

## BrokerCheck Report

# FIRST MANHATTAN SECURITIES LLC

CRD# 1845

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

Please contact FINRA with any concerns.

## About BrokerCheck®

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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).



## FIRST MANHATTAN SECURITIES LLC

CRD# 1845

SEC# 8-10438

### Main Office Location

399 PARK AVENUE  
NEW YORK, NY 10022  
Regulated by FINRA New York Office

### Mailing Address

399 PARK AVENUE  
NEW YORK, NY 10022

### Business Telephone Number

(212) 756-3300

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

## 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 Delaware on 11/02/2022.  
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
- 2 Self-Regulatory Organizations
- 51 U.S. states and territories

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

This firm conducts 7 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	10



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 11/02/2022.

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.

### FIRST MANHATTAN SECURITIES LLC

Doing business as FIRST MANHATTAN SECURITIES LLC

CRD# 1845

SEC# 8-10438

### Main Office Location

399 PARK AVENUE  
NEW YORK, NY 10022

Regulated by FINRA New York Office

### Mailing Address

399 PARK AVENUE  
NEW YORK, NY 10022

### Business Telephone Number

(212) 756-3300



## Firm Profile

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

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	FMC GROUP HOLDINGS LP
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	LIMITED PARTNERSHIP
<b>Position Start Date</b>	01/2023
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	WYDRA, ZACHARY A 2937857
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF EXECUTIVE OFFICER
<b>Position Start Date</b>	09/2016
<b>Percentage of Ownership</b>	5% but less than 10%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	ASPEN, ANDREW JOSEPH 5282749
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF LEGAL OFFICER
<b>Position Start Date</b>	05/2020

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

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

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

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**Legal Name & CRD# (if any):** COVINO, JEREMY PAUL  
6794503

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

**Position** CHIEF COMPLIANCE OFFICER (FOR PURPOSES OF FINRA RULE 3130)

**Position Start Date** 12/2023

**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

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**Legal Name & CRD# (if any):** PINTO, ALVARO SPINOLA  
6367887

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

**Position** FINOP/PRINCIPAL OPERATIONS OFFICER

**Position Start Date** 05/2017

**Percentage of Ownership** Less than 5%

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

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

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**Legal Name & CRD# (if any):** SAMMARCO, JOSEPH ANTHONY

Firm Profile



Direct Owners and Executive Officers (continued)

	2982052
Is this a domestic or foreign entity or an individual?	Individual
Position	CO-DIRECTOR OF OPERATIONS; HEAD OF SUPERVISION
Position Start Date	03/2022
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

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## Firm Profile

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

### Indirect Owners

**Legal Name & CRD# (if any):** GOTTESMAN, ROBERT WILLIAM

825179

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

**Company through which indirect ownership is established** FMC GROUP HOLDINGS LP

**Relationship to Direct Owner** LIMITED PARTNER

**Relationship Established** 01/2023

**Percentage of Ownership** 25% but less than 50%

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

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

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**Legal Name & CRD# (if any):** FIRST MANHATTAN MANAGEMENT LLC

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

**Company through which indirect ownership is established** FMC GROUP HOLDINGS LP

**Relationship to Direct Owner** GENERAL PARTNER

**Relationship Established** 01/2023

**Percentage of Ownership** Other General Partners

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

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

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## Firm History

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

<b>This firm was previously:</b>	FIRST MANHATTAN CO.
<b>Date of Succession:</b>	01/01/2023
<b>Predecessor CRD#:</b>	1845
<b>Predecessor SEC#:</b>	8-10438
<b>Description</b>	FIRST MANHATTAN CO., FORMERLY A DUALY-REGISTERED INVESTMENT ADVISER AND BROKER-DEALER WITH THE SEC, HAS SEPARATED FROM THE INVESTMENT ADVISER AND OPERATES SOLELY AS A BROKER-DEALER UNDER THE NAME "FIRST MANHATTAN SECURITIES LLC". ALL ASSETS AND LIABILITIES HAVE BEEN ASSUMED BY THE SUCCESSOR. THERE WILL BE NO CHANGE TO THE BUSINESS, MANAGEMENT, SYSTEMS, ULTIMATE OWNER OR CONTROL OF THE FIRM AS A RESULT OF THIS SEPARATION.
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<b>This firm was previously:</b>	FIRST MANHATTAN CO.
<b>Date of Succession:</b>	01/01/2023
<b>Predecessor CRD#:</b>	1845
<b>Predecessor SEC#:</b>	8-12411
<b>Description</b>	FIRST MANHATTAN CO., FORMERLY A DUALY-REGISTERED INVESTMENT ADVISER AND BROKER-DEALER WITH THE SEC, HAS SEPARATED FROM THE INVESTMENT ADVISER AND OPERATES SOLELY AS A BROKER-DEALER UNDER THE NAME "FIRST MANHATTAN SECURITIES LLC". ALL ASSETS AND LIABILITIES HAVE BEEN ASSUMED BY THE SUCCESSOR. THERE WILL BE NO CHANGE TO THE BUSINESS, MANAGEMENT, SYSTEMS, ULTIMATE OWNER OR CONTROL OF THE FIRM AS A RESULT OF THIS SEPARATION.



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, 2 SROs and 51 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	02/26/1962

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	01/11/1955
Nasdaq Stock Market	Approved	07/12/2006



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	09/01/1992
Alaska	Approved	09/19/1994
Arizona	Approved	08/17/1999
Arkansas	Approved	09/22/1995
California	Approved	01/01/1970
Colorado	Approved	02/01/1983
Connecticut	Approved	07/18/1962
Delaware	Approved	10/06/1981
District of Columbia	Approved	04/21/1983
Florida	Approved	04/27/1983
Georgia	Approved	09/21/1981
Hawaii	Approved	06/20/1974
Idaho	Approved	12/14/1994
Illinois	Approved	08/08/1966
Indiana	Approved	10/20/1981
Iowa	Approved	04/10/1992
Kansas	Approved	10/09/1987
Kentucky	Approved	10/12/1994
Louisiana	Approved	04/20/1983
Maine	Approved	11/01/2005
Maryland	Approved	10/03/1981
Massachusetts	Approved	07/31/1981
Michigan	Approved	02/02/1983
Minnesota	Approved	07/15/1982
Mississippi	Approved	10/14/1981
Missouri	Approved	07/15/1983
Montana	Approved	07/22/1993
Nebraska	Approved	10/08/1981
Nevada	Approved	07/26/1993
New Hampshire	Approved	05/17/1993
New Jersey	Approved	07/12/1983
New Mexico	Approved	06/05/2000
New York	Approved	01/02/1986

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	07/15/1982
North Dakota	Approved	11/30/1994
Ohio	Approved	10/16/1985
Oklahoma	Approved	04/09/1992
Oregon	Approved	09/22/1994
Pennsylvania	Approved	11/24/1964
Rhode Island	Approved	02/01/1983
South Carolina	Approved	01/14/1992
South Dakota	Approved	09/29/1994
Tennessee	Approved	08/17/1981
Texas	Approved	07/22/1983
Utah	Approved	03/15/1995
Vermont	Approved	02/13/1984
Virginia	Approved	07/24/1990
Washington	Approved	08/21/1992
West Virginia	Approved	10/25/1994
Wisconsin	Approved	12/01/1964
Wyoming	Approved	03/13/1995



## Firm Operations

### Types of Business

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

**This firm currently conducts 7 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Mutual fund underwriter or sponsor

Mutual fund retailer

Municipal securities broker

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

Other - FIRST MANHATTAN SECURITIES LLC IS REGISTERED AS A BROKER-DEALER UNDER SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND ALSO ACTS AS A GOVERNMENT SECURITIES BROKER AND AS A PUT AND CALL BROKER; HOWEVER, OUR ACTIVITIES AS A GOVERNMENT SECURITIES BROKER AND PUT AND CALL BROKER ACCOUNT FOR LESS THAN 1% OF OUR ANNUAL REVENUE. FIRST MANHATTAN SECURITIES LLC ALSO ENGAGES IN INVESTMENT BANKING AND CORPORATE FINANCE ACTIVITIES; HOWEVER, THOSE ACTIVITIES ALSO ACCOUNT FOR LESS THAN 1% OF OUR ANNUAL REVENUE.

#### 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:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	03/17/1999
Description:	FULLY DISCLOSED CLEARING AGREEMENT

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## Firm Operations

### Industry Arrangements



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

**Name:** GLOBAL RELAY COMMUNICATIONS INC.  
**Business Address:** 270-220 CAMBIE STREET  
VANCOUVER BC, CANADA V6B 2MP  
**Effective Date:** 04/04/2007  
**Description:** GLOBAL RELAY COMMUNICATIONS INC. PROVIDES ELECTRONIC STORAGE MEDIA SERVICES FOR SOME OR ALL OF FIRST MANHATTAN SECURITIES LLC RECORD PRESERVATION.

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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399  
**Effective Date:** 03/17/1999  
**Description:** FULLY DISCLOSED CLEARING AGREEMENT

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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399  
**Effective Date:** 03/17/1999  
**Description:** FULLY DISCLOSED CLEARING AGREEMENT

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#### Control Persons/Financing

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

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



## Firm Operations

### Organization Affiliates

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

**This firm is, directly or indirectly:**

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

**FIRST MANHATTAN CO. LLC is under common control with the firm.**

<b>CRD #:</b>	325281
<b>Business Address:</b>	399 PARK AVENUE NEW YORK, NY 10022
<b>Effective Date:</b>	01/01/2023
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	FIRST MANHATTAN CO. LLC, A DELAWARE ENTITY, IS AN AFFILIATE OF FIRST MANHATTAN SECURITIES LLC. THEY ARE UNDER COMMON CONTROL BECAUSE THEY HAVE THE SAME PARENT COMPANY, FMC GROUP HOLDINGS LP, A DELAWARE LIMITED PARTNERSHIP.

**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	10	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 10

**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 ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) WERE NOT REASONABLY DESIGNED TO AVOID BECOMING A PARTICIPANT IN THE POTENTIAL UNREGISTERED DISTRIBUTION OF SECURITIES. THE FIRM'S WSPS DID NOT INCLUDE PROCEDURES REGARDING HOW TO CONDUCT A SEARCHING INQUIRY TO DETERMINE WHETHER A TRANSACTION COMPLIED WITH THE REGISTRATION REQUIREMENTS OF SECTION 5. INSTEAD, THE FIRM'S WSPS ONLY STATED THAT A PRINCIPAL SHOULD BE CONSULTED FOR ASSISTANCE. MOREOVER, EVEN THOUGH THE FIRM, IN PRACTICE, USED A PRE-CLEARANCE FORM IN CONNECTION WITH ITS SECTION 5 REVIEWS, THE WSPS FAILED TO EVEN MENTION THE PRE-CLEARANCE FORM. THE FIRM'S SYSTEM FOR COMPLIANCE WITH SECTION 5 RELIED ENTIRELY ON THE PRE-CLEARANCE FORM THAT REPRESENTATIVES WERE REQUIRED TO COMPLETE PRIOR TO THE DEPOSIT OR SALE/TRANSFER OF MICROCAP SHARES. THE PRE-CLEARANCE FORM REQUIRED THE REPRESENTATIVE TO PROVIDE CERTAIN INFORMATION RELEVANT TO MAKING A DETERMINATION PURSUANT TO SECURITIES ACT RULE 144. THE PRE-CLEARANCE FORM, HOWEVER, DID NOT PROVIDE ANY GUIDANCE ABOUT WHAT DOCUMENTATION THE REPRESENTATIVE SHOULD REVIEW PRIOR TO THE DEPOSIT OR SALE OF ANY MICROCAP SECURITY TO VERIFY THE INFORMATION SET FORTH ON THE PRE-CLEARANCE FORM. THE FIRM ALSO DID NOT HAVE ANY PROCESS FOR ENSURING THAT REPRESENTATIVES COMPLETED THE PRE-CLEARANCE FORM. AS A RESULT, THE FIRM ACCEPTED DEPOSITS OF MICROCAP SECURITIES WITHOUT FIRST HAVING RECEIVED A COMPLETED PRE-CLEARANCE FORM FROM THE CUSTOMER'S REGISTERED REPRESENTATIVE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS IN MICROCAP SECURITIES. THE FIRM'S AML PROCEDURES DID NOT PROVIDE GUIDANCE ABOUT HOW TO IDENTIFY OR ADDRESS RED FLAGS OF SUSPICIOUS TRADING IN MICROCAP SECURITIES. THE FIRM'S PROCEDURES ALSO FAILED TO REQUIRE THAT THE FIRM MONITOR, FOR AML PURPOSES, INFORMATION COLLECTED DURING THE FIRM'S PRE-CLEARANCE PROCESS FOR MICROCAP SECURITIES. THEREFORE, EVEN WHEN CUSTOMERS DEPOSITED AND QUICKLY LIQUIDATED AND WIRED OUT THE PROCEEDS OF MICROCAP SECURITIES, THE FIRM'S PROCEDURES DID NOT REQUIRE THE FIRM TO REVIEW THOSE TRANSACTIONS FOR POTENTIAL BANK SECRECY ACT REPORTING. IN



ADDITION, THE FIRM DID NOT HAVE A REASONABLE SYSTEM TO IDENTIFY SUSPICIOUS TRADING IN MICROCAP SECURITIES. THE FIRM'S EXCLUSIVE METHOD FOR DOING SO WAS THROUGH THE USE OF AN EXCEPTION REPORT THAT ONLY SURVEILLED TRANSACTIONS OF 50 MILLION SHARES OR MORE. AS NEARLY ALL OF THE FIRM'S CUSTOMERS' MICROCAP ACTIVITY INVOLVED FEWER THAN 50 MILLION SHARES PER TRANSACTION, THIS EXCEPTION REPORT WAS NOT TAILORED TO THE FIRM'S BUSINESS.

**Initiated By:** FINRA

**Date Initiated:** 02/11/2022

**Docket/Case Number:** [2020066627201](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 02/11/2022

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$250,000, AND REQUIRED TO CERTIFY THAT THE FIRM'S WSPS AND SUPERVISORY SYSTEM ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933 AND THAT IT HAS ESTABLISHED AND IMPLEMENTED POLICIES AND PROCEDURES THAT CAN BE REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF TRANSACTIONS REQUIRED UNDER THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. FINE PAID IN FULL ON FEBRUARY 28, 2022.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>ON FEBRUARY 11, 2022, FIRST MANHATTAN CO. ("FMC") ENTERED INTO A SETTLEMENT, ALSO KNOWN AS A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WITH THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). IN THE SETTLEMENT, FMC ACCEPTED (WITHOUT ADMITTING OR DENYING) FINDINGS FROM FINRA THAT FROM JANUARY 2012 THROUGH MAY 2020, FMC FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933, IN VIOLATION OF FINRA RULES 3110 AND 2010. FINRA ALSO FOUND THAT FMC FAILED TO ESTABLISH AND IMPLEMENT ANTI-MONEY LAUNDERING ("AML") POLICIES AND PROCEDURES REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS ACTIVITY IN VIOLATION OF FINRA RULES 3310(A) AND 2010. FINRA'S FINDINGS FOCUSED ON ISSUES REGARDING POLICIES AND PROCEDURES ADDRESSING THE DEPOSIT AND SALE OF MICROCAP SECURITIES AT THE FIRM. IN ENTERING INTO THE AWC WITH FINRA, FMC CONSENTED TO A CENSURE, TO PAY A FINE OF \$250000.00, AND TO UPDATE ITS AML PROCEDURES.</p>
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	06/05/2020
<b>Docket/Case Number:</b>	MATTER NO 202006662701
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	FINE IN THE AMOUNT OF \$250000.00
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	02/11/2022
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	THE FIRM WAS CENSURED, FINED \$250,000, AND REQUIRED TO CERTIFY THAT THE FIRM'S WSPS AND SUPERVISORY SYSTEM ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE



SECURITIES ACT OF 1933 AND THAT IT HAS ESTABLISHED AND IMPLEMENTED POLICIES AND PROCEDURES THAT CAN BE REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF TRANSACTIONS REQUIRED UNDER THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. FINE PAID IN FULL ON FEBRUARY 28, 2022.

## Disclosure 2 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO PURCHASE MUNICIPAL SECURITIES FOR ITS CUSTOMERS AT PRICES THAT WERE FAIR AND REASONABLE IN RELATION TO THE PREVAILING MARKET CONDITIONS. THE FINDINGS STATED THAT THE FIRM BOUGHT MUNICIPAL SECURITIES FOR ITS CUSTOMERS FROM AN UNAFFILIATED BROKER-DEALER THAT WAS A COUNTERPARTY FOR NEARLY ALL OF ITS MUNICIPAL SECURITIES TRANSACTIONS. THE FIRM DID NOT CONSIDER THE PRICES BEING OFFERED BY OTHER BROKER-DEALERS RESULTING IN THE TRANSACTIONS BEING EXECUTED AT PRICES AWAY FROM THE MARKET. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ADOPT, MAINTAIN, AND ENFORCE WSPS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH MSRB RULE G-30. ALTHOUGH A REGISTERED PRINCIPAL PERIODICALLY REVIEWED SUMMARY, AGGREGATE PRICING DATA TO DETERMINE WHETHER THE FIRM'S PRICING ACROSS ALL OF ITS MUNICIPAL SECURITIES TRANSACTIONS WAS COMPARABLE ON AVERAGE TO MARKET PRICES, THE REVIEW WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH MSRB RULE G-30 BECAUSE AGGREGATED DATA CAN OBSCURE INFORMATION ABOUT INDIVIDUAL TRANSACTIONS. LATER, THE FIRM IMPLEMENTED NEW WSPS THAT REQUIRED A COMPARISON OF THE PRICING OF EACH MUNICIPAL SECURITIES TRANSACTION AGAINST ONE OR MORE INDEPENDENT SOURCES.</p>
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/23/2020
<b>Docket/Case Number:</b>	<a href="#">2015047927501</a>
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other



<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/23/2020
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$100,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$100,000. THE FIRM PROVIDED EVIDENCE THAT IT HAS ALREADY PAID RESTITUTION TO CUSTOMERS IN THE TOTAL AMOUNT OF \$48,220.64, PLUS INTEREST.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA ALLEGED THAT FIRM VIOLATED MSRB RULES G-17 AND G-30 BY FAILING ON SEVEN OCCASIONS TO PURCHASE MUNICIPAL SECURITIES FOR ITS CUSTOMERS AT PRICES THAT WERE FAIR AND REASONABLE IN RELATION TO PREVAILING MARKET CONDITIONS AND VIOLATED MSRB G-27 BY FAILING TO ADOPT, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH MSRB RULE G-30.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	02/02/2016
<b>Docket/Case Number:</b>	<a href="#">2015047927501</a>
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	FINE IN THE AMOUNT OF \$100,000



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

**Resolution Date:** 03/23/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$100,000.00

**Other Sanctions Ordered:**

**Sanction Details:** PAYMENT OF \$100,000 FINE LEVIED AGAINST APPLICANT PAID ON 3/27/20.

### Disclosure 3 of 10

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FINRA RULES 2010, 6730(A), 6730(C)(8): THE FIRM FAILED TO REPORT TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THE LATE TRANSACTIONS CONSTITUTED APPROXIMATELY 12 PERCENT OF ALL TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT THE FIRM WAS REQUIRED TO REPORT TO TRACE. THE FIRM ALSO FAILED TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS.

**Initiated By:** FINRA

**Date Initiated:** 10/12/2010

**Docket/Case Number:** 2009018936501

**Principal Product Type:** Other

**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES

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

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

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

**Resolution Date:** 10/12/2010

**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 \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$7,500.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

AS A RESULT OF THE LATE FILING TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") IN CONNECTION WITH 313 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES DURING THE PERIOD FROM JANUARY 1 TO MARCH 31, 2009, THE FIRM CONSENTED IN SEPTEMBER OF 2010 TO THE IMPOSITION BY FINRA OF A CENSURE AND FINE IN THE AMOUNT OF \$7500.00.

**Initiated By:**

FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")

**Date Initiated:**

07/29/2009

**Docket/Case Number:**

2009018936501

**Principal Product Type:**

Debt - Corporate

**Other Product Type(s):**

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

Censure

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

FINE IN THE AMOUNT OF \$7500.00

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

10/12/2010

**Sanctions Ordered:**

Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

FINE IN THE AMOUNT OF \$7500.00 WAS PAID BY CHECK DATED 10/14/2010 AND TRANSMITTED TO FINRA ON 10/18/2010.

**Firm Statement**

AS A RESULT OF THE LATE FILING TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") IN CONNECTION WITH 313 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES DURING THE PERIOD FROM JANUARY 1 TO MARCH 31, 2009, THE FIRM CONSENTED IN





SEPTEMBER OF 2010 TO THE IMPOSITION BY FINRA OF A CENSURE AND FINE IN THE AMOUNT OF \$7500.00.

#### Disclosure 4 of 10

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	SMOS TOOK THE POSITION THAT APPLICANT ACTED AS A BROKER-DEALER IN MAINE WITHOUT BEING LICENSED AS A BROKER-DEALER IN MAINE OR EXEMPT FROM SUCH LICENSING. IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS A BROKER-DEALER IN THE STATE OF MAINE, APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE SMOS, EFFECTIVE 10/31/2005, PROVIDING FOR APPLICANT'S PAYMENT OF \$10,000 TO THE SMOS IN LIEU OF ANY PENALTY AND ITS AGREEMENT TO COMPLY WITH ALL LICENSING AND OTHER LEGAL REQUIREMENTS GOVERNING PERSONS ACTING AS A BROKER-DEALER IN THE STATE OF MAINE.
<b>Initiated By:</b>	STATE OF MAINE OFFICE OF SECURITIES ("SMOS")
<b>Date Initiated:</b>	07/15/2005
<b>Docket/Case Number:</b>	NO. 06-018-CAG
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS A BROKER-DEALER IN THE STATE OF MAINE, APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE SMOS, EFFECTIVE 10/31/2005, PROVIDING FOR APPLICANT'S PAYMENT OF \$10,000 TO THE SMOS IN LIEU OF ANY PENALTY AND ITS AGREEMENT TO COMPLY WITH ALL LICENSING AND OTHER LEGAL REQUIREMENTS GOVERNING PERSONS ACTING AS SECURITIES BROKER-DEALERS IN THE STATE OF MAINE.
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS A BROKER-DEALER IN THE STATE OF MAINE, APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE SMOS, EFFECTIVE 10/31/2005, PROVIDING FOR APPLICANT'S PAYMENT OF \$10,000 TO THE SMOS IN LIEU OF ANY PENALTY AND ITS AGREEMENT TO COMPLY WITH ALL LICENSING AND OTHER LEGAL REQUIREMENTS GOVERNING PERSONS ACTING AS SECURITIES BROKER-DEALERS IN THE STATE OF MAINE.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/31/2005

**Sanctions Ordered:****Other Sanctions Ordered:**

IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS A BROKER-DEALER IN THE STATE OF MAINE, APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE SMOS, EFFECTIVE 10/31/2005, PROVIDING FOR APPLICANT'S PAYMENT OF \$10,000 TO THE SMOS IN LIEU OF ANY PENALTY AND ITS AGREEMENT TO COMPLY WITH ALL LICENSING AND OTHER LEGAL REQUIREMENTS GOVERNING PERSONS ACTING AS SECURITIES BROKER-DEALERS IN THE STATE OF MAINE.

**Sanction Details:**

IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS A BROKER-DEALER IN THE STATE OF MAINE, APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE SMOS, EFFECTIVE 10/31/2005, PROVIDING FOR APPLICANT'S PAYMENT OF \$10,000 TO THE SMOS IN LIEU OF ANY PENALTY AND ITS AGREEMENT TO COMPLY WITH ALL LICENSING AND OTHER LEGAL REQUIREMENTS GOVERNING PERSONS ACTING AS SECURITIES BROKER-DEALERS IN THE STATE OF MAINE.

**Firm Statement**

IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS A BROKER-DEALER IN THE STATE OF MAINE, APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE SMOS, EFFECTIVE 10/31/2005, PROVIDING FOR APPLICANT'S PAYMENT OF \$10,000 TO THE SMOS IN LIEU OF ANY PENALTY, AND ITS AGREEMENT TO COMPLY WITH ALL LICENSING AND OTHER LEGAL REQUIREMENTS GOVERNING PERSONS ACTING AS SECURITIES BROKER-DEALERS IN THE STATE OF MAINE.

**Disclosure 5 of 10****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

**\*\*10/23/03\*\***STIPULATION AND CONSENT TO SANCTION FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING.CONSENTED TO FINDINGS:1. VIOLATED EXCHANGE RULE 342 IN THAT IT:  
A.FAILED TO ESTABLISH AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES FOR SUPERVISION AND CONTROL OF ITS FLOOR BROKERS ACTIVITIES ON THE EXCHANGE TRADING FLOOR AND DID NOT SUFFICIENTLY DOCUMENT SUPERVISORY REVIEW OF SUCH ACTIVITIES; AND B.FAILED TO ENSURE THAT CERTAIN OF ITS REGISTERED EMPLOYEES TIMELY COMPLIED WITH THE REGULATORY ELEMENT REQUIREMENT OF EXCHANGE RULE 345A AND PERMITTED SUCH EMPLOYEES TO CONTINUE PERFORMING THE DUTIES OF REGISTERED PERSONS DURING THE PERIODS THAT THEIR REGISTRATIONS WERE DEEMED INACTIVE.2.VIOLATED EXCHANGE RULE 345A BY PERMITTING CERTAIN OF ITS EMPLOYEES WHO HAD NOT TIMELY COMPLIED WITH THE REGULATORY ELEMENT OF THEIR CONTINUING EDUCATION



REQUIREMENTS TO PERFORM THE DUTIES OF REGISTERED PERSONS DURING THE PERIODS THAT THEIR REGISTRATIONS WERE DEEMED INACTIVE.THE FIRM CONSENTS TO THE IMPOSITION BY THE EXCHANGE OF THE SANCTION OF A CENSURE AND A \$20,000 FINE.

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 10/23/2003

**Docket/Case Number:** HPD# 03-223

**Principal Product Type:** Other

**Other Product Type(s):**

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

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

**Resolution:** Decision

**Resolution Date:** 02/06/2004

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

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

**Other Sanctions Ordered:**

**Sanction Details:** \*\*12/18/2003\*\* DECISION #03-223 ISSUED BY NYSE HEARING PANEL  
DECISION: VIOLATED EXCHANGE RULE 342 IN THAT IT FAILED TO ESTABLISH AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES FOR SUPERVISION AND CONTROL OF ITS FLOOR BROKER'S ACTIVITIES AND DID NOT SUFFICIENTLY DOCUMENT SUPERVISORY REVIEW, FAILED TO ENSURE THAT CERTAIN OF ITS REGISTERED EMPLOYEES TIMELY COMPLIED WITH THE REGULATORY ELEMENT REQUIREMENT OF EXCHANGE RULE 345A AND PERMITTED SUCH EMPLOYEES TO CONTINUE PERFORMING THE DUTIES OF REGISTERED PERSONS WHEN THEIR REGISTRATIONS WERE DEEMED INACTIVE; AND VIOLATED EXCHANGE RULE 345A BY PERMITTING CERTAIN OF ITS EMPLOYEES WHO HAD NOT TIMELY COMPLIED WITH THE REGULATORY ELEMENT OF THEIR CONTINUING EDUCATION REQUIREMENTS TO PERFORM DUTIES OF REGISTERED PERSONS.



CONSENTED TO A CENSURE AND \$20,000 FINE.

## Regulator Statement

**\*\*02/06/2004\*\*** THE DECISION IS NOW FINAL AND IS EFFECTIVE IMMEDIATELY. CONTACT: EVELYN PENA 212-656-5211.

## Reporting Source:

Firm

## Current Status:

Final

## Allegations:

IN CONNECTION WITH THE MFR'S FINDINGS PERTAINING TO THE SUFFICIENCY OF APPLICANT'S SUPERVISORY PROCEDURES AND REVIEW PERTAINING TO ITS FLOOR BROKER'S ACTIVITIES AND THE TIMELINESS OF COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS OF 5 REGISTERED PERSONS, APPLICANT ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY (THE "STIPULATION") THAT PROVIDED FOR A CENSURE AND FINE IN THE AMOUNT OF \$20,000. A NYSE HEARING PANEL ACCEPTED THE STIPULATION IN DECISION 03-223 DATED DECEMBER 18, 2003.

## Initiated By:

NYSE

## Date Initiated:

10/23/2003

## Docket/Case Number:

HPD# 03-223

## Principal Product Type:

Other

## Other Product Type(s):

IN CONNECTION WITH THE MFR'S FINDINGS PERTAINING TO THE SUFFICIENCY OF APPLICANT'S SUPERVISORY PROCEDURES AND REVIEW PERTAINING TO ITS FLOOR BROKER'S ACTIVITIES AND THE TIMELINESS OF COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS OF 5 REGISTERED PERSONS, APPLICANT ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY (THE "STIPULATION") THAT PROVIDED FOR A CENSURE AND FINE IN THE AMOUNT OF \$20,000. A NYSE HEARING PANEL ACCEPTED THE STIPULATION IN DECISION 03-223 DATED DECEMBER 18, 2003.

## Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalt(ies) /Fine(s)

## Other Sanction(s)/Relief Sought:

CENSURE

## Resolution:

Stipulation and Consent

## Resolution Date:

02/06/2004

## Sanctions Ordered:

Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$20,000 FINE LEVIED AGAINST APPLICANT PAID ON FEBRUARY 11, 2004

**Firm Statement** IN CONNECTION WITH THE MFR'S FINDINGS PERTAINING TO THE SUFFICIENCY OF APPLICANT'S SUPERVISORY PROCEDURES AND REVIEW PERTAINING TO ITS FLOOR BROKER'S ACTIVITIES, AND THE TIMELINESS OF COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS OF 5 REGISTERED PERSONS, APPLICANT ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY (THE "STIPULATION") THAT PROVIDED FOR A CENSURE AND FINE IN THE AMOUNT OF \$20,000. A NYSE HEARING PANEL ACCEPTED THE STIPULATION IN DECISION 03-223 DATED DECEMBER 18, 2003.

**Disclosure 6 of 10**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** 05-10-01, SEC RULE 17A-3(A)(6), NASD RULES 3010(B)(1), 4632(A)(2), 6130(D)(7)- RESPONDENT MEMBER FAILED TO ATTACH THE ".SLD" LATE TRADE MODIFIER TO TRANSACTIONS THE FIRM HAD REPORTED TO ACT MORE THAN 90 SECONDS AFTER EXECUTION; INCORRECTLY REPORTED TO ACT THE CAPACITY IN WHICH THE FIRM HAD ACTED WHEN IT REPORTED IT HAD ACTED AS PRINCIPAL TO ACT WHEN IN FACT IT HAD ACTED AS AGENT; FAILED TO ACCURATELY TIME-STAMP ORDER TICKETS FOR THE RESPECTIVE TRANSACTIONS; AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES APPLICABLE TO TRADING ACTIVITIES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 05/02/2001

**Docket/Case Number:** C10010054

**Principal Product Type:** Other

**Other Product Type(s):**

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

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

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



**Resolution Date:** 05/02/2001

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED \$5,000

**Regulator Statement** \*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IN CONNECTION WITH THE DETERMINATION BY NASDR THAT APPLICANT DID NOT SATISFY CERTAIN OBLIGATIONS WITH RESPECT TO ACT REPORTING AND THE MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES, APPLICANT ENTERED INTO AN AWC ACCEPTED ON 5/2/2001 AND PROVIDING FOR A FINE OF \$5000.00.

**Initiated By:** NASD REGULATION, INC. ("NASDR")

**Date Initiated:** 09/07/2000

**Docket/Case Number:** COMPLAINT # C10010054

**Principal Product Type:** Other

**Other Product Type(s):** IN CONNECTION WITH THE DETERMINATION BY NASDR THAT APPLICANT DID NOT SATISFY CERTAIN OBLIGATIONS WITH RESPECT TO ACT REPORTING AND THE MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES, APPLICANT ENTERED INTO AN AWC ACCEPTED ON 5/2/2001 AND PROVIDING FOR A FINE OF \$5000.00.

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

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

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

**Resolution Date:** 05/02/2001

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$5,000.00 PAID BY APPLICANT, 5/22/2001

**Firm Statement** IN CONNECTION WITH THE DETERMINATION BY NASDR THAT APPLICANT DID NOT SATISFY CERTAIN OBLIGATIONS WITH RESPECT TO ACT



REPORTING AND THE MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES, APPLICANT ENTERED INTO AN AWC ACCEPTED ON 5/2/2001 AND PROVIDING FOR A FINE OF \$5000.00.

#### Disclosure 7 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	11/29/99GS: ON NOVEMBER 9, 1999, DISTRICT NO. 8 NOTIFIED RESPONDENT THAT THE LETTER OF ACCEPTANCE, WAIVER, AND CONSENT WAS ACCEPTED - (NASD RULES 2110, 4010(B), 6130(B) AND 6130(D) RESPONDENT MEMBER FAILED TO ACCEPT OR DECLINE TO THE REPORTING MEMBER TRANSACTIONS IN WHICH THE FIRM WAS THE NON-REPORTING MEMBER WITHIN 20 MINUTES AFTER EXECUTION; INACCURATELY REPORTED TO ACT SHORT SALES BY FAILING TO INCLUDE THE ".S" SHORT SALE INDICATOR; AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND RULES APPLICABLE TO ITS TRADING ACTIVITIES).
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS,INC.
<b>Date Initiated:</b>	11/09/1999
<b>Docket/Case Number:</b>	C8A990075
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/09/1999
<b>Sanctions Ordered:</b>	Monetary/Fine \$4,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	09-06-00, \$4,500 PAID 11/30/99, INVOICE #99-8A-949



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IN CONNECTION WITH THE DETERMINATION BY NASDR THAT APPLICANT DID NOT SATISFY CERTAIN OBLIGATIONS WITH RESPECT TO THE MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES AND ACT REPORTING, APPLICANT ENTERED INTO AN AWC ACCEPTED ON 11/9/99 AND PROVIDING FOR A FINE OF \$4500.00.

**Initiated By:** NASDR

**Date Initiated:** 06/16/1999

**Docket/Case Number:** C8A990075

**Principal Product Type:** Other

**Other Product Type(s):** IN CONNECTION WITH THE DETERMINATION BY NASDR THAT APPLICANT DID NOT SATISFY CERTAIN OBLIGATIONS WITH RESPECT TO THE MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES AND ACT REPORTING, APPLICANT ENTERED INTO AN AWC ACCEPTED ON 11/9/99 AND PROVIDING FOR A FINE OF \$4500.00.

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

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

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

**Resolution Date:** 11/09/1999

**Sanctions Ordered:** Monetary/Fine \$4,500.00

**Other Sanctions Ordered:**

**Sanction Details:** \$4500.00 PAID BY APPLICANT, 11/29/99.

**Firm Statement** IN CONNECTION WITH THE DETERMINATION BY NASDR THAT APPLICANT DID NOT SATISFY CERTAIN OBLIGATIONS WITH RESPECT TO THE MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES AND ACT REPORTING, APPLICANT ENTERED INTO AN AWC ACCEPTED ON 11/9/99 AND PROVIDING FOR A FINE OF \$4500.00.

#### Disclosure 8 of 10

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:****Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**Date Initiated:** 05/28/1998**Docket/Case Number:** C10980009**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 05/28/1998**Sanctions Ordered:** Censure  
Monetary/Fine \$500.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement** ON MAY 28, 1998, DISTRICT NO. 10 NOTIFIED RESPONDENT FIRST MANHATTAN COMPANY THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10980009 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$500 - (MSRB RULE G-37(e)(i) - RESPONDENT MEMBER DID NOT FILE IN A TIMELY MANNER MSRB FORMS G-37/G-38 FOR THREE DIFFERENT QUARTERLY PERIODS).

\*\*\$500.00 PAID ON 6/16/98, INVOICE # 98-10-521\*\*

**Reporting Source:** Firm**Current Status:** Final**Allegations:** AS A RESULT OF ITS LATE FILING OF MSRB FORMS G37/G38, APPLICANT CONSENTED TO THE IMPOSITION BY THE NASD IN MAY, 1998 OF A CENSURE AND FINE IN THE AMOUNT OF \$500.00.**Initiated By:** NASD REGULATION, INC.**Date Initiated:** 05/07/1997**Docket/Case Number:** C10980009



<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AS A RESULT OF ITS LATE FILING OF MSRB FORMS G37/G38, APPLICANT CONSENTED TO THE IMPOSITION BY THE NASD IN MAY, 1998 OF A CENSURE AND FINE IN THE AMOUNT OF \$500.00
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	FINE \$500.00
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/28/1998
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	\$500.00 FINE PAID ON 6/16/98.
<b>Firm Statement</b>	AS A RESULT OF ITS LATE FILING OF MSRB FORMS G37/G38, APPLICANT CONSENTED TO THE IMPOSITION BY THE NASD IN MAY, 1998 OF A CENSURE AND FINE IN THE AMOUNT OF \$500.00.

#### Disclosure 9 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FIRST MANHATTAN COMPANY (FMC) TRANSACTED BUSINESS AS AN INVESTMENT ADVISER IN RHODE ISLAND WITHOUT BEING LICENSED OR ENTITLED TO AN EXEMPTION FROM THE LICENSING REQUIREMENTS. FMC INITIATED AN APPLICATION FOR REGISTRATION OF THE FIRM AS AN INVESTMENT ADVISER AND CERTAIN INDIVIDUALS AS INVESTMENT ADVISER REPRESENTATIVES. AFTER A REQUEST FOR ADDITIONAL INFORMATION, FMC PROVIDED DETAILS REGARDING ITS ACTIVITY IN RHODE ISLAND. FMC INDICATED THAT IT HAD NOT PREVIOUSLY APPLIED FOR REGISTRATION IN RHODE ISLAND BECAUSE IT WAS UNDER THE MISTAKEN BELIEF THAT RHODE ISLAND CONTINUED TO MAINTAIN A DE MINIMIS EXEMPTION.
<b>Initiated By:</b>	RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION; SEC*See FAQ #1*
<b>Date Initiated:</b>	07/03/1996
<b>Docket/Case Number:</b>	96-036

**URL for Regulatory Action:****Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Stipulation and Consent**Resolution Date:** 07/03/1996**Sanctions Ordered:** Monetary/Fine \$8,000.00**Other Sanctions Ordered:**

**Sanction Details:** CONSENT ORDER ENTERED AFTER RECEIPT OF A OFFER OF SETTLEMENT FROM FMC. FMC PAID \$8,000 TO THE DIVISION, AS WELL AS BACK FEE OF \$2,100. LICENSES WERE DEEMED EFFECTIVE WITH THE ENTRY OF THE ORDER, ON 7/3/96.

**Regulator Statement** CONTACT: MARIA PICCIRILLI, 401-277-3048**Reporting Source:** Firm**Current Status:** Final

**Allegations:** THE RIDBR TOOK THE POSITION THAT APPLICANT SHOULD HAVE REGISTERED AS AN INVESMENT ADVISOR IN RHODE ISLAND SUBSEQUENT TO JULY 1990. IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS AN INVESTMENT ADVISER IN THE STATE OF RHODE ISLAND, APPLICANT ENTERED INTO A SETTLEMENT DATED 7/3/96 WITH THE RIDBR CONSENTING TO THE ENTRY OF AN ORDER PROVIDING FOR APPLICANT'S PAYMENT OF \$8,000 TO THE RIDBR AND BACK FEES OF \$2,100 AND ITS AGREEMENT TO COMPLY WITH AND NOT VIOLATE RHODE ISLAND'S INVESTMENT ADVISER REGISTRATION REQUIREMENTS.

**Initiated By:** RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION ("RIDBR")**Date Initiated:** 01/25/1995**Docket/Case Number:** NO. 96-036**Principal Product Type:** Other

**Other Product Type(s):** MATTER AROSE IN CONNECTION WITH APPLICANT'S APPLICATION DATED 1/25/95 TO REGISTER AS AN INVESTMENT ADVISER IN THE STATE OF



<b>Principal Sanction(s)/Relief Sought:</b>	RHODE ISLAND. Other
<b>Other Sanction(s)/Relief Sought:</b>	IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS AN INVESTMENT ADVISER IN THE STATE OF RHODE ISLAND, APPLICANT ENTERED INTO A SETTLEMENT DATED 7/3/96 WITH THE RIDBR CONSENTING TO THE ENTRY OF AN ORDER PROVIDING FOR APPLICANT'S PAYMENT OF \$8,000 TO THE RIDBR AND BACK FEES OF \$2,100 AND ITS AGREEMENT TO COMPLY WITH AND NOT VIOLATE RHODE ISLAND'S INVESTMENT ADVISER REGISTRATION REQUIREMENTS.
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	07/03/1996
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS AN INVESTMENT ADVISER IN THE STATE OF RHODE ISLAND, APPLICANT ENTERED INTO A SETTLEMENT DATED 7/3/96 WITH THE RIDBR CONSENTING TO THE ENTRY OF AN ORDER PROVIDING FOR APPLICANT'S PAYMENT OF \$8,000 TO THE RIDBR AND BACK FEES OF \$2,100 AND ITS AGREEMENT TO COMPLY WITH AND NOT VIOLATE RHODE ISLAND'S INVESTMENT ADVISER REGISTRATION REQUIREMENTS.
<b>Sanction Details:</b>	IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS AN INVESTMENT ADVISER IN THE STATE OF RHODE ISLAND, APPLICANT ENTERED INTO A SETTLEMENT DATED 7/3/96 WITH THE RIDBR CONSENTING TO THE ENTRY OF AN ORDER PROVIDING FOR APPLICANT'S PAYMENT OF \$8,000 TO THE RIDBR AND BACK FEES OF \$2,100 AND APPLICANT'S AGREEMENT TO COMPLY WITH AND NOT VIOLATE RHODE ISLAND'S INVESTMENT ADVISER REGISTRATION REQUIREMENTS.
<b>Firm Statement</b>	IN CONNECTION WITH APPLICANT'S APPLICATION TO REGISTER AS AN INVESTMENT ADVISER IN THE STATE OF RHODE ISLAND, APPLICANT ENTERED INTO A SETTLEMENT DATED 7/3/96 WITH THE RIDBR CONSENTING TO THE ENTRY OF AN ORDER PROVIDING FOR APPLICANT'S PAYMENT OF \$8,000 TO THE RIDBR AND BACK FEES OF \$2,100 AND ITS AGREEMENT TO COMPLY WITH AND NOT VIOLATE RHODE ISLAND'S INVESTMENT ADVISER REGISTRATION REQUIREMENTS.

#### Disclosure 10 of 10

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 11/14/1968

**Docket/Case Number:** A-NY-SC 46

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** Decision

**Resolution Date:** 12/01/1968

**Sanctions Ordered:** Censure  
Monetary/Fine \$300.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** A-NY-SC#46 FILED  
11/14/68. DECISION 12/01/68  
CENSURE AND FINE \$300. FINE PAID

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATION OF THE NASD'S STATEMENT OF POLICY WITH RESPECT TO  
"FREE-RIDING AND WITHHOLDING" IN CONNECTION WITH A TRANSACTION  
INVOLVING THE SALE OF 200 SHARES OF EBERLINE INSTRUMENT CORP.

**Initiated By:** NASD

**Date Initiated:** 11/14/1968

**Docket/Case Number:** A-NY-SC 46

**Principal Product Type:** Other

**Other Product Type(s):** VIOLATION OF THE NASD'S STATEMENT OF POLICY WITH RESPECT TO  
"FREE-RIDING AND WITHHOLDING" IN CONNECTION WITH A TRANSACTION  
INVOLVING THE SALE OF 200 SHARES OF EBERLINE INSTRUMENT CORP.



Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE \$300.00
Resolution:	Settled
Resolution Date:	12/01/1968
Sanctions Ordered:	Censure Monetary/Fine \$300.00
Other Sanctions Ordered:	
Sanction Details:	\$300.00 PAID BY APPLICANT 12/01/1968.
Firm Statement	VIOLATION OF THE NASD'S STATEMENT OF POLICY WITH RESPECT TO "FREE-RIDING AND WITHHOLDING" IN CONNECTION WITH A TRANSACTION INVOLVING THE SALE OF 200 SHARES OF EBERLINE INSTRUMENT CORP.

**End of Report**



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