

## BrokerCheck Report

### VIEWTRADE SECURITIES, INC.

CRD# 46987

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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).



**VIEWTRADE SECURITIES, INC.**

CRD# 46987

SEC# 8-51605

**Main Office Location**

7280 W. PALMETTO PARK RD.  
SUITE 310  
BOCA RATON, FL 33433  
Regulated by FINRA Florida Office

**Mailing Address**

7280 W. PALMETTO PARK RD.  
SUITE 310  
BOCA RATON, FL 33433

**Business Telephone Number**

561-620-0306

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 corporation.

This firm was formed in Delaware on 03/17/2000.

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
- 7 Self-Regulatory Organizations
- 52 U.S. states and territories

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

This firm conducts 10 types of businesses.

This firm is not affiliated with any 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	18
Arbitration	1



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 03/17/2000.

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.

### **VIEWTRADE SECURITIES, INC.**

**Doing business as VIEWTRADE SECURITIES, INC.**

**CRD#** 46987

**SEC#** 8-51605

### **Main Office Location**

7280 W. PALMETTO PARK RD.  
SUITE 310  
BOCA RATON, FL 33433

**Regulated by FINRA Florida Office**

### **Mailing Address**

7280 W. PALMETTO PARK RD.  
SUITE 310  
BOCA RATON, FL 33433

### **Business Telephone Number**

561-620-0306



## 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>	VIEWTRADE HOLDING CORPORATION
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	SHAREHOLDER
<b>Position Start Date</b>	07/2001
<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>	DEIHL, MEGAN KOCZAK 2895988
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF FINANCIAL OFFICER
<b>Position Start Date</b>	09/2005
<b>Percentage of Ownership</b>	Less than 5%
<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>	FORD, MARK ALAN 1913958
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	09/2011

## 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):** PINHEIRO, DESIREE LEE  
4444808

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

**Position** CHIEF OPERATIONS OFFICER

**Position Start Date** 11/2023

**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):** ROSEN, STEVEN ALLEN  
1428637

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

**Position** SROP

**Position Start Date** 11/2023

**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):** STCLAIR, JAMES JOSEPH JR

Firm Profile



Direct Owners and Executive Officers (continued)

	1550599
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT
Position Start Date	10/2017
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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## Firm Profile

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



### Indirect Owners

Legal Name & CRD# (if any):	STELLA NORD LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	VIEWTRADE HOLDING CORP
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	03/2022
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	No
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 currently registered with the SEC, 7 SROs and 52 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	11/19/1999

### 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	11/19/1999
Cboe BYX Exchange, Inc.	Approved	11/15/2010
Cboe BZX Exchange, Inc.	Approved	08/18/2008
Cboe EDGA Exchange, Inc.	Approved	06/10/2010
Cboe EDGX Exchange, Inc.	Approved	06/10/2010
NYSE Arca, Inc.	Approved	05/19/2003
Nasdaq Stock Market	Approved	07/12/2006



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/14/2000
Alaska	Approved	08/28/2000
Arizona	Approved	04/24/2000
Arkansas	Approved	11/19/1999
California	Approved	08/18/2000
Colorado	Approved	11/23/1999
Connecticut	Approved	12/03/1999
Delaware	Approved	02/01/2000
District of Columbia	Approved	01/07/2000
Florida	Approved	11/22/1999
Georgia	Approved	12/03/1999
Hawaii	Approved	01/21/2000
Idaho	Approved	08/28/2000
Illinois	Approved	12/03/1999
Indiana	Approved	09/30/1999
Iowa	Approved	08/23/2000
Kansas	Approved	02/23/2000
Kentucky	Approved	08/23/2000
Louisiana	Approved	03/10/2000
Maine	Approved	04/24/2009
Maryland	Approved	12/08/1999
Massachusetts	Approved	02/09/2000
Michigan	Approved	01/19/2000
Minnesota	Approved	08/22/2000
Mississippi	Approved	09/11/2000
Missouri	Approved	01/03/2006
Montana	Approved	09/05/2000
Nebraska	Approved	11/08/2000
Nevada	Approved	07/25/2000
New Hampshire	Approved	08/24/2009
New Jersey	Approved	12/03/1999
New Mexico	Approved	10/11/2000
New York	Approved	06/23/1999

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	02/03/2000
North Dakota	Approved	10/12/2000
Ohio	Approved	01/14/2000
Oklahoma	Approved	11/22/1999
Oregon	Approved	09/06/2000
Pennsylvania	Approved	01/05/2000
Puerto Rico	Approved	05/31/2018
Rhode Island	Approved	08/23/2000
South Carolina	Approved	04/05/2000
South Dakota	Approved	08/11/2000
Tennessee	Approved	01/03/2000
Texas	Approved	09/21/1999
Utah	Approved	11/22/1999
Vermont	Approved	10/23/2000
Virginia	Approved	03/20/2000
Washington	Approved	11/24/1999
West Virginia	Approved	08/15/2000
Wisconsin	Approved	01/13/2000
Wyoming	Approved	08/22/2000



## 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 10 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)
Mutual fund retailer
U S. government 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
Other - WEB HOSTING AND TRADING PLATFORMS FOR ONLINE CLIENTS

#### Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: WEB HOSTING AND TRADING PLATFORMS FOR ONLINE CLIENTS

## 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>	APEX CLEARING CORPORATION
<b>CRD #:</b>	13071
<b>Business Address:</b>	1700 PACIFIC AVENUE DALLAS, TX 75201
<b>Effective Date:</b>	06/05/2012
<b>Description:</b>	APPLICANT IS AN INTRODUCING FIRM TO APEX CLEARING CORPORATION FOR THE PURPOSES OF HOLDING CASH AND SECURITIES

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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:** APEX CLEARING CORPORATION  
**CRD #:** 13071  
**Business Address:** 1700 PACIFIC AVENUE  
DALLAS, TX 75201  
**Effective Date:** 06/05/2012  
**Description:** APEX CLEARING CORPORATION WILL MAINTAIN CERTAIN BOOKS AND RECORDS OF THE APPLICANT PRIMARILY THOSE PERTAINING TO CUSTOMER ACCOUNTS

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

**Name:** CLEAR STREET LLC  
**CRD #:** 288933  
**Business Address:** 4 WORLD TRADE CENTER  
150 GREENWICH STREET, 45TH FL  
NEW YORK, NY 10007  
**Effective Date:** 05/22/2025  
**Description:** CLEARSTREET PROVIDES CUSTODY OF SECURITIES FOR THE VIEWTRADE OMNIBUS ACCOUNT

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**Name:** APEX CLEARING CORPORATION  
**CRD #:** 13071  
**Business Address:** 1700 PACIFIC AVENUE  
DALLAS, TX 75201  
**Effective Date:** 06/05/2012  
**Description:** APEX CLEARING CORPORATION WILL HOLD ACCOUNTS, FUNDS AND SECURITIES OF THE APPLICANT

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

**Name:** INTERACTIVE BROKERS LLC  
**CRD #:** 36418  
**Business Address:** PICKWICK PLAZA  
GREENWICH, CT 06830

## Firm Operations



### Industry Arrangements (continued)

<b>Effective Date:</b>	08/19/2025
<b>Description:</b>	CLEARING AND CUSTODY FOR THE FIRM'S NON-DISCLOSED OMNIBUS ACCOUNT
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<b>Name:</b>	APEX CLEARING CORPORATION
<b>CRD #:</b>	13071
<b>Business Address:</b>	1700 PACIFIC AVENUE DALLAS, TX 75201
<b>Effective Date:</b>	06/05/2012
<b>Description:</b>	APEX CLEARING CORPORATION WILL MAINTAIN THE ACCOUNTS, FUNDS AND SECURITIES OF THE CUSTOMERS OF THE APPLICANT

### 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 not, 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.**

**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	18	0
Arbitration	N/A	1	N/A



## 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 18

**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 VIOLATED (I) SECURITIES EXCHANGE ACT OF 1934 RULE 15C3-5(B), RULE 15C3-5(C)(1)(I), RULE 15C3-5(C)(1)(II), AND RULE 15C3-5(E)(1) AND (2) ("RULE 15C3-5" OR THE "MARKET ACCESS RULE") BY FAILING TO ESTABLISH, DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL AND REGULATORY RISKS OF ITS BUSINESS ACTIVITIES, INCLUDING RELATED TO CREDIT LIMITS, ERRONEOUS ORDER CONTROLS, AND ANNUAL REVIEWS, AND (II) NYSE ARCA RULE 11.18(B) AND (C) (SUPERVISION) BY FAILING TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 15C3-5 AND DETECT AND PREVENT POTENTIALLY VIOLATIVE TRADING. THE FINDINGS STATED THAT THE FIRM FAILED TO DOCUMENT OR OTHERWISE DESCRIBE A REASONABLE BASIS FOR ITS ERRONEOUS ORDER CONTROL PARAMETERS. THE FIRM WAS UNABLE TO PROVIDE ANY EVIDENCE THAT IT ANALYZED THE SPECIFIC PARAMETERS FOR ITS CONTROLS OR OTHERWISE EXPLAIN THE RATIONALE FOR EACH OF THE CONTROLS AND SETTINGS THAT IT IMPLEMENTED. THE FIRM IMPLEMENTED CERTAIN SOFT-BLOCK ERRONEOUS ORDER CONTROLS, BUT FAILED TO IMPLEMENT WSPS ADDRESSING WHEN BYPASSING A SOFT BLOCK WAS PERMISSIBLE OR THE STEPS TO BE TAKEN WHEN DOING SO. IN ADDITION, THE FIRM FAILED TO DOCUMENT THE BYPASSING OF SOFT-BLOCKS AND THE RELATED JUSTIFICATIONS FOR DOING SO. THE FIRM'S WSPS FAILED TO ADDRESS ITS PROCESS FOR REVIEWING AND APPROVING TEMPORARY ADJUSTMENTS TO ERRONEOUS ORDER CONTROLS AND FURTHER FAILED TO DOCUMENT THE RATIONALE FOR MAKING SUCH ADJUSTMENTS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ADOPT A REASONABLE CREDIT LIMIT METHODOLOGY BASED ON THE DUE DILIGENCE REQUIRED BY THE MARKET ACCESS RULE. THE FIRM DETERMINED CREDIT LIMITS FOR CASH ACCOUNTS BY ADDING AVAILABLE CASH AND 25% OF THE EQUITY IN EACH CLIENT'S ACCOUNT. THE FIRM DETERMINED CREDIT LIMITS FOR MARGIN ACCOUNTS BASED ON "BUYING POWER," WHICH EACH CUSTOMER'S CLEARING FIRM DETERMINED PURSUANT TO REGULATION T. HOWEVER, THE FIRM DID NOT DOCUMENT, AND WAS UNABLE TO SUFFICIENTLY DEMONSTRATE, THAT ITS METHODOLOGY FOR DETERMINING CREDIT LIMITS FOR THESE CUSTOMERS WAS REASONABLE OR BASED ON APPROPRIATE DUE DILIGENCE AS TO THE CUSTOMERS' BUSINESS, FINANCIAL CONDITION, OR TRADING PATTERNS, AS REQUIRED. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S WSPS GENERALLY STATED THAT THE FIRM IS OBLIGATED TO CONDUCT AN ANNUAL REVIEW AND THE CATEGORIES OF INFORMATION IT SHOULD REVIEW, THEY FAILED TO DESCRIBE HOW THE FIRM SHOULD CONDUCT ITS REVIEWS, WHO SHOULD CONDUCT THE REVIEWS, OR HOW



SUCH REVIEWS SHOULD BE DOCUMENTED. THE FIRM FAILED TO PROPERLY CERTIFY THAT ITS RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES COMPLIED WITH RULE 15C3-5(B) AND (C), AND THAT IT CONDUCTED THE REQUIRED ANNUAL REVIEW. NYSE ARCA FOUND THAT THE FIRM'S WSPS FAILED TO REASONABLY DESCRIBE THE FIRM'S PROCEDURES FOR REVIEWING, ESCALATING, AND RESOLVING SURVEILLANCE OUTPUT RELATED TO POTENTIALLY MANIPULATIVE TRADING. THE FIRM FAILED TO REASONABLY IMPLEMENT CERTAIN OF ITS POST-TRADE REVIEW PROCEDURES.

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 04/07/2025

**Docket/Case Number:** 2023-07-26-00068

**Principal Product Type:** Options

**Other Product Type(s):**

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

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

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

**Resolution Date:** 04/07/2025

**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 \$45,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$45,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATION OF SECURITIES EXCHANGE ACT OF 1934 RULE 15C3-5(B), 5(C)(1)(I), 5(C)(1)(II), 5(E)(1) AND (2) BY FAILING TO ESTABLISH, DOCUMENT AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND



SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE FINANCIAL RISK. NYSE ARCA RULE 11.18(B) AND (C) BY FAILING TO ESTABLISH THE SAME AS ABOVE.

**Initiated By:** NYSE ARCA, INC

**Date Initiated:** 03/26/2025

**Docket/Case Number:** 2023-07-26-00068

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE OF \$45,000

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

**Resolution Date:** 04/10/2025

**Sanctions Ordered:** Censure  
Monetary/Fine \$45,000.00

**Other Sanctions Ordered:** FINE OF \$45,000

**Sanction Details:** THE FIRM WAS FINED \$45,000 WHICH WAS PAID ON APRIL 14, 2025

**Firm Statement** IN JUNE OF 2023, A CLIENT OF THE FIRM PLACED A LIMIT ORDER WHICH THEY CHANGED TO A MARKET ORDER TO BUY 30,000 SHARES OF A SECURITY WHICH WAS ROUTED TO ARCA WHICH POSITIVELY INCREASED THE PRICE OF THE SECURITY. THE FIRM'S SYSTEM DID NOT PREVENT THE ORDER FROM BEING ENTERED, THEREFORE THE FIRM'S PROCEDURES AND CONTROLS WERE FOUND TO BE DEFICIENT.

#### Disclosure 2 of 18

**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, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO SUPERVISE THE OUTSIDE BROKERAGE ACCOUNTS DISCLOSED BY ITS REGISTERED REPRESENTATIVES. THE FINDINGS STATED THAT THE FIRM'S WRITTEN PROCEDURES FAILED TO IDENTIFY ANY STEPS THE FIRM WOULD TAKE TO VERIFY THAT IT ACTUALLY RECEIVED AND REVIEWED



DUPLICATE STATEMENTS FOR EACH DISCLOSED OUTSIDE BROKERAGE ACCOUNT. THE PROCEDURES ALSO FAILED TO PROVIDE GUIDANCE REGARDING HOW THE FIRM WOULD DETECT AND INVESTIGATE POTENTIAL SECURITIES VIOLATIONS AND DID NOT IMPOSE A DEADLINE FOR REVIEWS TO BE COMPLETED. IN PRACTICE, THE FIRM DID NOT HAVE A REASONABLY DESIGNED PROCESS TO ENSURE THAT IT TIMELY RECEIVED AND REVIEWED DUPLICATE STATEMENTS FOR ALL DISCLOSED OUTSIDE ACCOUNTS. WITH RESPECT TO THE RECEIPT OF ACCOUNT STATEMENTS, THE FIRM MAINTAINED A TRACKING SPREADSHEET, BUT CERTAIN STATEMENTS WERE NOT RECORDED AS HAVING BEEN RECEIVED, AND THE FIRM DID NOT TIMELY FOLLOW-UP ON THE MISSING STATEMENTS. AS A RESULT, THE FIRM FAILED TO TIMELY OBTAIN ACCOUNT STATEMENTS FOR CERTAIN OUTSIDE BROKERAGE ACCOUNTS DISCLOSED BY THE FIRM'S ASSOCIATED PERSONS. THE FIRM ALSO FAILED TO TIMELY REVIEW CERTAIN ACCOUNT STATEMENTS THAT IT RECEIVED, INCLUDING SOME STATEMENTS THAT WERE NOT REVIEWED FOR MORE THAN SIX MONTHS AFTER THEY WERE RECEIVED BY THE FIRM. IN ADDITION, THE FIRM'S SYSTEM TO REVIEW DUPLICATE STATEMENTS WAS NOT REASONABLY DESIGNED. THE FIRM'S MANUAL REVIEW OF DUPLICATE STATEMENTS WAS PERFORMED BY A SINGLE SUPERVISOR, WHICH WAS UNREASONABLE GIVEN THE VOLUME OF MONTHLY STATEMENTS SUBJECT TO REVIEW. FURTHER, THE MANUAL REVIEW DID NOT FACILITATE IDENTIFICATION OF PATTERNS OF ACTIVITY OVER TIME OR ACROSS ACCOUNTS. THE FIRM'S REVIEW OF ACCOUNT STATEMENTS WAS ALSO UNREASONABLE BECAUSE IT DID NOT REVIEW FOR CERTAIN POTENTIAL SECURITIES VIOLATIONS SUCH AS BROKERS TRADING AHEAD OF CUSTOMER ORDERS OR FRONT RUNNING.

<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	10/23/2024
<b>Docket/Case Number:</b>	<a href="#">2022076186101</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>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/23/2024



**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 \$40,000.00

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$40,000, AND REQUIRED TO CERTIFY IN WRITING THAT, AS OF THE DATE OF THE CERTIFICATION, THE FIRM HAS REMEDIATED THE ISSUES IDENTIFIED IN THIS AWC AND IMPLEMENTED A REASONABLY DESIGNED SUPERVISORY SYSTEM, INCLUDING WSPS. FINE PAID IN FULL ON NOVEMBER 7, 2024.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** BETWEEN AT LEAST 2020 AND THE PRESENT, VIEWTRADE FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO SUPERVISE THE OUTSIDE BROKERAGE ACCOUNTS DISCLOSED BY ITS REGISTERED REPS PURSUANT TO FINRA RULE 3210. AS A RESULT, VIEWTRADE VIOLATED FINRA RULE 3110 AND 2010.

**Initiated By:** FINRA

**Date Initiated:** 09/11/2024

**Docket/Case Number:** [2022076186101](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 10/01/2024

**Sanctions Ordered:** Censure  
Monetary/Fine \$40,000.00



<b>Other Sanctions Ordered:</b>	AN UNDERTAKING THAT, WITHIN 90-DAYS OF THE DATE OF THE NOTICE OF ACCEPTANCE OF THIS AWC, A MEMBER OF RESPONDENT'S SENIOR MANAGEMENT WHO IS A REGISTERED PRINCIPAL OF THE FIRM SHALL CERTIFY IN WRITING, THE FIRM HAS REMEDIATED THE ISSUES IDENTIFIED IN THE AWC AND IMPLEMENTED A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES 3110(A), (B) AND (D)
<b>Sanction Details:</b>	CENSURE AND \$40,000 FINE
<b>Firm Statement</b>	THE APPLICANT HAD A REGULAR PRACTICE OF GATHERING AND REVIEWING OUTSIDE ACCOUNT STATEMENTS OF ITS ASSOCIATED PERSONS, YET FAILED TO RECEIVE AND REVIEW THE STATEMENTS OF A FEW OF THE ACCOUNTS REPRESENTING LESS THAN 5% OF THOSE REQUIRED

### Disclosure 3 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND IMPLEMENT A WRITTEN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM'S WRITTEN AML PROCEDURES ASSIGNED THE RESPONSIBILITY FOR SURVEILLANCE OF POTENTIALLY SUSPICIOUS TRANSACTIONS TO A DESIGNATED PRINCIPAL AND REFERENCED THE USE OF A DAILY TRANSACTION REPORT, BUT IT HAD NO WRITTEN PROCEDURES REGARDING THE USE OF THE REPORT. THE FIRM DID NOT HAVE WRITTEN PROCEDURES DESIGNATING WHO WAS RESPONSIBLE FOR CONDUCTING THE REVIEWS OF ITS SURVEILLANCE SYSTEM AND REPORTS GENERATED FROM THE SYSTEM, THEIR RESPECTIVE DUTIES, WHAT REPORTS THEY WOULD REVIEW, THE FACTORS THEY WOULD CONSIDER WHEN REVIEWING SURVEILLANCE REPORTS, HOW TO DOCUMENT SUCH REVIEWS, WHEN AND HOW REVIEWING PERSONNEL WOULD ESCALATE AN ISSUE, OR WHEN AND HOW THE COMPLIANCE AND OPERATIONS DEPARTMENTS SHOULD SHARE INFORMATION FROM THEIR REVIEWS. IN ADDITION, MANY OF THE FIRM'S SURVEILLANCE REPORTS WERE NOT REASONABLY DESIGNED TO DETECT SUSPICIOUS OR POTENTIALLY MANIPULATIVE TRANSACTIONS. THE FIRM ALSO LACKED REASONABLE WRITTEN AML PROCEDURES TO DETECT AND MONITOR FOR RELATED CUSTOMER ACCOUNTS. THE FIRM RELIED ON CUSTOMERS TO NOTIFY IT THAT ACCOUNTS WERE RELATED AND SHOULD BE LINKED AND HAD NO SYSTEM IN PLACE TO MONITOR FOR RED FLAGS OF PURPORTEDLY





UNRELATED CUSTOMERS USING SIMILAR OR NEAR-IDENTICAL EMAIL OR MAILING ADDRESSES. IN ADDITION, THE FIRM ACCEPTED AND ROUTED CUSTOMER ORDERS IN OPTIONS BUT DID NOT HAVE A REASONABLE SYSTEM OR ANY SURVEILLANCE OR OTHER TOOLS TO DETECT AND REPORT SUSPICIOUS OR POTENTIALLY MANIPULATIVE ACTIVITY SPECIFIC TO OPTIONS TRANSACTIONS. THE FIRM ALSO DID NOT DEVELOP AND IMPLEMENT A REASONABLE SYSTEM TO REVIEW, IDENTIFY, AND REPORT PATTERNS OF SUSPICIOUS TRADING. REVIEWERS RELIED ON THEIR MEMORY TO RECALL IF THE SAME CUSTOMERS OR SECURITIES APPEARED IN MULTIPLE EXCEPTIONS FOR TWO OR MORE DAYS AND TO REVIEW CUSTOMER TRADES FOR ANOMALOUS TRADING PATTERNS. THE FIRM'S PROCEDURES ALSO PROVIDED NO GUIDANCE FOR DOCUMENTING THE FIRM'S ANALYSIS AND INVESTIGATION OF SUSPICIOUS ACTIVITY AND THE FIRM DID NOT DOCUMENT THE FINDINGS OF ITS INVESTIGATIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO TIMELY OR REASONABLY DETECT, INVESTIGATE, AND RESPOND TO RED FLAGS OF SUSPICIOUS ACTIVITIES BY RETAIL CUSTOMERS, INCLUDING IN INITIAL PUBLIC OFFERINGS (IPOS) WHERE THE FIRM SERVED AS AN UNDERWRITER. THE FIRM CONDUCTED NO REVIEW TO COMPARE CUSTOMER TRADING ACTIVITY OR INDICATIONS OF INTEREST TO FINANCIAL INFORMATION ON CUSTOMER ACCOUNT FORMS. MULTIPLE INVESTORS PRESENTED RED FLAGS OF POTENTIAL COORDINATED TRADING, BUT THE FIRM FAILED TO DETECT OR PERFORM ANY AML INVESTIGATION OF THESE TRANSACTIONS. THE FIRM ALSO FAILED TO DETECT, INVESTIGATE, AND RESPOND TO SUSPICIOUS MOVEMENTS OF MONEY FOR CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH DOCUMENT, AND MAINTAIN A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE RISKS OF ITS MARKET ACCESS BUSINESS, IN VIOLATION OF SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-5 THEREUNDER. THE FIRM'S WRITTEN PROCEDURES DID NOT DESCRIBE THE FIRM'S PROCESSES TO REVIEW, ESCALATE, AND RESOLVE SURVEILLANCE EXCEPTIONS GENERATED FOR POTENTIALLY MANIPULATIVE ACTIVITY, AND ITS PROCESS FOR GENERATING AND REVIEWING SURVEILLANCE EXCEPTIONS WAS NOT REASONABLY DESIGNED TO IDENTIFY VARIOUS FORMS OF SUSPICIOUS OR POTENTIALLY MANIPULATIVE TRADING. THE FIRM HAS SINCE DEVELOPED AND UPDATED ITS SURVEILLANCE SYSTEM, ADDED AML-RELATED SURVEILLANCE REPORTS, AND HIRED SEVERAL ADDITIONAL COMPLIANCE STAFF. FURTHER, THE FIRM HAS ENGAGED A THIRD-PARTY OUTSIDE CONSULTANT TO CONDUCT A REVIEW OF THE FIRM'S SUPERVISORY PROCEDURES AND SYSTEMS, INCLUDING AML PROCESSES AND SYSTEMS.

**Initiated By:**

FINRA



**Date Initiated:** 08/23/2022

**Docket/Case Number:** [2018058605501](#)

**Principal Product Type:** Options

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

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

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

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

**Resolution Date:** 08/23/2022

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

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$250,000, AND REQUIRED TO REVIEW AND REVISE, AS MAY BE NEEDED, ITS POLICIES, PROCEDURES, AND INTERNAL CONTROLS RELATING TO ITS AML SURVEILLANCE, INVESTIGATIONS, AND REPORTING, IPO PROCESS, AND RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES RELATED TO ITS MARKET ACCESS BUSINESS. FINE PAID IN FULL ON AUGUST 30, 2022.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATION OF FINRA RULES 3310(A), 2010 AND 3110 AND EXCHANGE ACT SECTION 15(C)(3) AND 15C3-5

**Initiated By:** FINRA

**Date Initiated:** 06/17/2022

**Docket/Case Number:** [2018058605501](#)

**Principal Product Type:** No Product



<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/23/2022
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING OF RETAINING A THIRD-PARTY CONSULTANT TO CONCLUDE A REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, PROCEDURES AND INTERNAL CONTROLS
<b>Sanction Details:</b>	THE FINE OF \$250,000 WAS PAID IN FULL IN ON 8/29/22
<b>Firm Statement</b>	THE FIRM WAS FOUND TO HAVE INADEQUATE WRITTEN PROCEDURES TO COVER THE ACTIONS THE FIRM WAS TAKING AS PART OF ITS SUPERVISORY, SURVEILLANCE AND RISK CONTROLS

#### Disclosure 4 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT SOLD SHARES AT THE INITIAL PUBLIC OFFERING (IPO) PRICE TO INVESTORS OTHER THAN THE 17 INVESTORS WHO HAD UNFILLED ORDERS. THE FINDINGS STATED THAT AN ISSUER ENGAGED THE FIRM AS LEAD PLACEMENT AGENT IN CONNECTION WITH AN IPO. THE OFFERING SATISFIED BOTH THE SHARE AND LISTING CONTINGENCIES AND THE TRANSACTION CLOSED. AFTER THE CLOSING, THE FIRM REALIZED THAT THE OFFERING EXCEEDED THE MAXIMUM SHARE CAP AND BEGAN CONTACTING INVESTORS TO REDUCE THE NUMBER OF SHARES ALLOCATED TO THEM. 17 INVESTORS AGREED TO REDUCE THEIR SUBSCRIPTION AMOUNTS. AFTER SECONDARY TRADING HAD BEGUN, SHARES WERE RETURNED TO THE FIRM AS A RESULT OF TRADE CANCELLATIONS AND OTHER RETURNS. INSTEAD OF OFFERING THOSE SHARES TO THE INVESTORS WITH UNFILLED ORDERS PURSUANT TO A RANDOM ALLOCATION METHODOLOGY AS REQUIRED, THE FIRM SOLD THE SHARES TO TWO OTHER INVESTORS. SPECIFICALLY, THE FIRM SOLD SHARES TO A NEW INVESTOR AT THE IPO PRICE OF \$4 PER SHARE WHILE



THE SHARES WERE TRADING AT \$10.15 PER SHARE, AND SHARES TO AN INVESTOR WHO DID NOT REDUCE HIS SUBSCRIPTION, AT THE IPO PRICE OF \$4 PER SHARE WHILE THE SHARES WERE TRADING AT \$11.45 PER SHARE. AS A RESULT, THE TWO INVESTORS RECEIVED AN INSTANT PROFIT OF \$30,428.75. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PROVIDE THE REQUIRED TRADE CONFIRMATIONS TO ANY OF THE INVESTORS WHO PURCHASED SHARES IN THE BEST-EFFORTS OFFERING.

**Initiated By:** FINRA

**Date Initiated:** 09/10/2020

**Docket/Case Number:** [2016051318601](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 09/10/2020

**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 \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$25,000. FINES PAID IN FULL ON SEPTEMBER 17, 2020.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM PLACED CLIENT CANCELLED SHARES OF A BEST-EFFORTS OFFERING WITH 2 EXISTING CLIENTS AFTER THE OFFERING ESCROW ACCOUNT HAD BEEN CLOSED AND MONIES RETURNED TO INITIAL INVESTORS. IN ADDITION,



THE FIRM DID NOT ENSURE THAT A POST CLOSING CONFIRMATION WAS SENT TO THE INVESTORS.

**Initiated By:** FINRA

**Date Initiated:** 09/10/2020

**Docket/Case Number:** [2016051318601](#)

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

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

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

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

**Resolution Date:** 09/10/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$25,000 WHICH WAS PAID IN FULL ON 09/17/2020

#### Disclosure 5 of 18

**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 ACCEPTED A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, WITHOUT (1) BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY; OR (2) HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND (3) DOCUMENTING COMPLIANCE WITH SECURITIES EXCHANGE ACT OF 1934 RULE 203(B)(1) OF REGULATION SHO. THE FINDINGS STATED THAT THE FIRM ALSO MADE PUBLICLY AVAILABLE A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES. IN THAT REPORT, THE FIRM FAILED TO DISCLOSE THE "MATERIAL ASPECTS" OF ITS RELATIONSHIP WITH ITS SIGNIFICANT EXECUTION VENUES AS IT



PERTAINS TO PAYMENT FOR ORDER FLOW ARRANGEMENTS. THE FIRM IS REQUIRED TO DESCRIBE THE MATERIAL TERMS OF THE ARRANGEMENT, SUCH AS ANY AMOUNTS PER SHARE OR PER ORDER THAT THE BROKER-DEALER RECEIVES.

**Initiated By:** FINRA

**Date Initiated:** 12/07/2015

**Docket/Case Number:** [2013035830201](#)

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY SECURITY

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

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

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

**Resolution Date:** 12/07/2015

**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 \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$15,000.  
FINE PAID IN FULL ON DECEMBER 29, 2015.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM FAILED TO PROVIDE A LOCATE OF SHARES ON 6 SHORT SALE TRADES. THE FIRM ALSO FAILED TO PROVIDE THE MATERIAL ASPECTS OF ITS RELATIONSHIPS WITH EXECUTION VENUES FOR WHOM IT HAD PAYMENT FOR ORDER FLOW ARRANGEMENTS.

**Initiated By:** FINRA



**Date Initiated:** 12/07/2015

**Docket/Case Number:** [2013035830201](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 12/07/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FIRM WAS CENSURE AND FINED \$15,000

**Firm Statement** THE FIRM WAS CITED FOR EXECUTING 6 SHORT-SELL TRADES FOR CLIENTS, DURING THE REVIEW PERIOD, WITHOUT PROVIDING EVIDENCE OF LOCATING THE SHARES PRIOR TO SELLING. IN ADDITION, THE LANGUAGE PROVIDED ON THE FIRM'S 606 REPORT DID NOT PROVIDE ADEQUATE DETAILS OF THE FIRM'S PAYMENT FOR ORDER FLOW ARRANGEMENTS. THIS HAS SINCE BEEN CORRECTED.

#### Disclosure 6 of 18

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** MSRB RULE G-14: A REVIEW OF 64 MUNICIPAL BOND ORDER TICKETS COMPARED TO AN MSRB REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) QUERY FOR THE TIME PERIOD OF SEPTEMBER 23, 2008 THROUGH OCTOBER 15, 2010, REVEALED THAT THE FIRM DID NOT REPORT THE CUSTOMER SIDE OF 21 MUNICIPAL BOND TRANSACTIONS TO THE MSRB. IN ADDITION, DURING THE SAME TIME PERIOD, THE FIRM REPORTED TO THE MSRB INTER-DEALER MUNICIPAL BOND TRANSACTIONS WITH AN INACCURATE PRICE OF ZERO, INSTEAD OF THE ACTUAL PRICE OF THE TRANSACTIONS.

**Initiated By:** FINRA

**Date Initiated:** 05/04/2011



<b>Docket/Case Number:</b>	2010021108601
<b>Principal Product Type:</b>	Debt - Corporate
<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>	05/04/2011
<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 \$7,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	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.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	MSRB RULE G-14: A REVIEW OF 64 MUNICIPAL BOND ORDER TICKETS, OVER A 2-YEAR PERIOD, REVEALED THAT THE FIRM DID NOT REPORT, TO THE MSRB, THE CUSTOMER SIDE ON A NUMBER OF THE TRANSACTIONS AND ALSO REPORTED, TO MSRB, AN INACCURATE PRICE OF ZERO ON INTER-DEALER MUNICIPAL BOND TRANSACTIONS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	05/04/2011
<b>Docket/Case Number:</b>	2010021108601
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	





<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/04/2011
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	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. DATE PAID: 05/13/2011
<b>Firm Statement</b>	THE FIRM WORKED WITH ITS VENDOR TO CORRECT THE CAUSE OF THE ERRONEOUS REPORTING TO MSRB AND IS CONFIDENT THE PROBLEM HAS BEEN RESOLVED.

#### Disclosure 7 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, SEC RULE 17A-4, FINRA RULE 2010, NASD RULES 2110, 3011(A), 3011(B), 3110, MSRB RULE G-41: THE FIRM'S AML COMPLIANCE PROCEDURES REQUIRE THE FIRM TO MONITOR FOR RED FLAGS THAT SIGNAL POSSIBLE MONEY LAUNDERING OR TERRORIST FINANCING. REGISTERED REPRESENTATIVES JOINED THE FIRM FROM A NOW DEFUNCT BROKER-DEALER BRINGING WITH THEM SOME CORPORATE ACCOUNTS, AND THE FIRM DID NOT CONDUCT ANY BACKGROUND INVESTIGATIONS INTO THE INDIVIDUALS IDENTIFIED ON THE CORPORATE ACCOUNT DOCUMENTS AS CONTROLLING THE ACCOUNTS OR AS HAVING TRADING AUTHORIZATION OVER THE ACCOUNTS. MOREOVER, THE ACCOUNTS ENGAGED IN ACTIVITY THAT SHOULD HAVE TRIGGERED ONE OR MORE OF THE AML RED FLAGS SET FORTH IN THE FIRM'S AML COMPLIANCE PROCEDURES AND THE FIRM DID NOT IDENTIFY ANY OF THE ACTIVITY IN THE ACCOUNTS AS SUSPICIOUS AND, THEREFORE, DID NOT CONDUCT ANY ADDITIONAL DUE DILIGENCE INTO THE ACTIVITY. THE FIRM FAILED TO PROPERLY IMPLEMENT ITS AML COMPLIANCE PROGRAM, INsofar AS IT DID NOT MONITOR THE ACCOUNTS FOR RED FLAGS AND DID NOT IDENTIFY POTENTIALLY SUSPICIOUS ACTIVITY FOR FURTHER DUE DILIGENCE. A



REGISTERED REPRESENTATIVE OF THE FIRM SENT BUSINESS RELATED EMAILS FROM A NON-FIRM EMAIL ADDRESS AND THESE EMAILS WERE NOT MAINTAINED ON THE FIRM'S SERVER IN A NON-REWRITABLE, NON-ERASABLE FORMAT, BUT WERE RATHER OBTAINED FROM THE REPRESENTATIVE'S COMPUTER, WHERE THEY COULD HAVE BEEN DELETED OR LOST.

**Initiated By:** FINRA

**Date Initiated:** 10/12/2009

**Docket/Case Number:** [2008011725001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 10/12/2009

**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:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$50,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** COMBINING OF TWO EXAMS THE FIRM WAS FOUND TO HAVE VIOLATED: NASD CONDUCT RULES 3011(A) AND (B) AND 2110, FINRA RULE 2010 AND MSRB RULE G-41, SEC RULE 17A-4 AND NASD RULES 3010(A) AND 2110.



**Initiated By:** FINRA  
**Date Initiated:** 07/24/2009  
**Docket/Case Number:** [2008011725001](#)  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 10/12/2009  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$50,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** MONETARY FINE \$50,000.00 TO BE PAID BY FIRM.  
**Firm Statement** THE FIRM HIRED TWO REGISTERED REPRESENTATIVES WHO TRANSFERRED IN CORPORATE ACCOUNTS, 16 OF WHICH WERE NOTED TO HAVE CORPORATE OFFICERS WITH SUSPICIOUS BACKGROUNDS AND ENGAGED IN LOW PRICED SECURITY TRANSACTIONS THAT SHOULD HAVE WARRANTED FURTHER INVESTIGATIONS, PURSUANT TO THE FIRM'S AML POLICY. ONE NEW REGISTERED REPRESENTATIVE SENT EMAILS FROM A NON-FIRM EMAIL ADDRESS, WHICH WERE NOT ARCHIVED.

#### Disclosure 8 of 18

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** SECURITIES EXCHANGE ACT RULES 15C3-1, 17A-3, 17A-4, 17A-5, NASD RULES 2110, 3110(A) - VIEWTRADE SECURITIES CONDUCTED A SECURITIES BUSINESS WHILE UNDER ITS REQUIRED NET CAPITAL AND IN VIOLATION OF ITS MEMBERSHIP AGREEMENT; FAILED TO ACCURATELY COMPUTE ITS NET CAPITAL; AND FILED A MATERIALLY INACCURATE FOCUS PART IIA REPORT.  
**Initiated By:** FINRA  
**Date Initiated:** 08/23/2007



**Docket/Case Number:** 2006003708001

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 08/23/2007

**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:** 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.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE FIRM INADVERTENTLY FAILED TO INCLUDE A MARKET PLACE BLOCKAGE CHARGE RESULTING IN A SINGLE MONTH ERRONEOUS FOCUS FILING.

**Initiated By:** NASD/FINRA

**Date Initiated:** 08/23/2007

**Docket/Case Number:** 2006003708001

**Principal Product Type:** No Product

**Other Product Type(s):**

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



**Other Sanction(s)/Relief Sought:** FINED 5000.00

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

**Resolution Date:** 08/23/2007

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIEWTRADE SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$5000.00

#### Disclosure 9 of 18

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULE 604 OF REGULATION NMS - RESPONDENT FIRM 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 FIRM'S BID OR OFFER IN EACH SUCH SECURITY OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SECURITY.

**Initiated By:** NASD

**Date Initiated:** 07/11/2007

**Docket/Case Number:** 20060049976-01

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 07/14/2007



<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>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, VIEWTRADE SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 604 OF REGULATION NMS - DISPLAY VIOLATION
<b>Initiated By:</b>	NASD/FINRA
<b>Date Initiated:</b>	07/11/2007
<b>Docket/Case Number:</b>	20060049976-01
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	AWC
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/14/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, VIEWTRADE SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5000.
<b>Firm Statement</b>	DURING A 2-MONTH PERIOD 100 ORDERS WERE REVIEWED OUT OF 4,924 ELIGIBLE CUSTOMER LIMIT ORDERS. THREE (3) ORDERS WERE IDENTIFIED THAT DID NOT PROPERLY DISPLAY.



## Disclosure 10 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULES 10B-10, 11AC1-5, NASD RULES 2110, 3010, 6130(D), 6620 - VIEWTRADE SECURITIES, INC. FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH NMC LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND FAILED TO DESIGNATE THROUGH NMC SUCH LAST SALE REPORTS AS LATE; INCORRECTLY DESIGNATED AS ".SLD" THROUGH NMC LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES REPORTED TO NMC WITHIN 90 SECONDS OF EXECUTION; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SEC RULE 11AC1-5. THE FIRM FAILED TO REPORT TO NMC THE CORRECT SYMBOL INDICATING WHETHER TRANSACTIONS WERE BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR TRANSACTIONS IN ELIGIBLE SECURITIES; FAILED TO REPORT TO NMC THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN ELIGIBLE SECURITIES IN A PRINCIPAL, RISKLESS PRINCIPAL OR AGENCY CAPACITY; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS ITS CORRECT CAPACITY IN TRANSACTIONS; AND, FOR A MONTH, THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT INFORMATION.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	05/30/2007
<b>Docket/Case Number:</b>	<a href="#">2005000064701</a>
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 05/30/2007

**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 \$35,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$35,000 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING SEC RULE 11AC1-5 WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC RULES 10B-10, 11AC1-5, NASD RULES 2110, 3010, 6130(D), 6620 - OVER A 4-MONTH PERIOD, APPLICANT FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH NMC LAST SALE REPORTS OF 500 OTC TRANSACTIONS, 32 OF WHICH WERE NOT REPORTED AS LATE AND 80 INCORRECTLY DESIGNATED AS ".SLD"; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGULATIONS AND NASD RULES CONCERNING SEC RULE 11AC1-5. THE FIRM FAILED TO REPORT TO NMC THE CORRECT SYMBOL MODIFIER FOR 12 TRANSACTIONS IN ELIGIBLE SECURITIES AND FAILED TO REPORT 43 CAPACITY CODES IN ELIGIBLE SECURITIES; FAILED TO DISCLOSE TO ITS CUSTOMERS ITS CORRECT CAPACITY IN 30 TRANSACTIONS; AND, FOR A MONTH, THE FIRM'S 11AC1-5 REPORT CONTAINED INCORRECT INFORMATION IN NMS SECURITIES THAT IT RECEIVED FOR EXECUTION.

**Initiated By:** NASD

**Date Initiated:** 06/07/2007

**Docket/Case Number:** 20050000647-01

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**





<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/07/2007
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$35,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$35,000 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING SEC RULE 11AC1-5 WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

#### Disclosure 11 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULES 11AC1-4, 11AC1-6(B), 11AC1-6(C) NASD CONDUCT RULES 2110, 2320, AND 3010, NASD MARKETPLACE RULE 6955(A), 6130(D), 6440(F), 6541, 6955(A) AND 5430(B)- RESPONDENT FIRM FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY. THE FINDINGS FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING THE DISPLAY RULE. IN ADDITION, NASD FOUND THAT THE FIRM FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS (ROES) AND SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE. THE FIRM DID NOT CORRECT OR REPLACE THE REPORTS. THE FINDINGS



FURTHER STATED THAT THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS AND FAILED TO REPORT THROUGH THE AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT) LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ SECURITIES EXECUTED DURING NORMAL MARKET HOURS.

**Initiated By:** NASD

**Date Initiated:** 12/22/2005

**Docket/Case Number:** [2004200001601](#)

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 12/22/2005

**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 \$62,500.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$62,500, ORDERED TO PAY RESTITUTION IN THE AMOUNT OF \$197 PLUS INTEREST, AND REQUIRED TO REVISE IT'S SUPERVISORY PROCEDURES.

**Regulator Statement** IN ADDITION, NASD FOUND THAT THE FIRM FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR TRANSACTIONS IN ELIGIBLE SECURITIES AND FAILED TO REPORT TO ACT



THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN ELIGIBLE SECURITIES IN A PRINCIPAL, RISKLESS PRINCIPAL OR AGENCY CAPACITY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ENSURE THAT ITS CLEARING FIRM PROPERLY CODED AND DELIVERED ORDERS INTO ITS TRADING SYSTEM RESULTING IN THE FIRM'S FAILURE TO REPORT TO ACT THE CONTRA SIDE EXECUTING BROKER IN THREE TRANSACTIONS IN ELIGIBLE SECURITIES AND THE FIRM FAILED TO CONTEMPORANEOUSLY OR PARTIALLY EXECUTE CUSTOMER LIMIT ORDERS IN OVER-THE-COUNTER TRANSACTION IN LISTED SECURITIES AND A SECURITY QUOTED ON THE OTC BULLETIN BOARD AFTER IT TRADED EACH SUBJECT SECURITY FOR ITS OWN MARKET-MAKING ACCOUNT AT A PRICE THAT WOULD HAVE SATISFIED EACH CUSTOMER'S LIMIT ORDER. NASD ALSO FOUND THAT THE FIRM TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA AND FAILED TO DISCUSS MATERIAL ASPECTS OF ITS RELATIONSHIP WITH OTHER VENUES IN A PUBLISHED REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES, INCLUDING A DESCRIPTION OF ANY ARRANGEMENT FOR PAYMENT FOR ORDER FLOW AND ANY PROFIT-SHARING RELATIONSHIP. NASD ALSO FOUND THAT THE FIRM FAILED TO NOTIFY CUSTOMERS IN WRITING AT LEAST ANNUALLY OF THE AVAILABILITY ON REQUEST OF THE INFORMATION ON ORDER ROUTING. IN ADDITION, THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING SEC RULE 11AC1-6, BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, TRADE REPORTING, LOCKING OR CROSSING THE MARKET, AFFIRMATIVE DETERMINATION, BID TEST AND TICK TEST.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

DURING MULTIPLE REVIEWS OVER A 2-YEAR PERIOD, THE RESPONDENT WAS ALLEGED TO HAVE: 1) FAILED TO IMMEDIATELY DISPLAY 69 LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, DURING A 3-MONTH PERIOD, WHEN EACH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SECURITY AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE ADEQUATE SUPERVISION, 2) NASD FOUND THAT DURING A 3-MONTH PERIOD, THE FIRM FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS AND SUBMITTED TO OATS REPORTS THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD, 3) THE FIRM FAILED TO USE REASONABLE



DILIGENCE TO ASCERTAIN THE BEST INTERDEALER MARKET AND EXECUTE 2 CUSTOMER ORDERS AND FAILED TO REPORT THROUGH ACT LAST SALE REPORTS ON 14 TRANSACTIONS EXECUTED DURING NORMAL MARKET HOURS AND FAILED TO REPORT TO ACT THE CORRECT SYMBOL FOR 5 TRANSACTIONS IN ELIGIBLE SECURITIES AND FAILED TO INSURE THE CLEARING FIRM PROPERLY CODED AND DELIVERED ORDERS TO ITS TRADING SYSTEM ON 3 TRANSACTIONS AND 4) THE FIRM FAILED TO DISCUSS MATERIAL ASPECTS OF ITS RELATIONSHIPS WITH OTHER VENUES OR THE AVAILABILITY OF ITS DATA IN WRITTEN FORM CONCERNING IT'S 11AC1-5 AND 6 REPORTS. THE ABOVE FINDINGS REPRESENT VIOLATIONS OF SEC RULES 11AC1-4, 11AC1-6(B) AND (C), NASD CONDUCT RULES 2110,2320, 3010, MARKETPLACE RULES 6955(A), 6130(D), 6440(F), 6541, 5430(B).

**Initiated By:** NASD

**Date Initiated:** 12/22/2005

**Docket/Case Number:** 20042000016-01

**Principal Product Type:** Other

**Other Product Type(s):**

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

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

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

**Resolution Date:** 12/22/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$62,500.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** N/A

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIEWTRADE SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$62500.00

#### Disclosure 12 of 18

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** SEC RULE 17A-4(B)(4), NASD RULES 2110, 3010(B)(1) AND (2), 3010(A) AND (B), 3011(B) - RESPONDENT MEMBER, ACTING THROUGH AN EMPLOYEE, FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE TAPING PROCEDURES FOR THE SUPERVISION OF THE TELEMARKETING ACTIVITIES OF ALL OF ITS REGISTERED PERSONS. THE FINDINGS STATED THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, SENT A SIGNED "CERTIFICATION REGARDING SPECIAL WRITTEN SUPERVISORY PROCEDURES FOR COMPLIANCE WITH NASD 3010(B)(2)" TO NASD. THE FINDINGS ALSO STATED THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, FAILED TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND REGULATIONS PROHIBITING INSIDER TRADING. NASD FOUND THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, FAILED TO ESTABLISH AND IMPLEMENT POLICIES, PROCEDURES AND INTERNAL CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE PATRIOT ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. NASD FOUND THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, FAILED TO ESTABLISH, DEVELOP AND IMPLEMENT AN ADEQUATE SUPERVISORY SYSTEM OR PROCEDURES ALLOWING THE FIRM TO MONITOR, ARCHIVE AND RETRIEVE INSTANT MESSAGES SENT AND RECEIVED BY ITS REGISTERED PERSONS, AND THE USE BY ITS REGISTERED REPRESENTATIVES OF EMAIL. THE FINDINGS STATED THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, FAILED TO ESTABLISH AND MAINTAIN A SYSTEM OF SUPERVISION REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE RULES OF NASD AND THE APPLICABLE LAWS AND REGULATIONS.

**Initiated By:** NASD

**Date Initiated:** 08/26/2005

**Docket/Case Number:** [E072003014001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 08/26/2005



**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 \$185,000.00

**Other Sanctions Ordered:** UNDERTAKING: REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPLETE AUDIT OF THE FIRM'S POLICIES, PRACTICES AND PROCEDURES.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIEWTRADE SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, AND FINED \$185,000 OF WHICH \$30,000 IS JOINTLY AND SEVERALLY.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** RESPONDENT FRIM, ACTING THROUGH AN EMPLOYEE, FAILED TO ADEQUATELY ESTABLISH AND ENFORCE PROCEDURES FOR THE IMPLEMENTATION AND SUPERVISION OF THE FOLLOWING: THE NASD'S TAPING RULE (AFTER SUBMITTING THE REQUIRED CERTIFICATION REGARDING SUPERVISORY PROCEDURES IMPLEMENTED), THE BANK SECRECY ACT, INSIDER TRADING, THE PATRIOT ACT, INSTANT MESSAGE AND EMAIL MONITORING AND ARCHIVING.

**Initiated By:** NASD

**Date Initiated:** 08/26/2005

**Docket/Case Number:** [E072003014001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 08/25/2005



<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$185,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING: REQUIRED TO RETAIN AN INDEPENDENT COUNSULTANT TO CONDUCT A COMPLETE AUDIT OF THE FIRMS POLICIES, PRACTICES AND PROCEDURES
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIEWTRADE SECURITIES, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, AND FINED \$185000.00 OF WHICH \$30000.00 IS JOINTLY AND SEVERALLY.

#### Disclosure 13 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Appealed To and Date Appeal Filed:</b>	NEW JERSEY BUREAU OF SECURITIES RECEIVED WRITTEN REQUEST FOR A HEARING. CASE TRANSMITTED TO THE OFFICE OF ADMINISTRATIVE LAW ON MARCH 3, 2005. 05/25/05 RECEIVED CHECK # 1927 DATED 5/11/05. COVER LETTER STATES REQUEST FOR HEARING IS WITHDRAWN.
<b>Allegations:</b>	VIEWTRADE SECURITIES FAILED TO COMPLY WITH A SUPERVISORY AGREEMENT WHICH IS A VIOLATION OF THE UNIFORM SECURITIES LAW.
<b>Initiated By:</b>	NEW JERSEY BUREAU OF SECURITIES
<b>Date Initiated:</b>	02/02/2005
<b>Docket/Case Number:</b>	N/A
<b>URL for Regulatory Action:</b>	<a href="http://WWW.NJCONSUMERAFFAIRS.GOV/ACTIONS/20050202_VIEWTRADE.PDF">HTTP://WWW.NJCONSUMERAFFAIRS.GOV/ACTIONS/20050202_VIEWTRADE.PDF</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	02/02/2005



<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>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	JOINTLY AND SEVERALLY WITH VIEWTRADE FINANCIAL #47116
<b>Sanction Details:</b>	VIEWTRADE SECURITIES AGREED, PURSUANT TO A SUPERVISORY AGREEMENT DATED 11/29/00 TO PROVIDE STRICT SUPERVISION OF AN AGENT AND FAILED TO COMPLY WITH THE TERMS OF THE AGREEMENT.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Appealed To and Date Appeal Filed:</b>	NEW JERSEY BUREAU OF SECURITIES, FEBRUARY 17, 2004
<b>Allegations:</b>	VIEWTRADE SECURITIES FAILED TO COMPLY WITH A SUPERVISORY AGREEMENT WHICH IS A VIOLATION OF THE UNIFORM SECURITIES LAW.
<b>Initiated By:</b>	NEW JERSEY
<b>Date Initiated:</b>	02/02/2005
<b>Docket/Case Number:</b>	1239958
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	02/25/2005
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	JOINTLY AND SEVERALLY WITH VIEWTRADE FINANCIAL
<b>Sanction Details:</b>	VIOLATION OF NJSA 49:3-56 (H) AS WELL AS FAILURE TO COMPLY WITH A SUPERVISORY AGREEMENT OVER A REP





## Disclosure 14 of 18

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 6620, 6620(A) - VIEWTRADE SECURITIES, INC. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT, LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE; AND INCORRECTLY DESIGNATED AS ".SLD" THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES REPORTED TO ACT WITHIN 90 SECONDS OF EXECUTION.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	10/15/2004
<b>Docket/Case Number:</b>	CMS040160
<b>Principal Product Type:</b>	Equity - OTC
<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>	10/15/2004
<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 \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIEWTRADE SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED



\$15,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD RULES 2110, 6620, 6620 (A) - VIEWTRADE SECURITIES, INC. FAILED, WITHIN 90 SECONDS AFTER EXECUTION TO 1.) TRANSMIT THROUGH ACT LAST SALE REPORTS 237 ORDERS OUT OF ALMOST 9000 2.) FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE ON 93 OUT OF ALMOST 9000 TRANSACTIONS AND 3.) INCORRECTLY DESIGNATED AS ".SLD" THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN 18 OUT OF ALMOST 9000 TRANSACTIONS.

**Initiated By:** NASD

**Date Initiated:** 10/15/2004

**Docket/Case Number:** CMS040160

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 10/15/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIEWTRADE SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$15000.00.

#### Disclosure 15 of 18

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULES 2110 AND 3010, AND NASD MARKETPLACE RULE



6130(D) - RESPONDENT MEMBER FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR 27 TRANSACTIONS IN ELIGIBLE SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING SHORT SALES. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: (1) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR SUPERVISION WITH RESPECT TO THE APPLICABLE RULES; (2) A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKE BY THE IDENTIFIED PERSON(S); (3) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (4) A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDE IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	03/19/2004
<b>Docket/Case Number:</b>	CMS040032
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES PRODUCT
<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>	03/19/2004
<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 \$9,500.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF



FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$9,500, AND REQUIRED TO UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING SHORT SALES WITHIN 30 BUSINESS DAYS.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE FIRM FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING THE TYPE OF TRANSACTION FOR 27 TRADES DURING THE 3 MONTH REVIEW PERIOD, AND THE FIRMS SUPERVISORY SYSTEM WAS INADEQUATE TO PREVENT THE ABOVE FINDINGS.

**Initiated By:** NASDS OFFICE OF DISCIPLINARY AFFAIRS

**Date Initiated:** 02/10/2004

**Docket/Case Number:** NASD CMS040032

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 03/19/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$9,500.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE , FIRM IS CENSURED, FINED 9500.00, AND REQUIRED TO UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING SHORT SALES WITHIN 30 BUSINESS DAYS.

#### Disclosure 16 of 18

**Reporting Source:** Regulator



<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD CONDUCT RULES 2110 AND 3010, AND NASD MARKETPLACE RULE 6955(A) - RESPONDENT MEMBER ("FIRM") SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET (THE "SUBJECT REPORTS") THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY THE NASD. THE SUBJECT REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEBSITE. THE FIRM DID NOT CORRECT OR REPLACE THE SUBJECT REPORTS. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING OATS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR (1) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE APPLICABLE RULES; (2) A STATEMENT OF THE STEP(S) THAT SUCH PERSON(S) SHOULD TAKE TO ENSURE COMPLIANCE THEREWITH.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	09/26/2003
<b>Docket/Case Number:</b>	CMS030224
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<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>	09/26/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$7,500.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$7,500, AND REQUIRED TO UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING OATS WITHIN 30 BUSINESS DAYS.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, VIOLATIONS OF NASD MARKETPLACE RULE 6955(A), NASD CONDUCT RULES 2110 AND 3010 ON APPROXIMATELY 2.6 % OF THE MORE THAN 96,0000 REPORTABLE EVENTS OVER THE 2 MONTH REVIEW PERIOD, THE FIRM DID NOT SUBMIT OATS DATA IN THE ELECTRONIC FORMAT PRESCRIBED BY THE NASD.

**Initiated By:** NASD

**Date Initiated:** 09/26/2003

**Docket/Case Number:** CMS030224

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

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

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

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

**Resolution Date:** 09/26/2003

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WE CONSENTED TO THE DESCRIBED SACTIONS AND TO THE ENTRY OF FINDINGS. THE FIRM WAS FINED \$7500.00 AND REQUIRED TO REVISE ITS WRITTWN SUPERVISORY PROCEDURES WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING OATS WITHIN 30 DAYS.

#### Disclosure 17 of 18

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULE 2110, AND NASD MARKETPLACE RULES 6620, 6620(A), 6620(A)(6), 4632(A)(9) AND 4642(A)(9) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER FIRM



CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT THROUGH AUTOMATED CONFIRMATION TRANSACTION SERVICE ("ACT") LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET ("NNM"), NASDAQ SMALLCAP ("SC"), AND OTC EQUITY SECURITIES; THE MEMBER FIRM ALSO FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE. THE FIRM ALSO INCORRECTLY DESIGNATED AS ".SLD" THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES REPORTED TO ACT WITHIN 90 SECONDS OF EXECUTION; AND INCORRECTLY DESIGNATED AS ".PRP" THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN NNM, OTC EQUITY, AND SC SECURITIES REPORTED TO ACT.

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

**Date Initiated:** 01/02/2003

**Docket/Case Number:** CMS020253

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 01/02/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** CENSURED AND FINED \$10,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD CONDUCT RULE 2110, AND THE NASD MARKETPLACE RULES 6620,6620(A), 6620(A)(6),4632(A)(9) AND 4642(A)(9). WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT DURING A 3 MONTH REVIEW PERIOD IT FAILED WITHIN 90



SECONDS AFTER EXECUTION TO 1.) TRANSMIT THROUGH ACT LAST SALE REPORTS OF 228 OUT OF 14,463 TRANSACTIONS, AND 2.) TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF 27 OUT OF THE SAME 14,463 TRANSACTIONS DESIGNATED LATE, AND 3.) THE FIRM ALSO INCORRECTLY DESIGNATED AS ".SLD" THROUGH ACT, WITHIN 90 SECONDS, LAST SALE REPORTS OF 5 (FIVE) OF THE SAME 14,463 TRANSACTIONS IN OTC EQUITY SECURITIES REPORTED TO ACT WITHIN 90 SECONDS OF EXECUTION. THE ABOVE FINDINGS REPRESENT 1.79% OF TRADES DURING THE REVIEW PERIOD.

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

**Date Initiated:** 09/05/2002

**Docket/Case Number:** CMS020253

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 01/02/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** CENSURED AND FINED \$10,000.00.

#### Disclosure 18 of 18

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULE 11AC1-1,NASD RULES 2110, 3010, 3320, 4613(B) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT WHEN PRESENTED WITH ORDERS AT THE FIRM'S PUBLISHED BID OR OFFER IN AN AMOUNT UP TO ITS PUBLISHED QUOTATION SIZE, FAILED TO EXECUTE THE ORDERS UPON PRESENTMENT AND THEREBY, FAILED TO HONOR ITS PUBLISHED QUOTATION; AND THE FIRM'S SUPERVISORY SYSTEM FAILED TO PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE





WITH APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING  
FIRM QUOTATIONS.

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

**Date Initiated:** 05/24/2002

**Docket/Case Number:** CMS020095

**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 05/24/2002

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** CENSURED, FINED \$7,500, AND REQUIRED TO REVISE THE FIRM'S  
WRITTEN SUPERVISORY PROCEDURES REGARDING FIRM QUOTE RULES  
WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THE AWC BY THE NAC.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC RULE 11AC1-1, NASD RULES 2110,3010,3320,4613(B)- WITHOUT  
ADMITTING OR DENYING THE ALLEGATIONS,VIEWTRADE CONSENTED TO  
THE ENTRY OF FINDINGS DURING A 3 MONTH REVIEW PERIOD, THE FIRM  
FAILED TO EXECUTE 13 ORDERS PRESENTED TO THE FIRM AT THE FIRMS  
PUBLISHED BID OR OFFER IN THE AMOUNT UP TO ITS PUBLISHED QUOTE  
SIZE. THE FIRMS SUPERVISORY SYSTEM FAILED TO PROVIDE FOR  
SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH  
AND REGULATIONS CONCERNING FIRM QUOTATIONS.

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

**Date Initiated:** 05/24/2002

**Docket/Case Number:** CMS020095



**Principal Product Type:** Other

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

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

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

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

**Resolution Date:** 05/24/2002

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** CENSURED, FINED \$7500.00, AND REQUIRED TO REVISE THE FIRMS  
WRITTEN SUPERVISORY PROCEDURES REGARDING FIRM QUOTE RULES  
WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THE AWC BY THE NAC



## Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	11/27/2006
<b>Case Number:</b>	<a href="#">06-05049</a>
<b>Disputed Product Type:</b>	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
<b>Sum of All Relief Requested:</b>	\$125,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	01/29/2008
<b>Sum of All Relief Awarded:</b>	\$25,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

**End of Report**



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