

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070076782-01**

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

RE: Trillium Brokerage Services, LLC, f/k/a Trillium Trading LLC, Respondent
Broker-Dealer
CRD No. 120064

Daniel J. Balber, Respondent
Registered Principal
CRD No. 2582111

Brian M. Gutbrod, Respondent
Registered Representative
CRD No. 4568387

James P. Hochleutner, Respondent
Registered Representative and Registered Principal
CRD No. 4443772

Bradley L. Jaffe, Respondent
Registered Representative
CRD No. 4685402

Rosemarie Johnson, Respondent
Registered Principal
CRD No. 2506418

Tal B. Plotkin, Respondent
Registered Representative
CRD No. 4390896

Frank J. Raffaele, Jr., Respondent
Registered Representative and Registered Principal
CRD No. 3021178

John J. Raffaele, Respondent
Registered Representative
CRD No. 4408650

Michael S. Raffaele, Respondent
Registered Representative
CRD No. 4684997

Tal Sharon, Respondent
Registered Representative
CRD No. 2515992, and

Samuel J. Yoon, Respondent
Registered Representative
CRD No. 4697392

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Trillium Brokerage Services, LLC f/k/a Trillium Trading LLC (the "firm" or "TRIL"), Daniel J. Balber ("Balber"), Brian M. Gutbrod ("Gutbrod"), James P. Hochleutner ("Hochleutner"), Bradley L. Jaffe ("Jaffe"), Rosemarie Johnson ("Johnson"), Tal B. Plotkin ("Plotkin"), Frank J. Raffaele, Jr. ("F. Raffaele"), John J. Raffaele ("J. Raffaele"), Michael S. Raffaele ("M. Raffaele"), Tal Sharon ("Sharon"), and Samuel J. Yoon ("Yoon") (collectively, the "Respondents") 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 TRIL, Balber, Gutbrod, Hochleutner, Jaffe, Johnson, Plotkin, F. Raffaele, J. Raffaele, M. Raffaele, Sharon or Yoon alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. TRIL, Balber, Gutbrod, Hochleutner, Jaffe, Johnson, Plotkin, F. Raffaele, J. Raffaele, M. Raffaele, Sharon, and Yoon 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

TRIL has been a member of FINRA since October 30, 2002. On January 1, 2010, Trillium Trading LLC changed its name to "Trillium Brokerage Services, LLC." The firm's registration remains in effect.

Balber entered the securities industry in January 1995. During all times relevant to this AWC, Balber was registered as a general securities principal at TRIL. Balber is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Balber has no relevant disciplinary history.

Gutbrod entered the securities industry in July 2002. During all times relevant to this AWC, Gutbrod was registered as a general securities representative at TRIL. Gutbrod is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Gutbrod has no relevant disciplinary history.

Hochleutner entered the securities industry in August 2001. During all times relevant to this AWC, Hochleutner was registered as a general securities representative and a general securities principal at TRIL. Hochleutner is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Hochleutner has no relevant disciplinary history.

Jaffe entered the securities industry in July 2003. During all times relevant to this AWC, Jaffe was registered as a general securities representative at TRIL. Jaffe is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Jaffe has no relevant disciplinary history.

Johnson entered the securities industry in February 1995. During all times relevant to this AWC, Johnson was registered as a general securities principal at TRIL. Johnson is not currently registered with a FINRA member firm, but she remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Johnson has no relevant disciplinary history.

Plotkin entered the securities industry in April 2001. During all times relevant to this AWC, Plotkin was registered as a general securities representative at TRIL. Plotkin is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Plotkin has no relevant disciplinary history.

F. Raffaele entered the securities industry in February 1998. During all times relevant to this AWC, F. Raffaele was registered as a general securities representative and a general securities principal at TRIL. F. Raffaele is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. F. Raffaele has no relevant disciplinary history.

J. Raffaele entered the securities industry in June 2001. During all times relevant to this AWC, J. Raffaele was registered as a general securities representative at TRIL. J. Raffaele is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. J. Raffaele has no relevant disciplinary history.

M. Raffaele entered the securities industry in July 2003. During all times relevant to this AWC, M. Raffaele was registered as a general securities representative at TRIL. M. Raffaele is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. M. Raffaele has no relevant disciplinary history.

Sharon entered the securities industry in June 1997. During all times relevant to this AWC, Sharon was registered as a general securities representative at TRIL. Sharon is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Sharon has no relevant disciplinary history.

Yoon entered the securities industry in August 2003. During all times relevant to this AWC, Yoon was registered as a general securities representative at TRIL. Yoon is not currently registered with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section Four of the FINRA By-Laws. Yoon has no relevant disciplinary history.

RELEVANT DISCIPLINARY HISTORY

On June 15, 2006, FINRA accepted an AWC from TRIL that found that the firm, during the period October 18, 2004 through October 27, 2004, committed violations of NASD Rules 3010, 3310, and IM-3310, and imposed a sanction of a \$225,000 fine (consisting of a \$50,000 fine for the quotation practices and a \$175,000 fine for supervision violations). The firm also was jointly and severally liable for an additional \$30,000 in fines for Rule 3310 and IM-3310 violations attributable to other respondents.

SUMMARY

In 20070076782, the staff of FINRA's Department of Market Regulation (the "staff") reviewed TRIL's trading activity conducted through the NASDAQ Stock Market and the NYSE Arca Marketplace during the period November 1, 2006 through January 31, 2007 (the "review period").

FACTS AND VIOLATIVE CONDUCT

TRIL's Trading Violations

1. During the review period, TRIL, by and through nine TRIL proprietary traders, Gutbrod, Hochleutner, Jaffe, Plotkin, F. Raffaele, J. Raffaele, M. Raffaele, Sharon, and Yoon (each the "Trillium Trader," and collectively, the "Trillium Traders") engaged in a repeated pattern of layering conduct to take advantage of trading, including algorithmic trading by other firms, when the Trillium Traders entered a buy (sell) limit order in a NASDAQ security through NASDAQ Single Book ("Single Book") primarily at a price that was either at the NASDAQ Best Bid (Offer) or that improved the NASDAQ Best Bid (Offer) ("NASDAQ BBO") in such a security (the "limit order"), and obtained a full or partial execution for that order through the entry of numerous layered, non-bona fide, market moving orders on the side of the market opposite the limit order, as described in greater detail below.
2. After entering a buy (sell) limit order into Single Book, a Trillium Trader repeatedly entered numerous layered, non-bona fide, market moving sell (buy) orders through Single Book on the opposite side of the market from the limit order at prices primarily outside the NASDAQ BBO (the "non-bona fide orders").
3. The Trillium Trader knowingly and intentionally entered these non-bona fide orders through Single Book to create the appearance of substantial pending sell (buy) orders in the security for the purpose of inducing the sale (purchase) of his limit order of such a security by others, and was successful in most instances in obtaining a full or partial execution of the limit order.
4. By knowingly and intentionally engaging in this course of conduct, the Trillium Trader bought (sold) shares of these securities at prices that were lower (higher) than he would otherwise have been able to buy (sell) shares of these securities but for his entry of the numerous non-bona fide sell (buy) orders into Single Book.
5. Within seconds after the Trillium Trader received the execution or partial execution of the buy (sell) limit order, he intentionally and knowingly canceled the non-bona fide orders that he had placed into Single Book. At the time that he placed the non-bona fide sell (buy) orders through Single Book, he anticipated that those orders would be cancelled prior to execution. In fact, he generally entered these orders at prices primarily outside of the NASDAQ BBO and thereby reduced the risk that these non-bona fide orders would be executed contrary to his intent.
6. Upon cancellation of the non-bona fide orders, the Trillium Trader typically repeated the above-described trading activity on the opposite side of the market, beginning with the entry of a sell (buy) limit order for the same security, followed by the placement of numerous non-bona fide buy (sell) orders for that security through

Single Book, the execution or partial execution of the sell (buy) limit order, and the cancellation of the numerous non-bona fide orders.

7. During the review period, TRIL, by and through the Trillium Traders, also entered orders and obtained executions in NASDAQ securities through the NYSE Arca Marketplace ("NYSE Arca") in the same manner described in paragraphs I.A.1 through I.A.6 in that the Trillium Traders engaged in a repeated pattern of layering conduct to take advantage of trading, including algorithmic trading by other firms, when the Trillium Traders entered a buy (sell) limit order in a NASDAQ security through NYSE Arca at a price that was either at the NASDAQ BBO or that improved the NASDAQ BBO in such a security (the "limit order"), and obtained a full or partial execution for that order through the entry of numerous layered, non-bona fide, market moving orders on the side of the market opposite the limit order.
8. TRIL, by and through the Trillium Traders, bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 46,152 instances, thereby securing total profits of approximately \$575,765.17, of which the firm retained \$173,357.49.¹ The amount of profit obtained by each trader is described below. As a result, TRIL, by and through the Trillium Traders, as described above, violated NASD Rules 2110, 2120, 3310, and IM-3310.

TRIL's Supervision Violations

Supervisory System Deficiencies

9. The firm, through Balber, Director of Trading, and Johnson, Chief Compliance Officer, failed to establish, maintain, and enforce an adequate supervisory system during the review period.
10. Pursuant to the firm's written supervisory procedures ("WSPs"), Balber's supervisory duties included the responsibility to oversee the firm's trading system. The firm, through Balber, did not reasonably review all order activity during the review period, and did not implement an order monitoring system until July 2007.
11. In addition, Balber and Johnson were members of a committee that was responsible for reviewing and approving changes to the firm's WSPs during the review period. While the firm's order monitoring system was being developed, the firm, through Balber and Johnson, failed to establish, maintain, and enforce interim procedures to review all of the firm's order activity. The firm lacked the ability to review orders other than on a real-time basis because it did not retain order information at the firm after the orders were executed, cancelled, or expired.

¹ An "instance," as used throughout this AWC, is defined as the sequence identified in paragraphs I.A.1 through I.A.5.

12. In addition, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to certain applicable securities laws and regulations, and/or the Rules of NASD. At a minimum, adequate written supervisory procedures addressing quality of markets topics, including, but not limited to, potential manipulative trading activity, electronic communication reviews, and order ticket reviews should describe the following:

- (a) specific identification of the individual(s) responsible for supervision;
- (b) the supervisory steps and reviews to be taken by the appropriate supervisor;
- (c) the frequency of such reviews; and
- (d) how such reviews shall be documented.

The firm's written supervisory procedures failed to provide for one or more of the four above-cited minimum requirements for adequate written supervisory procedures, in the following subject areas: anti-manipulative trading [a, b, c, and d]; non-bona fide orders [a, b, c, and d]; electronic communication reviews [b, c, and d]; and order ticket reviews [b, c, and d].

Failure to Supervise Violations

13. The firm, through Balber; Hochleutner, Vice President of Trading; Johnson; and F. Raffaele, Senior Vice President of Trading, respectively, failed to reasonably supervise the individuals discussed below to achieve compliance with applicable securities laws and regulations, and with NASD Rules, during the review period.
14. During the review period, Balber was the direct supervisor of F. Raffaele, who traded equity securities at the firm. The firm's WSPs identified Balber as a supervisor, but Balber failed to conduct an adequate review of order activity to prevent and detect manipulative trading activity by F. Raffaele as described in this AWC, and thereby failed to reasonably supervise F. Raffaele.
15. Balber also oversaw the supervision of the traders assigned to F. Raffaele and another Vice President of Trading (the "V.P."). Specifically, the firm's WSPs delegated supervisory duties to Balber, including the supervisory duty to ensure that F. Raffaele adequately supervised Hochleutner, J. Raffaele, and M. Raffaele's respective trading activity, and that the V.P. adequately supervised Plotkin and Sharon's respective trading activity.
16. Balber, however, failed to reasonably supervise F. Raffaele and the V.P. because Balber knew that there was not an adequate review of order activity at the firm, but he did not ensure that F. Raffaele and the V.P. conducted any such reviews to prevent and detect manipulative trading activity by the individuals that F. Raffaele and the V.P. supervised, respectively.

17. F. Raffaele also failed to reasonably supervise the traders that reported directly to him. During the review period, F. Raffaele was the supervisor of Hochleutner, J. Raffaele, and M. Raffaele. The firm's WSPs identified F. Raffaele as a supervisor, and F. Raffaele was delegated supervisory duties through the firm's WSPs, including the supervisory duty to review the trading activity of the individuals that F. Raffaele directly supervised. F. Raffaele also received a percentage of the respective trading profits of the individuals that F. Raffaele directly supervised during the review period.
18. F. Raffaele, however, failed to reasonably supervise Hochleutner, J. Raffaele, and M. Raffaele to prevent and detect manipulative trading activity by Hochleutner, J. Raffaele, and M. Raffaele as described in this AWC, even though F. Raffaele engaged in the same trading activity and therefore could have readily identified such activity.
19. In addition, F. Raffaele oversaw a Junior Vice President of Trading's (the "J.V.P.") supervision of Gutbrod and Yoon. The J.V.P. was delegated supervisory duties through the firm's WSPs, including the duty to review the trading activity of the individuals that the J.V.P. supervised. The J.V.P. also received a percentage of the respective trading profits of the individuals that the J.V.P. supervised.
20. F. Raffaele, however, failed to reasonably supervise the J.V.P. to ensure that this J.V.P. adequately supervised Gutbrod and Yoon to prevent and detect manipulative trading activity by Gutbrod and Yoon as described in this AWC, even though F. Raffaele engaged in the same trading activity and therefore could have instructed the J.V.P. how to identify such activity.
21. Hochleutner also failed to reasonably supervise a trader that reported directly to him. During the review period, Hochleutner was Jaffe's supervisor. Hochleutner was delegated supervisory duties through the firm's WSPs, including the supervisory duty to review Jaffe's trading activity. Hochleutner also received a percentage of Jaffe's trading profits.
22. Hochleutner, however, failed to reasonably supervise Jaffe to prevent and detect manipulative trading activity by Jaffe as described in this AWC, even though Hochleutner engaged in the same trading activity and therefore could have readily identified such activity.
23. Johnson also failed to reasonably supervise individuals that reported directly to her. The firm's WSPs identified Johnson as a supervisor, and Johnson was the supervisor of a compliance officer who was delegated the supervisory duty to ensure that order tickets were prepared and maintained in compliance with SEC and NASD rules. Johnson, however, did not take any steps to ensure that the compliance officer reviewed order tickets as required by the firm's WSPs, and thereby failed to reasonably supervise the compliance officer.

24. Johnson also was the supervisor of an administrative assistant (the “assistant”) who was delegated the supervisory duty to review electronic communications during the review period. This delegation, however, was not made in writing. In addition, Johnson failed to provide the assistant with adequate guidance concerning how the assistant should have reviewed electronic communications, and thereby failed to reasonably supervise the assistant.
25. TRIL, by and through Balber, Hochleutner, Johnson, and F. Raffaele, as described above, violated NASD Rules 2110 and 3010 in that the firm failed to establish, maintain, and enforce an adequate supervisory system, and in that it failed to reasonably supervise the Trillium Traders, certain of the firm’s supervisors, and other individuals discussed above.

Individual Respondents’ Violations

Daniel J. Balber

26. Balber’s supervisory failures, described in paragraphs I.A.9 through I.A.11, and I.A.13 through I.A.16, constitute violations of NASD Rules 2110 and 3010.

Brian M. Gutbrod

27. Gutbrod bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 5,782 instances, thereby securing profits of approximately \$51,464.54. Gutbrod’s conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

James P. Hochleutner

28. Hochleutner bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 3,102 instances, and he received a percentage of profits derived from the trading activity described in this AWC, thereby securing profits of approximately \$27,285.82. Hochleutner’s conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.
29. Hochleutner’s supervisory failures, described in paragraphs I.A.13 and I.A.21 through I.A.22, constitute violations of NASD Rules 2110 and 3010.

Bradley L. Jaffe

30. Jaffe bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 2,636 instances, thereby securing profits of approximately \$12,169.09. Jaffe’s conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

Rosemarie Johnson

31. Johnson's supervisory failures, described in paragraphs I.A.9, 11, 13, 23, and 24, constitute violations of NASD Rules 2110 and 3010.

Tal B. Plotkin

32. Plotkin bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 756 instances, thereby securing profits of approximately \$7,125.45. Plotkin's conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

Frank J. Raffaele, Jr.

33. F. Raffaele bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 3,503 instances, and he received a percentage of profits derived from the trading activity described in this AWC, thereby securing profits of approximately \$61,495.34. F. Raffaele's conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.
34. F. Raffaele's supervisory failures, described in paragraphs I.A.13 and I.A.17 through I.A.20, constitute violations of NASD Rules 2110 and 3010.

John J. Raffaele

35. J. Raffaele bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 22,750 instances, and he received a percentage of profits derived from the trading activity described in this AWC, thereby securing profits of approximately \$156,489.68. J. Raffaele's conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

Michael S. Raffaele

36. M. Raffaele bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 2,776 instances, thereby securing profits of approximately \$22,232.52. M. Raffaele's conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

Tal Sharon

37. Sharon bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 1,041 instances, thereby securing profits of approximately \$20,622.41. Sharon's conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

Samuel J. Yoon

38. Yoon bought and sold NASDAQ securities, in the manner described in paragraphs I.A.1 through I.A.7, in at least 3,806 instances, thereby securing profits of approximately \$33,535.12. Yoon's conduct constitutes violations of NASD Rules 2110, 2120, 3310, and IM-3310.

B. The Respondents also consent to the imposition of the following sanctions:

1. Respondent TRIL consents to a censure, a fine of \$1,000,000 (consisting of a \$350,000 fine for the supervision violations and a \$650,000 fine for the trading violations), payment of \$173,357.49 in disgorgement, and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.12 as they relate to the firm's current business.
2. Respondent Balber consents to a \$200,000 fine and a suspension for a period of two years from association with any member firm in a principal capacity.
3. Respondent Gutbrod consents to an \$80,000 fine, payment of \$51,464.54 in disgorgement, and a suspension for a period of 17 months from association with any member firm in all capacities.
4. Respondent Hochleutner consents to a \$65,000 fine (consisting of a \$40,000 fine for the supervision violations and a \$25,000 fine for the trading violations), payment of \$27,285.82 in disgorgement, and a suspension for a period of two years (consisting of a suspension for a period of two years from association with any member firm in a principal capacity for the supervision violations and a suspension for a period of 10 months from association with any member firm in all capacities for the trading violations).
5. Respondent Jaffe consents to a \$20,000 fine, payment of \$12,169.09 in disgorgement, and a suspension for a period of nine months from association with any member firm in all capacities.
6. Respondent Johnson consents to a \$50,000 fine and a suspension for a period of one year from association with any member firm in a principal capacity.
7. Respondent Plotkin consents to a \$12,500 fine, payment of \$7,125.45 in disgorgement, and a suspension for a period of six months from association with any member firm in all capacities.

8. Respondent F. Raffaele consents to an \$80,000 fine (consisting of a \$55,000 fine for the supervision violations and a \$25,000 fine for the trading violations), payment of \$61,495.34 in disgorgement, and a suspension for a period of two years (consisting of a suspension for a period of two years from association with any member firm in a principal capacity for the supervision violations and a suspension for a period of 10 months from association with any member firm in all capacities for the trading violations).
9. Respondent J. Raffaele consents to a fine of \$220,000 and a suspension for a period of two years from association with any member firm in all capacities. Respondent J. Raffaele has submitted a sworn financial statement and demonstrated a limited ability to pay. In light of the financial status of Respondent J. Raffaele, payment of \$78,244.84 in disgorgement has been imposed.²
10. Respondent M. Raffaele consents to a suspension for a period of 11 months from association with any member firm in all capacities. Respondent M. Raffaele has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent M. Raffaele, no monetary sanctions have been imposed.³
11. Respondent Sharon consents to a \$25,000 fine, payment of \$20,622.41 in disgorgement, and a suspension for a period of 11 months from association with any member firm in all capacities.
12. Respondent Yoon consents to a \$50,000 fine, payment of \$33,535.12 in disgorgement, and a suspension for a period of 14 months from association with any member firm in all capacities.

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine and disgorgement imposed.

² Had Respondent J. Raffaele not had a limited ability to pay, he would have been required to pay \$156,489.68 in disgorgement.

³ Had Respondent M. Raffaele not had an inability to pay, a \$30,000 fine would have been imposed, and he would have been required to pay \$22,232.52 in disgorgement.

Within 30 business days of acceptance of this AWC by the NAC, a registered principal of the Respondent TRIL shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph I.A.12; and, (3) the date the revised procedures were implemented as they relate to the firm's current business.

The fine for Respondents Balber, Gutbrod, Hochleutner, Jaffe, Johnson, Plotkin, F. Raffaele, J. Raffaele, Sharon, and Yoon shall be due and payable either immediately upon reassociation with a member firm following the suspensions noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. They have submitted an Election of Payment form showing the method by which they propose to pay the deferred fine imposed.

Respondents Gutbrod, Hochleutner, Jaffe, Plotkin, F. Raffaele, J. Raffaele, Sharon, and Yoon agree to pay the disgorgement upon notice that this AWC has been accepted and that such payment(s) are due and payable. They have submitted an Election of Payment form showing the method by which they propose to pay the disgorgement imposed.

Respondents TRIL, Balber, Gutbrod, Hochleutner, Jaffe, Johnson, Plotkin, F. Raffaele, Sharon, and Yoon specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent J. Raffaele's limited ability to pay has been considered in connection with the monetary sanctions imposed in this matter. Respondent J. Raffaele specifically and voluntarily waives any right to claim that he is unable to pay at any time hereafter the monetary sanction(s) imposed in this matter.

Respondents Gutbrod, Hochleutner, Jaffe, Plotkin, F. Raffaele, J. Raffaele, M. Raffaele, Sharon, and Yoon understand that if they are barred or suspended from associating with any FINRA member, they become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, they may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rules 8310 and 8311.)

Respondents Balber, Hochleutner, Johnson, and F. Raffaele understand that if they are barred or suspended from associating with any FINRA member in a principal capacity, they 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, they 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 they are subject to a statutory disqualification during the suspension, if they remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against the Respondents;
- B. To be notified of the 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 Respondents 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.

The Respondents 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

The Respondents 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 the Respondents; and
- C. If accepted:
 - 1. this AWC will become part of the Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Respondents;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the Respondents' 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. The Respondents 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 Respondents 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 Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. The Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Respondents understand that they 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 undersigned, on behalf of Respondent TRIL, certifies that a person duly authorized to act on its behalf 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 Respondent TRIL to submit it.

7/14/10
Date

Respondent
Trillium Brokerage Services, LLC
f/k/a Trillium Trading LLC

By: [Signature]

Name: Giana Cuccinello

Title: CFD

Reviewed by:

[Signature]

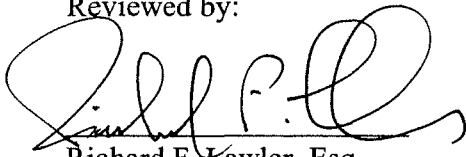
Richard F. Lawler, Esq.
Counsel for Respondent
Winston & Strawn LLP
200 Park Avenue
New York, NY 10166-4193
(212) 294-2673

Respondent Balber certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he 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 him to submit it.

7/12/10
Date

Respondent
By: 
Daniel J. Balber

Reviewed by:


Richard F. Lawler, Esq.
Counsel for Respondent
Winston & Strawn LLP
200 Park Avenue
New York, NY 10166-4193
(212) 294-2673

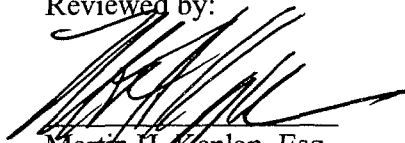
Respondent Gutbrod certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms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

7/9/10
Date

Respondent

By: 
Brian M. Gutbrod

Reviewed by:



Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

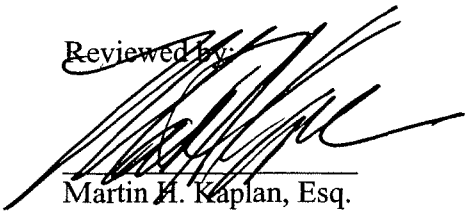
Respondent Hochleutner certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms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

7/9/10
Date

Respondent

By: 
James P. Hochleutner

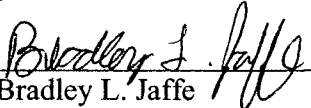
Reviewed by:


Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

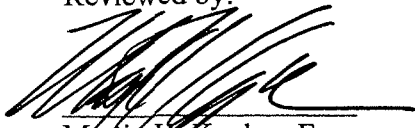
Respondent Jaffe certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set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

07/12/10
Date

Respondent

By: 
Bradley L. Jaffe

Reviewed by:



Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

Respondent Johnson certifies that she has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that she 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 her to submit it.

July 7, 2010
Date

Respondent

By:

Rosemarie Johnson
Rosemarie Johnson

Reviewed by:

Richard F. Lawler

Richard F. Lawler, Esq.
Counsel for Respondent
Winston & Strawn LLP
200 Park Avenue
New York, NY 10166-4193
(212) 294-2673

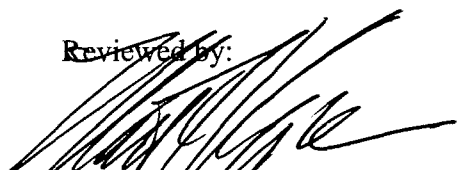
Respondent Plotkin certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms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

7/9/10
Date

Respondent

By: Tal B. Plotkin
Tal B. Plotkin

Reviewed by:



Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

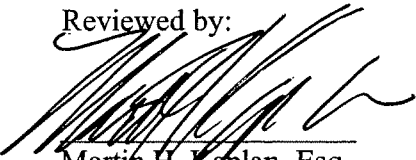
Respondent F. Raffaele certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms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

July 9, 2010
Date

Respondent

By: Frank J. Raffaele, Jr.
Frank J. Raffaele, Jr.

Reviewed by:


Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

Respondent J. Raffaele certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he 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 him to submit it.

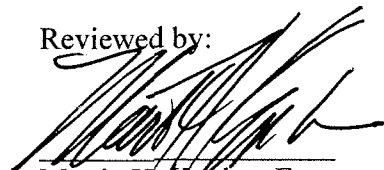
07/09/10
Date

Respondent

By:

John J. Raffaele

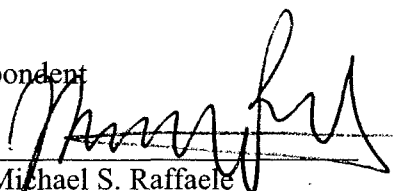
Reviewed by:


Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

Respondent M. Raffaele certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he 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 him to submit it.

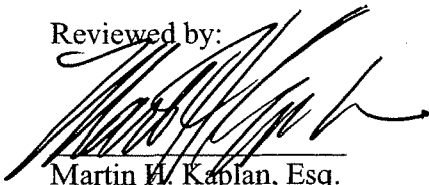
JULY 9th, 2010
Date

Respondent

By: 

Michael S. Raffaele

Reviewed by:



Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

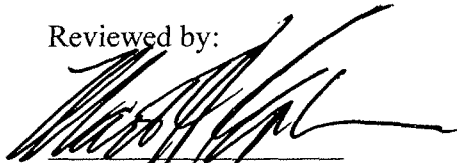
Respondent Sharon certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms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

7/13/2010
Date

Respondent

By: Tal Sharon
Tal Sharon

Reviewed by:

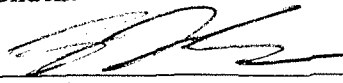


Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

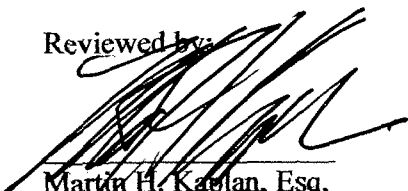
Respondent Yoon certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set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

7/8/10
Date

Respondent

By: 
Samuel J. Yoon

Reviewed by:


Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae, Kaplan, Bruno & Nusbaum PLLC
120 Wall Street
New York, NY 10005
(212) 269-1400

Accepted by FINRA:

8/5/2010
Date

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

Th R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation