. MOREOVER, THE COMPLAINT ALLEGES THAT THE FIRM DID NOT HAVE POLICIES AND PROCEDURES REASONABLY DESIGNED TO RESTRICT OR LIMIT THE INFORMATION FLOW BETWEEN RESEARCH DEPARTMENT PERSONNEL AND OTHER PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL. IN ADDITION, THE FIRM FAILED TO SUPERVISE REASONABLY ITS RESEARCH DEPARTMENT TO ENSURE THAT THE RESEARCH DEPARTMENT DID NOT SHARE INFORMATION REGARDING THE ISSUANCE OR CONTENT OF A RESEARCH REPORT PRIOR TO PUBLICATION WITH TRADING DEPARTMENT PERSONNEL. ON AT LEAST THREE OCCASIONS IN 2013, THE FIRM PROVIDED A COPY OF A RESEARCH



REPORT TO ALL PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL, PRIOR TO THE RESEARCH REPORT'S PUBLICATION. ASCENDIANT CAPITAL MARKETS ("ACM") BELIEVES THAT THE FINRA ALLEGATIONS ARE WITHOUT MERIT AND THE FIRM INTENDS TO VIGOROUSLY DEFEND ITSELF. PLEASE SEE SECTION 13 FOR FURTHER INFORMATION.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 12/19/2017

Docket/Case Number: [2014038989201](#)

Principal Product Type: Other

Other Product Type(s): OVER THE COUNTER STOCKS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/15/2018

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

Other Sanctions Ordered: PROHIBITED FROM ENGAGING IN PRINCIPAL BASIS STOCK AND EQUITY TRADES WITH ITS CUSTOMERS AND CUSTOMER ACCOUNTS FOR 12 MONTHS.

Sanction Details: THE FIRM WAS CENSURED, FINED \$60,000, AND PROHIBITED FROM ENGAGING IN PRINCIPAL BASIS STOCK AND EQUITY TRADES WITH ITS CUSTOMERS AND CUSTOMER ACCOUNTS FOR 12 MONTHS. PROVIDED, HOWEVER, THAT THIS LIMITATION WILL NOT APPLY TO PRINCIPAL BASIS STOCK AND EQUITY TRADES IN CUSTOMER ACCOUNTS THAT ARE OWNED BY EMPLOYEES AND ASSOCIATED PERSONS OF THE FIRM, AND THIS LIMITATION ALSO DOES NOT LIMIT THE ABILITY OF THE FIRM TO ENGAGE IN RISKLESS PRINCIPAL STOCK AND EQUITY TRADES AND COMMISSION-BASED AGENCY TRADES WITH FIRM CUSTOMERS. A LOWER FINE WAS IMPOSED AFTER CONSIDERING, AMONG OTHER THINGS, THE FIRM'S REVENUE AND FINANCIAL RESOURCES.

Firm Statement THE ALLEGATIONS SURROUNDING THE EXCESSIVE MARKUPS IN 2012 INVOLVE ONE INDIVIDUAL WHO HAS NOT BEEN ASSOCIATED WITH THE FIRM SINCE 2014. ACM CONTENDS THAT THERE WAS NO SCIENTER ON THE FIRM'S PART. THE RESEARCH ISSUES ALLEGED IN THE FINRA COMPLAINT OCCURRED IN 2013 AND IT IS NOT NOTED IN THE COMPLAINT



THAT NONE OF THE RESEARCH REPORTS CONTAINED ANY NON-PUBLIC INFORMATION.

Disclosure 2 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT ASCENDIANT CAPITAL MARKETS, LLC FAILED TO PAY FEES OF \$32,994.37 DUE TO FINRA.
Initiated By:	FINRA
Date Initiated:	11/07/2016
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	11/28/2016
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:	Suspension
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO FINRA RULE 9553, ASCENDIANT CAPITAL MARKETS, LLC'S MEMBERSHIP WITH FINRA WAS SUSPENDED AS OF NOVEMBER 28, 2016 FOR FAILURE TO PAY OUTSTANDING FEES. SUSPENSION LIFTED ON NOVEMBER 29, 2016.

Reporting Source: Firm

Current Status: Final



Allegations: FINRA REGULATORY ACTION FILED ON 11/07/2016, FIRM'S MEMBERSHIP WITH FINRA WAS SUSPENDED ON 11/28/2016 FOR FAILURE TO PAY OUTSTANDING FEES, AND SUSPENSION LIFTED ON 11/29/2016.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

Date Initiated: 11/28/2016

Docket/Case Number: N/A

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 11/28/2016

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: FINRA REGULATORY ACTION FILED ON 11/07/2016, FIRM'S MEMBERSHIP WITH FINRA WAS SUSPENDED ON 11/28/2016 FOR FAILURE TO PAY OUTSTANDING FEES, AND SUSPENSION LIFTED ON 11/29/2016.

Firm Statement

FIRM'S CEO, MR. MARK BERGENDAHL, HAD A VERBAL AGREEMENT (OR AT LEAST HE HAD THOUGHT) THAT THE PAYMENTS WITH THE 11/18/2016 DEADLINE WOULD BE PAID BY THAT DATE (WHICH THEY WERE), AND FINRA WOULD BE FLEXIBLE WITH THE \$32,994.37. MR. BERGENDAHL'S UNDERSTANDING WAS THAT THE 11/28/2016 DEADLINE WAS LIFTED UNTIL THE FIRM WORKED OUT A PAYMENT PLAN FOR THE \$32,994.37.

11/28/2016 WAS THE MONDAY AFTER THE THANKSGIVING BREAK. IT WAS MR. BERGENDAHL'S UNDERSTANDING THAT AMANDA RATH AT FINRA'S BILLING SERVICES DEPARTMENT WOULD CALL HIM ON THAT DAY TO WORK OUT A PAYMENT PLAN FOR THE BALANCE DUE. SHE DID NOT, AND MR. BERGENDAHL WAS UNABLE TO CALL HER AS WELL. TUESDAY MORNING, 11/29/2016, MR BERGENDAHL RECEIVED VIA EMAIL AND FED-EX THE NOTICE OF SUSPENSION. THAT SAME DAY, MR. BERGENDAHL WIRED THE FUNDS TO PAY THE AMOUNT DUE. THE FOLLOWING DAY THE FIRM RECEIVED THE FINRA LETTER TERMINATING THE SUSPENSION EFFECTIVE 11/29/32016.

MR. BERGENDAHL WAS TOLD VERBALLY--FROM AMANDA RATH--ON



11/29/2016, THAT THE SUSPENSION WENT INTO EFFECT AS OF CLOSE OF BUSINESS 11/28/2016, AND THE SUSPENSION WAS TERMINATED AS OF OPEN OF BUSINESS 11/29/2016.

Disclosure 3 of 9

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, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF USING THE APPLICABLE TRADE REPORT MODIFIER THAT THE MAJORITY OF SUCH LAST SALE REPORTS WERE LATE. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE FNTRF IN LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND INCORRECTLY DESIGNATED TO THE FNTRF EACH OF THESE REPORTS AS ".T" (I.E., EXECUTED AFTER NORMAL MARKET HOURS) WHEN THE TRANSACTIONS WERE EXECUTED DURING NORMAL MARKET HOURS. THE FIRM TRANSMITTED TO REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FIRM FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS AND FAILED TO SHOW THE CORRECT TERMS AND CONDITIONS ON THE MEMORANDUM OF BROKERAGE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING EQUITY TRADE REPORTING, OATS, AND BOOKS AND RECORDS REQUIREMENTS. IN ADDITION, THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, WHICH SPECIFIED THAT THE "DESIGNATED PRINCIPAL" IS RESPONSIBLE FOR IMPLEMENTING THE PROPER TRADE REPORTING REQUIREMENTS FOR ALL TRANSACTIONS CONDUCTED BY THE FIRM, PERIODICALLY COMPARING TRADE REPORTS TO ORDER EXECUTION DOCUMENTS TO ENSURE THAT TRADES ARE BEING PROPERLY REPORTED AS THEY ARE EXECUTED, ENSURING THE FIRM CONDUCTS OATS ACTIVITIES, INCLUDING REPORTING, IN COMPLIANCE WITH FINRA RULES, AND PERIODICALLY REVIEWING OATS DATA, INCLUDING SPECIAL HANDLING CODES, TO ENSURE IT WAS PROPERLY AND TIMELY SUBMITTED.

Initiated By: FINRA



Date Initiated: 03/23/2016

Docket/Case Number: [2013035664601](#)

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: 03/23/2016

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 \$57,500.00

Other Sanctions Ordered: UNDERTAKING: ADDRESS ITS TRADE REPORTING, OATS, BOOKS AND RECORDS, AND SUPERVISORY DEFICIENCIES TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS

Sanction Details: THE FIRM WAS CENSURED, FINED \$57,500 AND UNDERTAKES TO ADDRESS ITS TRADE REPORTING, OATS, BOOKS AND RECORDS, AND SUPERVISORY DEFICIENCIES TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS. FINES PAID IN FULL ON AUGUST 12, 2019.

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, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND FAILED TO DESIGNATE THROUGH THE FNTRF USING THE APPLICABLE TRADE



REPORT MODIFIER THAT THE MAJORITY OF SUCH LAST SALE REPORTS WERE LATE. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE FNTRF IN LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES, AND INCORRECTLY DESIGNATED TO THE FNTRF EACH OF THESE REPORTS AS ".T" (I.E., EXECUTED AFTER NORMAL MARKET HOURS) WHEN THE TRANSACTIONS WERE EXECUTED DURING NORMAL MARKET HOURS. THE FIRM TRANSMITTED TO REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FIRM FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS AND FAILED TO SHOW THE CORRECT TERMS AND CONDITIONS ON THE MEMORANDUM OF BROKERAGE ORDERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING EQUITY TRADE REPORTING, OATS, AND BOOKS AND RECORDS REQUIREMENTS. IN ADDITION, THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, WHICH SPECIFIED THAT THE "DESIGNATED PRINCIPAL" IS RESPONSIBLE FOR IMPLEMENTING THE PROPER TRADE REPORTING REQUIREMENTS FOR ALL TRANSACTIONS CONDUCTED BY THE FIRM, PERIODICALLY COMPARING TRADE REPORTS TO ORDER EXECUTION DOCUMENTS TO ENSURE THAT TRADES ARE BEING PROPERLY REPORTED AS THEY ARE EXECUTED, ENSURING THE FIRM CONDUCTS OATS ACTIVITIES, INCLUDING REPORTING, IN COMPLIANCE WITH FINRA RULES, AND PERIODICALLY REVIEWING OATS DATA, INCLUDING SPECIAL HANDLING CODES, TO ENSURE IT WAS PROPERLY AND TIMELY SUBMITTED.

Initiated By: FINRA

Date Initiated: 03/23/2016

Docket/Case Number: [2013035664601](#)

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: 03/23/2016

Sanctions Ordered: Censure



Monetary/Fine \$57,500.00

Other Sanctions Ordered: UNDERTAKING: ADDRESS ITS TRADE REPORTING, OATS, BOOKS AND RECORDS, AND SUPERVISORY DEFICIENCIES TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS

Sanction Details: THE FIRM WAS CENSURED, FINED \$57,500 AND UNDERTAKES TO ADDRESS ITS TRADE REPORTING, OATS, BOOKS AND RECORDS, AND SUPERVISORY DEFICIENCIES TO ENSURE THAT THE FIRM HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS.

Disclosure 4 of 9

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 DURING THE RESTRICTED PERIOD FOR THE DISTRIBUTION OF SECURITIES IN THE FIRST TRANCHE OF AN OFFERING OF A COMPANY'S COMMON STOCK, WHILE IT ACTED AS A DISTRIBUTION PARTICIPANT FOR THE OFFERING, THE FIRM PUBLISHED AND MAINTAINED BIDS IN THE COMPANY'S COMMON STOCK, AND PURCHASED SHARES OF THE COMPANY'S COMMON STOCK ON A PRINCIPAL BASIS ON FOUR OCCASIONS THAT CONSTITUTES VIOLATIONS OF RULE 101 OF REGULATION M. THE FINDINGS STATED THAT BECAUSE THE FIRM ACTED AS A MANAGER (OR IN A SIMILAR CAPACITY) IN THE COMPANY'S OFFERING, IT WAS REQUIRED TO SUBMIT TO FINRA, IN TIMELY FASHION, NOTIFICATION PURSUANT TO APPLICABLE FINRA RULES, AND IT, HOWEVER, FAILED TO SUBMIT A REGULATION M RESTRICTED PERIOD NOTIFICATION IN CONNECTION WITH THE COMPANY'S OFFERING AND TO TIMELY SUBMIT A REGULATION M TRADING NOTIFICATION IN CONNECTION WITH THE OFFERING. THE FINDINGS ALSO STATED THAT THE FIRM ACTED AS A MANAGER (OR IN A SIMILAR CAPACITY) IN TWO DISTRIBUTIONS OF COMMON STOCK OF A COMPANY, INCLUDING WITH RESPECT TO A PRIVATE PLACEMENT OF NONCONVERTIBLE PROMISSORY NOTES AND WARRANTS TO PURCHASE SHARES OF THE COMPANY'S COMMON STOCK, AND IN CONNECTION WITH AN AT-THE-MARKET OFFERING OF THE COMMON STOCK, AND THE FIRM FAILED TO TIMELY SUBMIT THE REGULATION M RESTRICTED PERIOD NOTIFICATIONS FOR EACH OF THE TWO DISTRIBUTIONS OF THE COMPANY'S COMMON STOCK. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO SUBMIT THE REGULATION M TRADING NOTIFICATION FOR THE PRIVATE PLACEMENT OF THE COMPANY'S COMMON STOCK, AND FAILED TO TIMELY SUBMIT THE REGULATION M TRADING NOTIFICATION FOR THE COMPANY'S COMMON



STOCK AT-THE-MARKET OFFERING. FINRA FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF FINRA. THE FIRM'S WSPS FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED.

Initiated By: FINRA

Date Initiated: 03/11/2016

Docket/Case Number: [2012034455101](#)

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENT OF NONCONVERTIBLE PROMISSORY NOTES AND WARRANTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/11/2016

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: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$12,500, AND REQUIRED TO REVISE ITS WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE \$12,500 FINE REPRESENTS THE PORTION OF THE FIRM'S FINE TO BE PAID IN THIS FINRA ACTION, WITH AN EQUIVALENT FINE



ALSO ASSESSED IN A CONCURRENT SETTLEMENT ON BEHALF OF THE NASDAQ STOCK MARKET LLC FOR COMMON CONDUCT. FINES PAID IN FULL ON JANUARY 23, 2018.

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 DURING THE RESTRICTED PERIOD FOR THE DISTRIBUTION OF SECURITIES IN THE FIRST TRANCHE OF AN OFFERING OF A COMPANY'S COMMON STOCK, WHILE IT ACTED AS A DISTRIBUTION PARTICIPANT FOR THE OFFERING, THE FIRM PUBLISHED AND MAINTAINED BIDS IN THE COMPANY'S COMMON STOCK, AND PURCHASED SHARES OF THE COMPANY'S COMMON STOCK ON A PRINCIPAL BASIS ON FOUR OCCASIONS THAT CONSTITUTES VIOLATIONS OF RULE 101 OF REGULATION M. THE FINDINGS STATED THAT BECAUSE THE FIRM ACTED AS A MANAGER (OR IN A SIMILAR CAPACITY) IN THE COMPANY'S OFFERING, IT WAS REQUIRED TO SUBMIT TO FINRA, IN TIMELY FASHION, NOTIFICATION PURSUANT TO APPLICABLE FINRA RULES, AND IT, HOWEVER, FAILED TO SUBMIT A REGULATION M RESTRICTED PERIOD NOTIFICATION IN CONNECTION WITH THE COMPANY'S OFFERING AND TO TIMELY SUBMIT A REGULATION M TRADING NOTIFICATION IN CONNECTION WITH THE OFFERING. THE FINDINGS ALSO STATED THAT THE FIRM ACTED AS A MANAGER (OR IN A SIMILAR CAPACITY) IN TWO DISTRIBUTIONS OF COMMON STOCK OF A COMPANY, INCLUDING WITH RESPECT TO A PRIVATE PLACEMENT OF NONCONVERTIBLE PROMISSORY NOTES AND WARRANTS TO PURCHASE SHARES OF THE COMPANY'S COMMON STOCK, AND IN CONNECTION WITH AN AT-THE-MARKET OFFERING OF THE COMMON STOCK, AND THE FIRM FAILED TO TIMELY SUBMIT THE REGULATION M RESTRICTED PERIOD NOTIFICATIONS FOR EACH OF THE TWO DISTRIBUTIONS OF THE COMPANY'S COMMON STOCK. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO SUBMIT THE REGULATION M TRADING NOTIFICATION FOR THE PRIVATE PLACEMENT OF THE COMPANY'S COMMON STOCK, AND FAILED TO TIMELY SUBMIT THE REGULATION M TRADING NOTIFICATION FOR THE COMPANY'S COMMON STOCK AT-THE-MARKET OFFERING. FINRA FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF FINRA. THE FIRM'S WSPS FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS,



AND HOW SUCH REVIEWS SHALL BE DOCUMENTED.

Initiated By: FINRA

Date Initiated: 03/11/2016

Docket/Case Number: [2012034455101](#)

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENT OF NONCONVERTIBLE PROMISSORY NOTES AND WARRANTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/11/2016

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

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$12,500, AND REQUIRED TO REVISE ITS WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE \$12,500 FINE REPRESENTS THE PORTION OF THE FIRM'S FINE TO BE PAID IN THIS FINRA ACTION, WITH AN EQUIVALENT FINE ALSO ASSESSED IN A CONCURRENT SETTLEMENT ON BEHALF OF THE NASDAQ STOCK MARKET LLC FOR COMMON CONDUCT.

Disclosure 5 of 9

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 DURING THE RESTRICTED PERIOD FOR THE DISTRIBUTION OF SECURITIES IN THE FIRST TRANCHE OF AN OFFERING OF A COMPANY'S COMMON STOCK, WHILE IT ACTED AS A DISTRIBUTION PARTICIPANT FOR THE OFFERING, THE FIRM PUBLISHED AND MAINTAINED BIDS IN THE COMPANY'S COMMON STOCK, AND PURCHASED SHARES OF THE COMPANY'S COMMON STOCK



ON A PRINCIPAL BASIS ON FOUR OCCASIONS THAT CONSTITUTED VIOLATIONS OF RULE 101 OF REGULATION M. THE FINDINGS STATED THAT BECAUSE THE FIRM ACTED AS A MANAGER (OR IN A SIMILAR CAPACITY) IN THE COMPANY'S OFFERING, IT WAS REQUIRED TO SUBMIT TO NASDAQ AND FINRA, IN TIMELY FASHION, NOTIFICATION OF EXCUSED WITHDRAWAL STATUS OR PASSIVE MARKET MAKER STATUS, PURSUANT TO APPLICABLE NASDAQ RULES, AND IT, HOWEVER, FAILED TO SUBMIT A NOTICE IN CONNECTION WITH THE COMPANY'S OFFERING. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF NASDAQ. THE FIRM'S WSPS FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 03/11/2016

Docket/Case Number: 2012034455102

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENT OF NONCONVERTIBLE PROMISSORY NOTES AND WARRANTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/11/2016

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: UNDERTAKING

**Sanction Details:**

THE FIRM WAS CENSURED, FINED \$12,500, AND REQUIRED TO REVISE ITS WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED.

THE \$12,500 FINE REPRESENTS THE PORTION OF THE FIRM'S FINE TO BE PAID IN THIS NASDAQ ACTION, WITH AN EQUIVALENT FINE ALSO ASSESSED IN A CONCURRENT FINRA ACTION THAT INCLUDED, AMONG OTHER THINGS, COMMON CONDUCT.

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 DURING THE RESTRICTED PERIOD FOR THE DISTRIBUTION OF SECURITIES IN THE FIRST TRANCHE OF AN OFFERING OF A COMPANY'S COMMON STOCK, WHILE IT ACTED AS A DISTRIBUTION PARTICIPANT FOR THE OFFERING, THE FIRM PUBLISHED AND MAINTAINED BIDS IN THE COMPANY'S COMMON STOCK, AND PURCHASED SHARES OF THE COMPANY'S COMMON STOCK ON A PRINCIPAL BASIS ON FOUR OCCASIONS THAT CONSTITUTED VIOLATIONS OF RULE 101 OF REGULATION M. THE FINDINGS STATED THAT BECAUSE THE FIRM ACTED AS A MANAGER (OR IN A SIMILAR CAPACITY) IN THE COMPANY'S OFFERING, IT WAS REQUIRED TO SUBMIT TO NASDAQ AND FINRA, IN TIMELY FASHION, NOTIFICATION OF EXCUSED WITHDRAWAL STATUS OR PASSIVE MARKET MAKER STATUS, PURSUANT TO APPLICABLE NASDAQ RULES, AND IT, HOWEVER, FAILED TO SUBMIT A NOTICE IN CONNECTION WITH THE COMPANY'S OFFERING. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF NASDAQ. THE FIRM'S WSPS FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED.

Initiated By:

NASDAQ STOCK MARKET

Date Initiated:

03/11/2016

Docket/Case Number:

2012034455102



Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT OF NONCONVERTIBLE PROMISSORY NOTES AND WARRANTS
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/11/2016
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED, FINED \$12,500, AND REQUIRED TO REVISE ITS WSPS WITH RESPECT TO THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE \$12,500 FINE REPRESENTS THE PORTION OF THE FIRM'S FINE TO BE PAID IN THIS NASDAQ ACTION, WITH AN EQUIVALENT FINE ALSO ASSESSED IN A CONCURRENT FINRA ACTION THAT INCLUDED, AMONG OTHER THINGS, COMMON CONDUCT.

Disclosure 6 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT FAILED TO SATISFY IMPORTANT SUPERVISORY, DISCLOSURE AND REPORTING RESPONSIBILITIES. THE COMPLAINT ALLEGES THAT THE FIRM FAILED TO TIMELY UPDATE THE FORMS U4 OF TWO REGISTERED REPRESENTATIVES TO REFLECT "WELLS" NOTICES THAT THEY WERE THE SUBJECTS OF REGULATORY INVESTIGATIONS BY FINRA AND FAILED TO TIMELY UPDATE THE FORM U4 OF ONE OF THE REGISTERED REPRESENTATIVES TO REFLECT THAT THE REPRESENTATIVE WAS SUBJECT TO AN IRS TAX LIEN AND TO REFLECT A WRITTEN CUSTOMER COMPLAINT AGAINST THE REGISTERED REPRESENTATIVE INCLUDING A CLAIM FOR MORE THAN \$5,000. THE FIRM FAILED TO REPORT THE AFOREMENTIONED CUSTOMER COMPLAINT AND SUBSEQUENT ARBITRATION CLAIM MADE AGAINST THE FIRM AND ONE OF ITS



REGISTERED REPRESENTATIVES TO FINRA. DESPITE THOSE CLAIMS, THE FIRM FAILED TO REPORT THE COMPLAINT IN A TIMELY FASHION AS REQUIRED BY FINRA RULES. THE COMPLAINT ALSO ALLEGES THAT THE FIRM DID NOT ESTABLISH, MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN PROCEDURES REASONABLY DESIGNED TO COMPLY WITH UPDATING FORMS U4 AND REPORTING CUSTOMER COMPLAINTS PROPERLY, AND CUSTOMER COMPLAINTS WERE NOT HANDLED PROPERLY BY SUPERVISORS. THE FIRM ALSO FAILED TO ENSURE THAT FORMS U4 WERE UPDATED AND CUSTOMER COMPLAINTS WERE REPORTED TIMELY.

Initiated By: FINRA

Date Initiated: 02/23/2015

Docket/Case Number: [2010023220507](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 06/25/2015

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 \$20,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$20,000. A LOWER FINE WAS IMPOSED AFTER CONSIDERING, AMONG OTHER THINGS, THE FIRM'S REVENUE AND FINANCIAL RESOURCES. FINES PAID IN FULL ON AUGUST 14, 2017.

Regulator Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TIMELY UPDATE THE FORMS U4 OF REGISTERED REPRESENTATIVES TO REFLECT "WELLS" NOTICES THAT THEY WERE THE



SUBJECTS OF REGULATORY INVESTIGATIONS BY FINRA. THE FINDINGS STATED THE FIRM FAILED TO TIMELY UPDATE THE FORM U4 OF A REGISTERED REPRESENTATIVE TO REFLECT THAT THE REPRESENTATIVE WAS SUBJECT TO AN IRS TAX LIEN. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT A COMPLAINT AND SUBSEQUENT ARBITRATION CLAIM MADE AGAINST THE FIRM AND ONE OF ITS REGISTERED REPRESENTATIVES TO FINRA IN A TIMELY FASHION AFTER A CUSTOMER CLAIMED THAT CERTAIN TRADES WERE UNAUTHORIZED AND MADE A DEMAND FOR DAMAGES. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT HAVE ADEQUATE WRITTEN PROCEDURES AND IT FAILED TO IMPLEMENT ITS SUPERVISORY SYSTEM ADEQUATELY WITH REGARD TO CUSTOMER COMPLAINT REPORTING AND FORM U4 DISCLOSURE.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT FAILED TO SATISFY IMPORTANT SUPERVISORY, DISCLOSURE AND REPORTING RESPONSIBILITIES. THE COMPLAINT ALLEGES THAT THE FIRM FAILED TO TIMELY UPDATE THE FORMS U4 OF TWO REGISTERED REPRESENTATIVES TO REFLECT "WELLS" NOTICES THAT THEY WERE THE SUBJECTS OF REGULATORY INVESTIGATIONS BY FINRA AND FAILED TO TIMELY UPDATE THE FORM U4 OF ONE OF THE REGISTERED REPRESENTATIVES TO REFLECT THAT THE REPRESENTATIVE WAS SUBJECT TO AN IRS TAX LIEN AND TO REFLECT A WRITTEN CUSTOMER COMPLAINT AGAINST THE REGISTERED REPRESENTATIVE INCLUDING A CLAIM FOR MORE THAN \$5,000. THE FIRM FAILED TO REPORT THE AFOREMENTIONED CUSTOMER COMPLAINT AND SUBSEQUENT ARBITRATION CLAIM MADE AGAINST THE FIRM AND ONE OF ITS REGISTERED REPRESENTATIVES TO FINRA. DESPITE THOSE CLAIMS, THE FIRM FAILED TO REPORT THE COMPLAINT IN A TIMELY FASHION AS REQUIRED BY FINRA RULES. THE COMPLAINT ALSO ALLEGES THAT THE FIRM DID NOT ESTABLISH, MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN PROCEDURES REASONABLY DESIGNED TO COMPLY WITH UPDATING FORMS U4 AND REPORTING CUSTOMER COMPLAINTS PROPERLY, AND CUSTOMER COMPLAINTS WERE NOT HANDLED PROPERLY BY SUPERVISORS. THE FIRM ALSO FAILED TO ENSURE THAT FORMS U4 WERE UPDATED AND CUSTOMER COMPLAINTS WERE REPORTED TIMELY.

Initiated By: FINRA

Date Initiated: 02/23/2015

Docket/Case Number: [2010023220507](#)



Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	06/25/2015
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	FIRM HAS AGREED TO PAY THE MONETARY SANCTION IN THE AMOUNT OF \$20,000, UPON NOTICE THAT THIS OFFER HAS BEEN ACCEPTED AND THAT SUCH PAYMENTS ARE DUE AND PAYABLE ACCORDINGLY.

Disclosure 7 of 9

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 RECORD ALL TERMS AND CONDITIONS ON A CUSTOMER ORDER RECORD AND DOCUMENT TIME-IN-FORCE IN 39 INSTANCES; FAILED TO RECORD ALL TERMS AND CONDITIONS ON A CUSTOMER ORDER RECORD AND DOCUMENT THE CORRECT ORDER RECEIPT TIME IN TWO INSTANCES; AND FAILED TO MAINTAIN A COMPLETE ORDER RECORD WITH THE IDENTIFICATION OF THE CORRESPONDING CUSTOMER ACCOUNT NAME/ACCOUNT NUMBER IN FIVE INSTANCES. THE FINDINGS STATED THAT IN FIVE INSTANCES, THE FIRM ACCEPTED ORDERS FROM CUSTOMERS FOR EXECUTION IN THE PRE-MARKET SESSION OR POST-MARKET SESSION WITHOUT DISCLOSING TO SUCH CUSTOMERS THAT EXTENDED HOURS TRADING INVOLVES MATERIAL TRADING RISKS, INCLUDING THE POSSIBILITY OF LOWER LIQUIDITY, HIGH VOLATILITY, CHANGING PRICES, UNLINKED MARKETS, AN EXAGGERATED EFFECT FROM NEWS ANNOUNCEMENTS, WIDER SPREAD AND ANY OTHER RELEVANT RISK. IN FIVE INSTANCES, THE FIRM FAILED TO SUBMIT TO THE OVER-THE-COUNTER (OTC) REPORTING FACILITY THE CORRECT RELATED MARKET CENTER INDICATOR FOR A NON-TAPE REPORT. THE FIRM, ON 21 OCCASIONS, EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS



OWN ACCOUNT WITHOUT: BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SECURITIES EXCHANGE ACT OF 1934 RULE 203(B)(1) OF REGULATION SHO. THE FIRM EXECUTED 16 SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT, AND IN 16 INSTANCES, INCORRECTLY DESIGNATED ITS COMPENSATION AS "COMMISSION" ON A CUSTOMER CONFIRMATION FOR A TRANSACTION IN WHICH IT ACTED IN A PRINCIPAL OR RISKLESS PRINCIPAL CAPACITY. THE FIRM ALSO FAILED TO TRANSMIT 23,485 REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) OVER 342 BUSINESS DAYS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND/OR ENFORCE ADEQUATE POLICIES AND PROCEDURES RELATED TO COMPLIANCE WITH REGULATION NMS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING SUPERVISORY SYSTEM, PROCEDURES AND QUALIFICATIONS, ORDER HANDLING, BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, TRADE REPORTING, SALE TRANSACTIONS, OTHER TRADING RULES, AND OTHER RULES. THE FIRM ALSO FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS CONCERNING BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, AND OTHER RULES.

Initiated By: FINRA

Date Initiated: 02/23/2015

Docket/Case Number: [2013035829502](#)

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: 02/23/2015

Does the order constitute a No



final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Sanctions Ordered: Censure
Monetary/Fine \$52,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$52,500.

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 RECORD ALL TERMS AND CONDITIONS ON A CUSTOMER ORDER RECORD AND DOCUMENT TIME-IN-FORCE IN 39 INSTANCES; FAILED TO RECORD ALL TERMS AND CONDITIONS ON A CUSTOMER ORDER RECORD AND DOCUMENT THE CORRECT ORDER RECEIPT TIME IN TWO INSTANCES; AND FAILED TO MAINTAIN A COMPLETE ORDER RECORD WITH THE IDENTIFICATION OF THE CORRESPONDING CUSTOMER ACCOUNT NAME/ACCOUNT NUMBER IN FIVE INSTANCES. THE FINDINGS STATED THAT IN FIVE INSTANCES, THE FIRM ACCEPTED ORDERS FROM CUSTOMERS FOR EXECUTION IN THE PRE-MARKET SESSION OR POST-MARKET SESSION WITHOUT DISCLOSING TO SUCH CUSTOMERS THAT EXTENDED HOURS TRADING INVOLVES MATERIAL TRADING RISKS, INCLUDING THE POSSIBILITY OF LOWER LIQUIDITY, HIGH VOLATILITY, CHANGING PRICES, UNLINKED MARKETS, AN EXAGGERATED EFFECT FROM NEWS ANNOUNCEMENTS, WIDER SPREAD AND ANY OTHER RELEVANT RISK. IN FIVE INSTANCES, THE FIRM FAILED TO SUBMIT TO THE OVER-THE-COUNTER (OTC) REPORTING FACILITY THE CORRECT RELATED MARKET CENTER INDICATOR FOR A NON-TAPE REPORT. THE FIRM, ON 21 OCCASIONS, EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT WITHOUT: BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SECURITIES EXCHANGE ACT OF 1934 RULE 203(B)(1) OF REGULATION SHO. THE FIRM EXECUTED 16 SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT, AND IN 16 INSTANCES, INCORRECTLY DESIGNATED ITS COMPENSATION AS "COMMISSION" ON A CUSTOMER CONFIRMATION FOR A TRANSACTION IN WHICH IT ACTED IN A PRINCIPAL OR RISKLESS



PRINCIPAL CAPACITY. THE FIRM ALSO FAILED TO TRANSMIT 23,485 REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) OVER 342 BUSINESS DAYS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND/OR ENFORCE ADEQUATE POLICIES AND PROCEDURES RELATED TO COMPLIANCE WITH REGULATION NMS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING SUPERVISORY SYSTEM, PROCEDURES AND QUALIFICATIONS, ORDER HANDLING, BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, TRADE REPORTING, SALE TRANSACTIONS, OTHER TRADING RULES, AND OTHER RULES. THE FIRM ALSO FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS CONCERNING BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, AND OTHER RULES.

Initiated By: FINRA

Date Initiated: 02/23/2015

Docket/Case Number: [2013035829502](#)

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: 02/23/2015

Sanctions Ordered: Censure
Monetary/Fine \$52,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$52,500.

Disclosure 8 of 9

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 IN 20 INSTANCES, THE FIRM FAILED TO PROVIDE AN ORDER/EXECUTION RECORD CORRESPONDING TO AN APPARENT PROPRIETARY ORDER ENTERED INTO THE NASDAQ SYSTEM. THIS CONDUCT VIOLATED NASDAQ RULE 4511A AND SECURITIES EXCHANGE ACT OF 1934 RULE 17A-4. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR NASDAQ RULES. AT A MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR ABOVE-CITED MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: TRADE REPORTING: ENTERING THE CORRECT CAPACITY INTO THE NASDAQ EXCHANGE; AND OTHER TRADING RULES: LOCKING/CROSSING AN EXISTING NASDAQ QUOTE, ACCURACY AND INTEGRITY OF ORDERS ENTERED INTO THE NASDAQ SYSTEM, NASDAQ CLEARLY ERRONEOUS TRANSACTIONS, REVIEW AND DETECTION OF POTENTIAL ORDER ENTRY ISSUES, LONG/SHORT SELL ORDER ENTRY INTO THE NASDAQ SYSTEM. THIS CONDUCT VIOLATED NASDAQ RULES 2010A AND 3010.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 02/12/2015

Docket/Case Number: 2013035829501

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: 02/12/2015



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 \$7,000.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM WAS CENSURED AND FINED \$7,000.

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 IN 20 INSTANCES, THE FIRM FAILED TO PROVIDE AN ORDER/EXECUTION RECORD CORRESPONDING TO AN APPARENT PROPRIETARY ORDER ENTERED INTO THE NASDAQ SYSTEM. THIS CONDUCT VIOLATED NASDAQ RULE 4511A AND SECURITIES EXCHANGE ACT OF 1934 RULE 17A-4. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR NASDAQ RULES. AT A MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR ABOVE-CITED MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: TRADE REPORTING: ENTERING THE CORRECT CAPACITY INTO THE NASDAQ EXCHANGE; AND OTHER TRADING RULES: LOCKING/CROSSING AN EXISTING NASDAQ QUOTE, ACCURACY AND INTEGRITY OF ORDERS ENTERED INTO THE NASDAQ SYSTEM, NASDAQ CLEARLY ERRONEOUS TRANSACTIONS, REVIEW AND DETECTION OF POTENTIAL ORDER ENTRY ISSUES, LONG/SHORT SELL ORDER ENTRY INTO THE NASDAQ SYSTEM. THIS CONDUCT VIOLATED NASDAQ RULES 2010A AND 3010.

Initiated By:

NASDAQ STOCK MARKET LLC C/O FINANCIAL INDUSTRY REGULATORY



	AUTHORITY
Date Initiated:	02/12/2015
Docket/Case Number:	20130358295-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	A FINE TOTALING \$7,000.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/12/2015
Sanctions Ordered:	Censure Monetary/Fine \$7,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A FINE TOTALING \$7,000 (CONSISTING OF A \$3,500 FINE FOR THE NASDAQ RULE 4511A AND SEA RULE 17A-4 VIOLATIONS; AND A \$3,500 FINE FOR THE VIOLATIONS OF NASDAQ RULES 2010A AND 3010). RESPONDENT SPECIFICALLY AND VOLUNTARILY WAIVES ANY RIGHT TO CLAIM THAT IT IS UNABLE TO PAY, NOW OR AT ANY TIME HEREAFTER, THE MONETARY SANCTION(S) IMPOSED IN THIS MATTER.

Disclosure 9 of 9

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 POLICIES AND PROCEDURES THAT REASONABLY AVOID DISPLAYING, OR ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING, LOCKING OR CROSSING QUOTATIONS IN ANY OVER-THE-COUNTER (OTC) EQUITY SECURITY. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE FINRA RULES, CONCERNING LOCKING OR CROSSING QUOTATIONS IN OTC EQUITY SECURITIES.



Initiated By: FINRA
Date Initiated: 09/17/2014
Docket/Case Number: [2011030654201](#)
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: 09/17/2014
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 \$7,500.00
Other Sanctions Ordered: UNDERTAKING: REVISE THE FIRM'S POLICIES AND PROCEDURES, INCLUDING ITS WRITTEN SUPERVISORY PROCEDURES
Sanction Details: SEE ABOVE
Regulator Statement FINE PAID IN FULL OCTOBER 7, 2015.

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 ALLEGEDLY FAILED TO IMPLEMENT POLICIES AND PROCEDURES THAT REASONABLY AVOID DISPLAYING, OR ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING, LOCKING OR CROSSING QUOTATIONS IN ANY OVER-THE-COUNTER (OTC) EQUITY SECURITY. THE FINDINGS ALLEGED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE FINRA RULES, CONCERNING LOCKING OR CROSSING QUOTATIONS IN OTC



EQUITY SECURITIES.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 09/17/2014

Docket/Case Number: [2011030654201](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/11/2015

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered: UNDERTAKING: REVISE THE FIRM'S POLICIES AND PROCEDURES, INCLUDING ITS WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: SEE ABOVE.

End of Report



This page is intentionally left blank.