

## BrokerCheck Report

### KAUFMAN BROS., L.P.

CRD# 37909

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

Please contact FINRA with any concerns.

## About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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**Thank you for using FINRA BrokerCheck.**



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

[brokercheck.finra.org](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)



## KAUFMAN BROS., L.P.

CRD# 37909

SEC# 8-48183

### Main Office Location

800 THIRD AVENUE  
30TH FLOOR  
NEW YORK, NY 10022

### Mailing Address

800 THIRD AVENUE  
30TH FLOOR  
NEW YORK, NY 10022

### Business Telephone Number

(212) 292-8100

## 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 other types of legal formation.

This firm was formed in Delaware on 07/06/1994.

Its fiscal year ends in December.

### Firm History

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

### Firm Operations

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

### Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	4

## Registration Withdrawal Information

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



**Date firm ceased business:** 01/30/2012

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



## Firm Profile

This firm is classified as a other types of legal formation.

This firm was formed in Delaware on 07/06/1994.

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.

### **KAUFMAN BROS., L.P.**

**Doing business as KAUFMAN BROS., L.P.**

**CRD#** 37909

**SEC#** 8-48183

### **Main Office Location**

800 THIRD AVENUE  
30TH FLOOR  
NEW YORK, NY 10022

### **Mailing Address**

800 THIRD AVENUE  
30TH FLOOR  
NEW YORK, NY 10022

### **Business Telephone Number**

(212) 292-8100



## 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>	BLMK CAPITAL MANAGEMENT LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	LIMITED PARTNER
<b>Position Start Date</b>	03/2009
<b>Percentage of Ownership</b>	50% but less than 75%
<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>	KAUFMAN, SUSAN GAIL 2620519
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	LIMITED PARTNER
<b>Position Start Date</b>	03/2009
<b>Percentage of Ownership</b>	25% but less than 50%
<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>	KAUFMAN, CRAIG DOUGLAS 2042355
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	HEAD OF CAPITAL MARKETS AND LIMITED PARTNER
<b>Position Start Date</b>	06/2009

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** 10% but less than 25%

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

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

**Legal Name & CRD# (if any):** DURKIN, GERARD ANTHONY  
1292336

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

**Position** CHIEF FINANCIAL OFFICER AND FINOP PRINCIPAL

**Position Start Date** 02/2005

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** GURROLA, KENNETH WILLIAM ESQ.  
5657027

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

**Position** GENERAL COUNSEL, CHIEF COMPLIANCE OFFICER, AML COMPLIANCE OFFICER AND LIMITED PARTNER

**Position Start Date** 05/2010

**Percentage of Ownership** Less than 5%

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

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

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Legal Name & CRD# (if any):** KAUFMAN, ROBERT JAY  
2580169

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

**Position** HEAD OF INVESTMENT BANKING

**Position Start Date** 09/2010

**Percentage of Ownership** Less than 5%

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

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

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

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

**Position** GENERAL PARTNER

**Position Start Date** 01/1996

**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):** LORENZO, BENNY  
1888674

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

**Position** CHAIRMAN, CEO AND DIRECTOR OF RESEARCH

**Position Start Date** 09/2010

**Percentage of Ownership** Less than 5%

**Does this owner direct the** Yes

## Firm Profile



### Direct Owners and Executive Officers (continued) management or policies of the firm?

Is this a public reporting  
company? No

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Legal Name & CRD# (if any): ROSS, STUART BERT  
2094044

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

Position LIMITED PARTNER

Position Start Date 03/2009

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

<b>Legal Name &amp; CRD# (if any):</b>	BL CAPITAL CORP.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	BL CAPITAL PARTNERS LP
<b>Relationship to Direct Owner</b>	GENERAL PARTNER OF BL CAPITAL PARTNERS LP
<b>Relationship Established</b>	12/1996
<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>	LORENZO, BENNY
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	BL CAPITAL CORP.
<b>Relationship to Direct Owner</b>	CONTROLLING SHAREHOLDER OF BL CAPITAL CORP.
<b>Relationship Established</b>	12/1996
<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>	BL CAPITAL PARTNERS LP
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity



## Firm Profile

### Indirect Owners (continued)

<b>Company through which indirect ownership is established</b>	BLMK CAPITAL MANAGEMENT LLC
<b>Relationship to Direct Owner</b>	MANAGING MEMBER OF BLMK CAPITAL MANAGEMENT LLC
<b>Relationship Established</b>	04/1999
<b>Percentage of Ownership</b>	50% but less than 75%
<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>	BLMK CAPITAL MANAGEMENT LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	KB MANAGEMENT LLC
<b>Relationship to Direct Owner</b>	MANAGING MEMBER OF KB MANAGEMENT LLC
<b>Relationship Established</b>	03/2009
<b>Percentage of Ownership</b>	50% but less than 75%
<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>	KAUFMAN, SUSAN GAIL 2620519
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	KB MANAGEMENT LLC
<b>Relationship to Direct Owner</b>	MEMBER

## Firm Profile



### Indirect Owners (continued)

<b>Relationship Established</b>	03/2009
<b>Percentage of Ownership</b>	25% but less than 50%
<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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**Legal Name & CRD# (if any):** GURROLA, KENNETH WILLIAM ESQ.  
5657027

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

**Company through which indirect ownership is established** BLMK CAPITAL MANAGEMENT, LLC

**Relationship to Direct Owner** MEMBER AND BOARD MEMBER OF BLMK CAPITAL MANAGEMENT LLC

**Relationship Established** 03/2009

**Percentage of Ownership** Other General Partners

**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):** KAUFMAN, CRAIG DOUGLAS  
2042355

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

**Company through which indirect ownership is established** KB MANAGEMENT LLC

**Relationship to Direct Owner** MEMBER

**Relationship Established** 01/1996

**Percentage of Ownership** Other General Partners

## Firm Profile



### Indirect Owners (continued)

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.

No information reported.



## Firm Operations



### Registrations

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

**This firm is no longer registered.**

**The firm's registration was from 06/27/1995 to 03/14/2012.**



## 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

U S. government securities broker

Municipal securities broker

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

Trading securities for own account

Private placements of securities

Other - KAUFMAN BROS. L.P. INTENDS TO EFFECT MERGERS & ACQUISITIONS.

#### 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.

<b>Name:</b>	GOLDMAN SACHS EXECUTION & CLEARING, L.P.
<b>CRD #:</b>	3466
<b>Business Address:</b>	30 HUDSON STREET 27TH FLOOR JERSEY CITY, NJ 07302-4699
<b>Effective Date:</b>	01/15/2010
<b>Description:</b>	FOR A SINGLE, SPECIFIC CLIENT, THE APPLICANT AND ORGANIZATION HAVE A FINRA-REVIEWED FULLY DISCLOSED EXECUTING BROKER AGREEMENT
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<b>Name:</b>	NATIONAL FINANCIAL SERVICES LLC
<b>CRD #:</b>	13041
<b>Business Address:</b>	200 SEAPORT BLVD BOSTON, MA 02210
<b>Effective Date:</b>	12/03/2003
<b>Description:</b>	KAUFMAN BROS., L.P. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC
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## Firm Operations

### Industry Arrangements



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

**Name:** GOLDMAN SACHS EXECUTION & CLEARING, L.P.  
**CRD #:** 3466  
**Business Address:** 30 HUDSON STREET  
 27TH FLOOR  
 JERSEY CITY, NJ 07302-4699  
**Effective Date:** 01/15/2010  
**Description:** FOR A SINGLE, SPECIFIC CLIENT, THE APPLICANT AND ORGANIZATION HAVE A FINRA-REVIEWED FULLY DISCLOSED EXECUTING BROKER AGREEMENT

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**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 200 SEAPORT BLVD  
 BOSTON, MA 02210  
**Effective Date:** 12/03/2003  
**Description:** KAUFMAN BROS.,L.P. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC.

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

**Name:** GOLDMAN SACHS EXECUTION & CLEARING, L.P.  
**CRD #:** 3466  
**Business Address:** 30 HUDSON STREET  
 27TH FLOOR  
 JERSEY CITY, NJ 07302-4699  
**Effective Date:** 01/15/2010  
**Description:** FOR A SINGLE, SPECIFIC CLIENT, THE APPLICANT AND ORGANIZATION HAVE A FINRA-REVIEWED FULLY DISCLOSED EXECUTING BROKER AGREEMENT

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**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 200 SEAPORT BLVD  
 BOSTON, MA 02210



## Firm Operations

### Industry Arrangements (continued)

**Effective Date:** 12/03/2003

**Description:** KAUFMAN BROS., L.P. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC

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

**Name:** GOLDMAN SACHS EXECUTION & CLEARING, L.P.

**CRD #:** 3466

**Business Address:** 30 HUDSON STREET  
27TH FLOOR  
JERSEY CITY, NJ 07302-4699

**Effective Date:** 01/15/2010

**Description:** FOR A SINGLE, SPECIFIC CLIENT, THE APPLICANT AND ORGANIZATION HAVE A FINRA-REVIEWED FULLY DISCLOSED EXECUTING BROKER AGREEMENT

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**Name:** NATIONAL FINANCIAL SERVICES LLC

**CRD #:** 13041

**Business Address:** 200 SEAPORT BLVD  
BOSTON, MA 02210

**Effective Date:** 12/03/2003

**Description:** KAUFMAN BROS., L.P. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC

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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.

**KBRO CAPITAL, LLC is controlled by the firm.**

<b>Business Address:</b>	C/O KAUFMAN BROS., L.P. 800 THIRD AVENUE - 30TH FLOOR NEW YORK, NY 10022
<b>Effective Date:</b>	01/01/2000
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	WHOLLY OWNED SUBSIDIARY FORMED SOLELY TO MAKE STRATEGIC INVESTMENT DECISIONS OUTSIDE THE BROKER-DEALER.

**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	4	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 4

**Reporting Source:** Regulator

**Current Status:** Final



<b>Allegations:</b>	RESPONDENT KAUFMAN BROS., L.P. FAILED TO PAY FEES OF \$477.99 DUE TO FINRA.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	02/22/2012
<b>Docket/Case Number:</b>	N/A
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	CANCELLATION
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	03/14/2012
<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>	
<b>Other Sanctions Ordered:</b>	CANCELLATION
<b>Sanction Details:</b>	PURSUANT TO FINRA RULE 9553, KAUFMAN BROS., L.P.'S MEMBERSHIP WITH FINRA IS CANCELED AS OF MARCH 14, 2012 FOR FAILURE TO PAY OUTSTANDING FEES.

#### Disclosure 2 of 4

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 2010, 6730(A), 6730(E) - KAUFMAN BROS., L.P. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM REPORTED TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE IT



WAS NOT REQUIRED TO REPORT.

**Initiated By:** FINRA

**Date Initiated:** 11/08/2011

**Docket/Case Number:** 2010024384901

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 11/08/2011

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

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000. FINE PAID IN FULL JANUARY 4, 2012.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA RULES 2010, 6730(A), 6730(E) - KAUFMAN BROS., L.P. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OF PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM REPORTED TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE IT WAS NOT REQUIRED TO REPORT.



<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
<b>Date Initiated:</b>	10/12/2010
<b>Docket/Case Number:</b>	20100243849-01
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	AGENCY BASIS FIXED INCOME TRANSACTIONS
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/08/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	\$5,000 - IN INSTALLMENTS
<b>Firm Statement</b>	FINAL AWC

#### Disclosure 3 of 4

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3010, 4632(D), 6130, 6420(D) - RESPONDENT FIRM FAILED TO SUBMIT TO THE TRADE REPORTING FACILITY AND TO NASDAQ, FOR THE OFFSETTING "RISKLESS" PORTION OF "RISKLESS" PRINCIPAL TRANSACTIONS IN DESIGNATED SECURITIES, EITHER A CLEARING-ONLY REPORT WITH A CAPACITY INDICATOR OF "RISKLESS PRINCIPAL" OR A "NON-TAPE", NON-CLEARING REPORT WITH A CAPACITY INDICATOR OF "RISKLESS PRINCIPAL" AND DOUBLE REPORTED SOME RISKLESS PRINCIPAL TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO CORRECTLY REPORT SALE TRANSACTIONS TO THE AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT) AS LONG, SHORT OR SHORT EXEMPT AND FAILED TO REPORT A TRANSACTION TO ACT. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES CONCERNING ORDER HANDLING, BEST EXECUTION, ANTI-INTIMIDATION AND COORDINATION, TRADE REPORTING, SALES TRANSACTIONS, ORDER AUDIT TRAIL SYSTEM (OATS) AND BOOKS



AND RECORDS.

**Initiated By:** NASD

**Date Initiated:** 04/10/2007

**Docket/Case Number:** [2006005514701](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 04/10/2007

**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 \$22,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, KAUFMAN BROS., L.P., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS CENSURED AND FINED \$22,500.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AS A RESULT OF FORMER OMS, ALLOGATIONS OF VIOLATIONS OF MARKETPLACE RULES 4632, 6130, 6420; AND CORRESPONDING WRITTEN SUPERVISORY PROCEDURE ALLEGATIONS

**Initiated By:** NASD

**Date Initiated:** 06/09/2006

**Docket/Case Number:** 20060055147-01



<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	TMMS AUDIT
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/10/2007
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$22,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	\$22,500 FINE AGAINST APPLICANT
<b>Firm Statement</b>	\$15,000 PAID BY FORMER OMS VENDOR

#### Disclosure 4 of 4

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** 10-28-99, DISTRICT NO. 6 NOTIFIED RESPONDENT MEMBER ON OCTOBER 26, 1999 THAT THE LETTER OF AWC HAD BEEN ACCEPTED WHEREBY THE FIRM IS CENSURED AND FINED \$12,000. THE FIRM FAILED TO TIMELY FILE WITH THE NASD THE FREE-RIDING QUESTIONNAIRE ASSOCIATED WITH SECURITIES OFFERINGS, SOLD SHARES OF IPOS AND FAILED TO HAVE CURRENT INFORMATION ON FILE IN ACCORDANCE WITH THE BOARD OF GOVERNORS "FREE-RIDING AND WITHHOLDING" INTERPRETATION, FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE BID OR OFFER OF THE FIRM IN EACH SECURITY OR WHEN THE FULL SIZE OF EACH SUCH ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY AND REPRESENTED MORE THAN A DE MINIMUS CHANGE IN RELATON TO THE SIZE ASSOCIATED WITH THE BID OR OFFER, INCORRECTED REPORTED SHORT SALE TRANSACTIONS IN SECURITIES, FAILED TO DISCLOSE IN WRITTEN NOTIFICATIONS OF SECURITIES TRANSACTIONS THE REPORTED TRADE PRICE, AND FAILED TO HAVE ADEQUATE WRITTEN PROCEDURES TO ADDRESS COMPLIANCE WITH THE BOARD OF GOVERNORS "FREE-RIDING AND WITHHOLDING INTERPRETATION." [NASD RULES 2110, 3010, 3010(A), 6130(D)(6) AND SEC RULES 10B-10(A)(2)(II)(B) AND 11AC1-4 ]



**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.  
**Date Initiated:** 10/26/1999  
**Docket/Case Number:** C06990019  
**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:** 10/26/1999  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$12,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** FINED  
**Regulator Statement** NONE

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** AS A RESULT OF FORMER OMS, ALLEGATIONS OF RULE 2110 VIOLATIONS (TWO TWO INSTANCES OF LATE FILING FREE-RIDING & WITHHOLDING QUESTIONNAIRES, LACK OF CURRENT INFORMATION ON FILE (SUBSECTION (F)) AND CORRESPONDING WRITTEN PROCEDURES ALLEGATIONS (RULE 3010). FURTHERMORE, IN SOME INSTANCES, THE FIRM DID NOT IMMEDIATELY DISPLAY LIMIT ORDERS (SEC RULE 11AC1-4 AND RULE 2110) OR PROPERLY DENOTE "SHORT" SYMBOLS (RULE 6130(D)(6)). ALSO, THE FIRM DID NOT PROPERLY DISCLOSE REPORTED TRADE PRICES. (SEC RULE 10B-10(A)(2)(II)(B) AND RULES 2110 AND 3110(A).

**Initiated By:** NASD  
**Date Initiated:** 09/07/1999  
**Docket/Case Number:** C06990019  
**Principal Product Type:** Equity - OTC



**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** \$12,000 FINE

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

**Resolution Date:** 10/26/1999

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$12,000 FINE AGAINST APPLICANT ONLY

**Firm Statement** FORMER OMS VENDOR PAID MAJORITY OF FINE

**End of Report**



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