

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. *****

20060067277-01

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REGISTRATION & DISCLOSURE

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Fig Partners, LLC, Respondent
Broker-Dealer
CRD No. 41554

Pursuant to NASD Rule 9216 of the FINRA Code of Procedure, Respondent Fig Partners, LLC ("BNKS" or the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

In connection with matter 20060067277, the staff of FINRA's Department of Market Regulation (the "staff") conducted BNKS's Trading and Market Making Surveillance ("TMMS") Examination for 2006, evaluating the firm's compliance with various NASD rules relating to its trading of equity orders and its market-making activities, and specifically reviewing the items listed in Appendix 1 for trade dates October 2 through 13, 2006 (the "exam review period").

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

BNKS has been a member of FINRA since April 21, 1997 and its registration remains in effect. The firm has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. During the exam review period, the firm failed to properly process 11 separate orders for equity securities, resulting in the following errors: (a) the firm executed 10 short sale orders while failing to properly mark the orders as short, and executed one long sale order while failing to properly mark the order as long; and (b) the firm failed to report to the NASD/Nasdaq Trade Reporting Facility the correct symbol indicating whether the executed transaction was a buy, sell, sell short, or cross for 58 transactions in Reportable

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Securities. The conduct described in this paragraph constitutes, respectively, separate and distinct violations of both SEC Rule 200(g) of Regulation SHO and NASD Marketplace Rule 6130(d).

2. During the exam review period, the firm transmitted to the Order Audit Trail System ("OATS") 37 reports that contained inaccurate, incomplete, or improperly formatted data. Specifically, the firm in 23 instances incorrectly submitted an "OR" report instead of an "NW" report and an "EX" report, as required; in eight instances incorrectly submitted an "OR" report instead of an "OE" report for an order received and executed in full within the same date, as required; in two instances incorrectly submitted an "OR" report instead of an "NW" report, as required; and in four instances incorrectly submitted an "RT" report instead of an "EX" report, as required. These inaccurate and/or incomplete reports represented 74 percent of the sample of reports that the firm transmitted to OATS on the trade dates reviewed in the TMMS examination. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6955(a).

B. The firm also consents to the imposition of the following sanctions:

A censure and fines totaling \$10,000 (comprised of \$5,000 for the firm's order-marking and trade-reporting violations and \$5,000 for its OATS-reporting violations).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

The firm agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. The firm has submitted an Election of Payment form showing the method by which it proposes to pay the fines imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against it;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and

- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. This AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary records;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or

indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The firm certifies that it has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

8/14/08
Date

Respondent
Fig Partners, LLC

By: [Signature]

Name: Maoying Wang

Title: _____

Reviewed by:

Counsel for Fig Partners, LLC

Accepted by FINRA:

9/5/08
Date

Signed on behalf of the
Director of ODA, by delegated authority

[Signature]
Thomas R. Gira
Executive Vice President
Department of Market Regulation

2006 Trading and Market Making Surveillance Exam Samples
Fig Partners, LLC ("BNKS")
Exam No. 20060067277

<u>Sample Size</u>	<u>Review Area</u>	<u>Sample Source</u>
332	customer and proprietary sale transactions, for compliance with SEC Rules 200(g) and/or 203(b),	from trade dates October 2-13th, 2006
327	customer and proprietary sales, for compliance with NASD Rule 6130,	from trade dates October 2-13th, 2006
5	short sales in NNM securities, for compliance with NASD Rule 3350,	from trade dates October 2-13th, 2006
25	cancelled trades for compliance with NASD Rules 4632(g), 4642(g), 4652(g), 6420(f), and 6620(f) and SEC Rule 17a-3(a)(6) and (a)(7),	from trade dates October 2-13th, 2006
30	limit orders executed as principal, for compliance with NASD Rules 2110 (and IM-2110-2), 6440, 6541 and 2320, and SEC Rules 602 and 604,	from trade dates October 2-13th, 2006
14	"non displayed" limit orders and 0 marketable orders in the same securities received while holding the "non-displayed" orders, for compliance with NASD Rule 2320.	from trade dates October 2-13th, 2006
30	limit and market orders and 79 trades executed in a principal or riskless principal capacity, for compliance with capacity reporting under NASD Trade Reporting and ACT rules,	from trade dates October 2-13th, 2006
2	open buy limit orders and stop sell limit orders in securities traded ex-dividend, for compliance with NASD Rule 3220,	from trade dates October 2-13th, 2006
N/A	data published on the firm's quarterly order routing report, for compliance with SEC Rule 606,	from the report for the 3rd Quarter 2006
6	customer transactions in OTCBB and OTC equity securities, for compliance with NASD Rules 3110(b) and 2320,	from trade dates October 2-13th, 2006
5	persons engaged in the firm's trading and market making activities, for compliance with NASD Registration rules,	from trade dates October 2-13th, 2006
155	order/trade records prepared and maintained in connection with the above samples, for general compliance with NASD Rule 3110 and SEC Rules 17a-3 and 17a-4,	from trade dates October 2-13th, 2006

<u>Sample Size</u>	<u>Review Area</u>	<u>Sample Source</u>
469	trades reported to ACT or TRACS in connection with the above samples, for general compliance with NASD Trade Reporting and ACT rules,	from trade dates October 2-13th, 2006
43	customer trade confirmations reviewed in connection with the above samples, for compliance with SEC Rule 10b-10,	from trade dates October 2-13th, 2006
50	orders in NNM or SC securities submitted to OATS for the Market Making Desk, for compliance with NASD Rule 6955,	from trade dates October 2-13th, 2006
N/A	the firm's establishment and implementation of "regular & rigorous" reviews of the execution quality of orders sent to other market centers and internalized, for compliance with NASD Rules 2320 and 3010,	based on WSPs in effect during December 2006
N/A	the firm's establishment and implementation of a supervisory system and written supervisory procedures, for compliance with NASD Rule 3010.	based on WSPs in effect during December 2006