

## BrokerCheck Report

# TRIBAL CAPITAL MARKETS, LLC

CRD# 38901

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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)



## TRIBAL CAPITAL MARKETS, LLC

CRD# 38901

SEC# 8-48460

### Main Office Location

10243 MATTRAW PLACE  
ORLANDO, FL 32836  
Regulated by FINRA Florida Office

### Mailing Address

10243 MATTRAW PLACE  
ORLANDO, FL 32836

### Business Telephone Number

212-376-7492

## 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 04/20/2015.

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
- 22 U.S. states and territories

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

This firm conducts 13 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	2



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 04/20/2015.

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.

### TRIBAL CAPITAL MARKETS, LLC

Doing business as TRIBAL CAPITAL MARKETS, LLC

CRD# 38901

SEC# 8-48460

### Main Office Location

10243 MATTRAW PLACE  
ORLANDO, FL 32836

Regulated by FINRA Florida Office

### Mailing Address

10243 MATTRAW PLACE  
ORLANDO, FL 32836

### Business Telephone Number

212-376-7492



## 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):** PLP CAPITAL, LLC

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

**Position** MEMBER

**Position Start Date** 11/2023

**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

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**Legal Name & CRD# (if any):** HARRIS, PATRICK EUGENE  
5748909

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

**Position** CCO

**Position Start Date** 09/2019

**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):** LAPIETRA, PETER  
2273197

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

**Position** CEO

**Position Start Date** 04/2024

## 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):** OCHOJSKI, GREGORY ANDRE  
4705726

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

**Position** FINOP

**Position Start Date** 11/2018

**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):	LAPIETRA, PETER 2273197
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	PLP CAPITAL, LLC
Relationship to Direct Owner	MEMBER
Relationship Established	11/2022
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

## Firm History

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

No information reported.







Firm Operations

Registrations

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

**This firm is currently registered with the SEC, 2 SROs and 22 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	09/27/1995

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer:    Yes

A broker-dealer and government securities broker or dealer:    Yes

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	09/27/1995
Nasdaq Stock Market	Approved	07/12/2006



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	10/06/2015
Alaska	Approved	07/20/2015
Arizona	Approved	11/14/1995
California	Approved	10/05/1995
Colorado	Approved	03/04/1996
Connecticut	Approved	10/04/1995
Delaware	Termination Requested	12/01/2023
Florida	Approved	09/29/1995
Idaho	Approved	03/24/2025
Illinois	Approved	09/27/1995
Indiana	Approved	11/12/2014
Maryland	Approved	11/25/2002
Massachusetts	Approved	09/27/1995
New Jersey	Approved	09/27/1995
New York	Approved	07/25/1995
North Carolina	Approved	11/05/2002
Ohio	Approved	07/01/2004
Oklahoma	Approved	07/14/2015
Pennsylvania	Approved	09/25/1995
Tennessee	Approved	08/22/2022
Utah	Approved	05/13/2004
Washington	Approved	12/04/2024



## 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 13 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities
Broker or dealer selling interests in mortgages or other receivables
Other - INVESTMENT BANKING 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.

<b>Name:</b>	RBC CAPITAL MARKETS, LLC
<b>CRD #:</b>	31194
<b>Business Address:</b>	3 WORLD FINANCIAL CENTER NEW YORK, NY 10281
<b>Effective Date:</b>	10/01/2019
<b>Description:</b>	TRIBAL CAPITAL MARKETS HAS A FULLY DISCLOSED CLEARING ARRANGEMENT WITH RBC.

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## Firm Operations

### Industry Arrangements



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

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** 3 WORLD FINANCIAL CENTER  
NEW YORK, NY 10281  
**Effective Date:** 10/01/2019  
**Description:** TRIBAL CAPITAL MARKETS HAS A FULLY DISCLOSED CLEARING  
ARRANGEMENT WITH RBC.

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**Name:** GLOBAL RELAY  
**Business Address:** 286 MADISON AVENUE  
7TH FLOOR  
NEW YORK, NY 10017  
**Effective Date:** 01/01/2017  
**Description:** ELECTRONIC COMMUNICATIONS OF THE APPLICANT ARE RECORDED  
AND MAINTAINED BY GLOBAL RELAY.

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

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** 3 WORLD FINANCIAL CENTER  
NEW YORK, NY 10281  
**Effective Date:** 10/01/2019  
**Description:** TRIBAL CAPITAL HAS A FULLY DISCLOSED CLEARING ARRANGEMENT  
WITH RBC

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

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** 3 WORLD FINANCIAL CENTER  
NEW YORK, NY 10281  
**Effective Date:** 10/01/2019  
**Description:** TRIBAL CAPITAL HAS A FULLY DISCLOSED CLEARING ARRANGEMENT

## Firm Operations

### Industry Arrangements (continued)

WITH RBC

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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.

**CAPITAL DYNAMICS BROKER DEALER LLC is under common control with the firm.**

<b>CRD #:</b>	148780
<b>Business Address:</b>	444 MADISON AVENUE NEW YOR, NY 10022
<b>Effective Date:</b>	03/01/2025
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	APPLICANT AND CAPITAL DYNAMICS ARE UNRELATED EXCEPT THAT THEY SHARE A CONTROL PERSON, PATRICK HARRIS, WHO IS CCO OF EACH.

**CHAINCE SECURITIES, LLC is under common control with the firm.**

<b>CRD #:</b>	10590
<b>Business Address:</b>	1330 AVENUE OF THE AMERICAS 33RD FL NEW YORK, NY 10019
<b>Effective Date:</b>	02/15/2025
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	APPLICANT AND CHAINCE ARE UNRELATED EXCEPT THAT THEY SHARE A

# Firm Operations



## Organization Affiliates (continued)

CONTROL PERSON, PATRICK HARRIS, WHO IS CCO OF EACH

### DREAM STREET SECURITIES, LLC is under common control with the firm.

**CRD #:** 324818

**Business Address:** 2452 RIVERSIDE PLACE  
LOS ANGELES, CA 90039

**Effective Date:** 12/01/2024

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** APPLICANT AND DREAM STREET ARE UNRELATED EXCEPT THAT THEY SHARE A CONTROL PERSON, PATRICK HARRIS, WHO IS CCO OF EACH.

### CANDEAL SECURITIES, LLC is under common control with the firm.

**CRD #:** 173523

**Business Address:** 50 BAY STREET  
SUITE 1200  
TORONTO, OH M5J 2W4

**Effective Date:** 03/01/2023

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** APPLICANT AND CANDEAL ARE UNRELATED EXCEPT THAT THEY SHARE A CONTROL PERSON, PATRICK HARRIS, WHO IS CEO OF CANDEAL AND CCO OF APPLICANT.

### LEDGER ILS MANAGERS, LLC is under common control with the firm.

**Business Address:** 1875 CONNECTICUT AVENUE, NW  
WASHINGTON, DC 20009

**Effective Date:** 09/25/2021



## Firm Operations



### Organization Affiliates (continued)

<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND LEDGER ILS ARE UNRELATED EXCEPT THAT THEY SHARE A CCO, PATRICK HARRIS

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#### LEDGER CAPITAL MARKETS, LLC is under common control with the firm.

<b>CRD #:</b>	289140
<b>Business Address:</b>	1875 CONNECTICUT AVENUE, NW WASHINGTON, DC 20009
<b>Effective Date:</b>	06/01/2021
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	LEDGER AND TRIBAL ARE UNRELATED, EXCEPT THAT THEY SHARE A CCO, PATRICK HARRIR

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#### This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	2	0

## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

### Disclosure 1 of 2

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT EXECUTED TRADES IN CONNECTION WITH ITS RISKLESS PRINCIPAL TRANSACTIONS IN TRACE-ELIGIBLE FIXED INCOME SECURITIES THAT INCLUDED TRADES THAT WERE CUSTOMER LEG TRADES AND IT FAILED TO REPORT THE CUSTOMER LEG TRADES TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE). THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A REASONABLE SUPERVISORY SYSTEM, INCLUDING REASONABLE SUPERVISORY PROCEDURES, CONCERNING THE REPORTING OF RISKLESS PRINCIPAL FIXED INCOME SECURITIES TRANSACTIONS TO TRACE. IN PARTICULAR, THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ENSURE THAT CUSTOMER LEG TRADES IN TRACE-ELIGIBLE SECURITIES WERE REPORTED AND THE FIRM'S WSPS DID NOT ADDRESS CUSTOMER LEG TRADES.

**Initiated By:** FINRA

**Date Initiated:** 12/14/2016

**Docket/Case Number:** [2015043329201](#)

**Principal Product Type:** Other

**Other Product Type(s):** RISKLESS PRINCIPAL FIXED INCOME SECURITIES

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

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

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

**Resolution Date:** 12/14/2016

**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 \$30,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$30,000. FINES PAID IN FULL ON 12/30/16.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** DURING THE RELEVANT PERIOD, THE FIRM EXECUTED 3,739 TRADES IN CONNECTION WITH RISKLESS PRINCIPAL TRANSACTIONS IN TRACE-ELIGIBLE FIXED INCOME SECURITIES. OF THE 3,739 TRADES, THE FIRM FAILED TO REPORT THE CUSTOMER LEG OF THE TRADES TO TRACE RESULTING IN A VIOLATION OF FINRA RULES 6730, 2010 AND 3010 (3110) (A) AND (B).

**Initiated By:** FINRA

**Date Initiated:** 12/14/2016

**Docket/Case Number:** [2015043329201](#)

**Principal Product Type:** Other

**Other Product Type(s):** MORTGAGE BACKED SECURITIES

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

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

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

**Resolution Date:** 12/14/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$30,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THIS ACTION RESULTED IN A CENSURE AND FINE OF \$30,000

**Firm Statement**

THE NEW OWNERSHIP OF TRIBAL CAPITAL MARKETS, LLC HAS TAKEN A NUMBER OF CORRECTIVE ACTIONS TO PREVENT ANY RE-OCCURRENCE OF THE DEFICIENCIES THAT EXISTED AT BLUE CAPITAL SECURITIES, INC. AND CAUSED THE ISSUES REFERRED TO WITHIN THIS AWC LETTER.

THE CURRENT MANAGEMENT TEAM HAS ACCEPTED RESIGNATIONS FROM AND/OR REMOVED ANY AND ALL PARTIES INVOLVED IN THIS ACTION FROM ANY SUPERVISORY DUTIES. THE NEW OWNERSHIP HAS ADDITIONALLY EMPLOYED ELECTRONIC SURVEILLANCE METHODS TO PREVENT ANY SUCH ACTION IN THE FUTURE.

WE WILL CONTINUE TO MONITOR OUR PROCESSES TO ENSURE THAT ANY



SUCH ACTIONS ARE PREVENTED GOING FORWARD.

## Disclosure 2 of 2

### 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 CONNECTION WITH SELLING COLLATERALIZED MORTGAGE OBLIGATIONS (CMOS), THE FIRM PROVIDED MARKETING MATERIALS FOR A PROPOSED CMO TRANSACTION TO CUSTOMERS THAT FAILED TO ADEQUATELY DISCLOSE AND PRESENT A BALANCED DISCUSSION OF CERTAIN RISKS INVOLVED IN THE TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO PROVIDE REQUIRED CMO EDUCATIONAL MATERIALS PRIOR TO THE FIRM'S SALES OF CMOS TO RETAIL CUSTOMERS. THE FINDINGS ALSO STATED THAT THE FIRM VIOLATED BOOKS AND RECORDS RULES IN CONNECTION WITH ITS MORTGAGE BACKED SECURITIES (MBS) AND CMO BUSINESS IN THAT ITS ORDER MEMORANDA TRANSACTIONS WERE INCOMPLETE OR CONTAINED INACCURACIES. A SEPARATE REVIEW OF ORDER MEMORANDA FOR TRANSACTIONS EFFECTED BY THE FIRM IDENTIFIED INSTANCES IN WHICH THE FIRM ORDER TICKETS CONTAINED INACCURATE EXECUTION TIMES. THE FINDINGS ALSO INCLUDED THAT THE FIRM VIOLATED FINRA'S TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) RULES IN CONNECTION WITH ITS MBS AND CMO BUSINESS WHEN IT FAILED TO ACCURATELY REPORT TRACE-ELIGIBLE TRANSACTIONS IN SECURITIZED PRODUCTS THAT IT REPORTED TO TRACE. THE FIRM REPORTED INACCURATE TIMES OF ORDER RECEIPT, ORDER ENTRY AND ORDER EXECUTION FOR THESE TRANSACTIONS AND IT REPORTED INACCURATE EXECUTION TIMES TO TRACE FOR TRACE-ELIGIBLE TRANSACTIONS IN SECURITIZED PRODUCTS. FINRA FOUND THAT THE FIRM FAILED TO REPORT TRACE-ELIGIBLE TRANSACTIONS IN SECURITIZED PRODUCTS TO TRACE AND FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS WITHIN 15 MINUTES OF THE TIME OF EXECUTION. FINRA ALSO FOUND THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A REASONABLE SUPERVISORY SYSTEM, INCLUDING ESTABLISHING REASONABLE WRITTEN SUPERVISORY PROCEDURES (WSPS), WITH RESPECT TO ITS SALES OF MBS AND CMOS, AND WITH RESPECT TO ITS TRACE REPORTING FOR SECURITIZED PRODUCTS. THE FIRM'S SYSTEMS AND PROCEDURES FOR TRACE REPORTING WERE ALSO INADEQUATE. ADDITIONALLY, THE FIRM'S PROCEDURES FAILED TO PROVIDE FOR A PROCEDURE OR METHOD FOR ITS SUPERVISORS TO DOCUMENT OR EVIDENCE SUPERVISORY REVIEWS OF TRACE REPORTING.



**Initiated By:** FINRA

**Date Initiated:** 06/03/2015

**Docket/Case Number:** [2013035242501](#)

**Principal Product Type:** Other

**Other Product Type(s):** MORTGAGE BACKED SECURITIES; COLLATERALIZED MORTGAGE OBLIGATIONS

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

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

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

**Resolution Date:** 06/03/2015

**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 \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$50,000  
FINE PAID IN FULL ON JUNE 19, 2015.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THIS ACTION AROSE FROM BLUE CAPITAL SECURITIES' ("BCS") TRADES EXECUTED IN 2012 IN MORTGAGE BACKED SECURITIES ("MBS") AND COLLATERALIZED MORTGAGE OBLIGATIONS ("CMO"). DURING 2012, IN CONNECTION WITH SELLING CMO'S, BCS PROVIDED MARKETING MATERIALS FOR A PROPOSED CMO TRANSACTIONS TO AT LEAST SIX CUSTOMERS. FINRA FOUND THAT THOSE MARKETING MATERIALS FAILED TO ADEQUATELY DISCLOSE CERTAIN RISKS IN VIOLATION OF FINRA RULES 2210 AND 2010. FINRA ALSO FOUND THAT THE FIRM FAILED TO PROVIDE REQUIRED CMO EDUCATIONAL MATERIALS PRIOR TO THE FIRM'S SALES OF CMOS TO AT LEAST SEVEN RETAIL CUSTOMERS IN VIOLATION OF IM-



2210-8 AND FINRA RULE 2010. THESE FINDINGS ALSO RESULTED IN VIOLATES OF BOOKS AND RECORDS RULES AN FINRA'S TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") RULES.

**Initiated By:** FINRA

**Date Initiated:** 06/03/2015

**Docket/Case Number:** [2013035242501](#)

**Principal Product Type:** Other

**Other Product Type(s):** MORTGAGE BACKED SECURITIES AND COLLATERALIZED MORTGAGE OBLIGATIONS

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

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

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

**Resolution Date:** 06/03/2015

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

**Other Sanctions Ordered:**

**Sanction Details:** THIS ACTION RESULTED IN A CENSURE AND FINE OF \$50,000.00

**Firm Statement** THIS MATTER WAS SETTLED VIA AWC WHEREIN THE FIRM, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RECEIVED A CENSURE AND A FINE OF \$50,000, WHICH WAS PAID IN JUNE 2015. NO SANCTIONS WERE IMPOSED AGAINST ANY INDIVIDUAL FIRM EMPLOYEE. THE FIRM HAS SINCE UPDATED THEIR WRITTEN SUPERVISORY PROCEDURES, AND HIRED A NEW CHIEF COMPLIANCE OFFICER.



**End of Report**



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