

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070071517

RECEIVED

JUN 09 2010

To: Department of Enforcement
FINRA

FINRA District 4

Re: Guy S. Amico
General Securities Principal and General Securities Representative
(CRD No. 1723157)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Guy S. Amico (Amico), submit 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 me alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

Amico entered the securities industry in July 1987. From August 22, 2000 through February 4, 2010, Amico was associated with Newbridge Securities Corporation (Newbridge) as its President. From August 22, 2000 through the present, Amico has been registered with FINRA as a general securities principal and general securities representative, which registrations remain in full force and effect.

Prior Relevant Disciplinary History

Amico was the subject of an SEC action wherein he was barred from the securities industry for two years as a general securities principal and fined \$79,000 for his failure to supervise. *See In the Matter of Newbridge Securities Corp., Guy S. Amico, Scott H. Goldstein, Eric M. Vallejo, and Daniel M. Kantrowitz*, 2009 SEC LEXIS 2058 (SEC 2009).¹

¹This matter was appealed by Amico on June 30, 2009 and is still pending.

Overview

Amico, as President of Newbridge, failed to adequately supervise the firm's two Chief Compliance Officers (CCO's) and Anti-Money Laundering Compliance Officers (AMLCO's) from at least August 2003 through at least July 2008 (the relevant period). By engaging in this conduct, Amico violated NASD Conduct Rules 3010 and 2110.

Facts and Violative Conduct

I. Beginning in 2002, Amico Received Various "Red Flags" of Substantive Violations and Potential Inadequacy of Compliance Personnel.

Beginning as early as 2002, and continuing through at least 2008, Amico knew or should have known of substantive violations of FINRA Rules and the potential inadequacy of Newbridge Compliance Personnel. By way of background, Amico and Scott Goldstein created Newbridge in August 2000. During the relevant time period, Amico was the President of Newbridge and owned 27% of the company.

FINRA conducted routine examinations of Newbridge in every year from 2002-2008. In each of these examinations, FINRA staff made written findings, through an Exit Conference report, that Newbridge failed to properly report customer complaints and other reportable matters pursuant to NASD Conduct Rule 3070. The 2003 FINRA routine examination led to formal disciplinary action being taken against Newbridge for Rule 3070 deficiencies. See Discip. Proc. No. E072003019507. Similarly, FINRA made findings in the 2005, 2007 and 2008 routine examinations that in numerous instances Newbridge failed to make a Form U4 or U5 amendment to report a disclosable event or failed to timely amend a Form U4 or U5.

FINRA staff also made findings of violations of the Bank Secrecy Act and FINRA AML Rules pursuant to the routine examinations conducted in 2003, 2005, 2007 and 2008. These AML findings also were expressly identified in the written Exit Conference report. The 2003 FINRA routine examination led to formal disciplinary action being taken against Newbridge for AML program deficiencies. See Discip. Proc. No. E072003019501.

Amico, as the President of Newbridge, attended the Exit Conferences, and received the Exit Conference reports, for the routine examinations FINRA conducted of Newbridge from 2002-2008. Consequently, he knew or should have known of the repeated systemic failures at Newbridge regarding reporting events under Rule 3070 and amending Forms U4/U5, and Newbridge's failure to maintain an adequate AML program.

The SEC also conducted examinations of Newbridge in October 2002, December 2003 and March 2007. The SEC provided its written findings, in letter form, to Newbridge. The SEC identified in the 2002 examination a number of suspicious transactions involving penny stocks, along with AML program issues. The SEC identified in the 2003 examination additional penny-stock issues concerning possible unregistered distributions of securities. Finally, the SEC identified in the 2002 and 2007 examinations various Rule 3070 issues.

Amico, as the President of Newbridge, received the SEC's written findings for each of the SEC examinations. In addition to the foregoing FINRA Exit Conference reports, these written findings provided Amico with notice of Newbridge's systemic failures in its AML program and reporting deficiencies under Rule 3070.

During the relevant time period, Newbridge had two CCO's, Ken Brown and Robin Bush. Brown and Bush also served as AMLCO's during the relevant period of time. Amico was aware that Brown had received a Wells notice from FINRA, identifying a preliminary determination by FINRA that Brown had engaged in supervisory deficiencies. Amico was also aware that in 2007 FINRA approved an AWC for Robin Bush in which she was charged with supervisory failures and fined \$7,500. At the time, Bush was Newbridge's CCO and AMLCO. Consequently, during the relevant period of time Amico had notice that FINRA had found supervisory deficiencies by Bush and had made preliminary findings of supervisory deficiencies by Brown.

II. Amico Failed to Adequately Supervise Ken Brown and Robin Bush During the Relevant Period.

Amico, as the President and an owner of Newbridge, was responsible for the firm's compliance with all regulatory requirements imposed on the firm, unless and until he reasonably delegated particular functions to Ken Brown and Robin Bush, and neither knew nor had a reason to know that Brown's or Bush's performance was deficient. Through the repeated findings by FINRA and the SEC, coupled with Brown's and Bush's disciplinary history, Amico knew, or should have known, that Brown and Bush were not performing the compliance functions delegated to them throughout the relevant period.

A. AML Violations

Throughout the relevant period, Newbridge's AML compliance program, as administered by Brown and Bush, did not fully comply with the requirements of the Bank Secrecy Act and the regulations thereunder, and therefore violated NASD Conduct Rule 3011. In numerous instances, Newbridge failed to follow its own AML program, or otherwise take steps to ensure that the firm was in compliance with Rule 3011. In a number of instances, Newbridge did not conduct a reasonable investigation or file a SAR relating to suspicious activities

or transactions by customers with suspect backgrounds. A number of Newbridge customers had criminal and/or securities disciplinary backgrounds. Some customers repeatedly engaged in the practice of depositing penny-stock certificates, liquidating the shares, and wiring out the proceeds. Other customers maintained numerous accounts at Newbridge, with no evident business purpose for doing so. In certain problematic instances, customers met all of the foregoing suspicious criteria.

Newbridge, through Amico, delegated the responsibility for the firm's AML compliance to Brown and Bush during the relevant period. Amico knew, through the FINRA Exit Conference reports and the SEC's written findings, that Newbridge, through Brown and Bush, was not in compliance with the requirements of the Bank Secrecy Act and NASD Conduct Rule 3011 during the relevant period. In fact, the FINRA Exit Reports expressly identified a number of Newbridge customers who had problematic backgrounds and/or engaged in suspicious transactions. Amico also knew that Bush had a FINRA disciplinary history when she was CCO and AMLCO, and that Brown had been issued a Wells notice when he was AMLCO. Notwithstanding the foregoing, Amico did not take affirmative steps to ensure that Brown and Bush, the firm's CCO's and AMLCO's during the relevant period, were performing the AML functions that Newbridge, through Amico, had delegated to them.

By engaging in this conduct, Amico violated NASD Conduct Rules 3010 and 2110.

B. Reporting Violations

During the relevant period, Newbridge, through its CCO's Brown and Bush, failed to report numerous customer complaints reportable under 3070(c) and numerous other reportable events under 3070(b). Further, during this same period, Newbridge, through Brown and Bush, failed to make a Form U4 or U5 amendment to report a disclosable event in numerous instances, and failed to timely amend a Form U4 or U5 in numerous other instances, in violation of Article V, Sections 2 and 3 of FINRA's By-Laws.

Newbridge, through Amico, delegated the responsibility for the firm's reporting requirements under NASD Conduct Rule 3070 and Article V, Sections 2 and 3 of FINRA's By-Laws to Brown and Bush during the relevant period. Amico knew, through the FINRA Exit Conference reports and the SEC's written findings, that Newbridge, through Brown and Bush, was not making the necessary filings under NASD Conduct Rule 3070 and Article V, Sections 2 and 3 of FINRA's By-Laws. In fact, FINRA found Rule 3070 violations in every routine examination of Newbridge from 2002 to 2008. Amico also knew that FINRA had found Bush engaged in supervisory deficiencies through the 2007 AWC. Notwithstanding the foregoing, Amico did not take affirmative steps to ensure that Brown and Bush, the firm's CCO's during the relevant period, were

performing reporting functions under NASD Conduct Rule 3070 and Article V, Sections 2 and 3 of FINRA's By-Laws that Newbridge, through Amico, had delegated to them.

By engaging in this conduct, Amico violated NASD Conduct Rules 3010 and 2110.

B. I also consent to the imposition of the following sanctions:

1. a 4-month suspension from associating with any FINRA member in any principal capacity;
2. a fine of \$100,000. I agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter; and
3. completion of eight (8) hours of AML training. I will register for, within sixty (60) days of the date of issuance of this AWC, the AML training in a program that is not unacceptable to FINRA. I, or Newbridge on my behalf, shall provide FINRA with evidence of the registrations within ten days of registration. I will attend such training within six months of the issuance of this AWC, and I, or Newbridge on my behalf, shall provide FINRA with evidence that I have completed such training within ten (10) days of completion of the training program.

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

II. WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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

I understand 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 FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Statement of Corrective Action to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

Letter of Acceptance, Waiver and Consent No. 20070071517

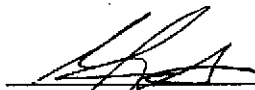
Guy S. Amico

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- E. I understand that if I am barred or suspended from associating with any FINRA member in a principal capacity, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in a principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the principal suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its 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 me to submit it.

Date: 6/14/10


GUY STEVEN AMICO

Reviewed by:


Counsel for Guy S. Amico

Accepted by FINRA:

Date: 7-30-10

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


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