

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070082885-01**

RECEIVED
2008 OCT 21 P 3-20
REGISTRATION & DISCLOSURE

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

RE: Euro Pacific Capital, Inc., Respondent
Broker-Dealer
CRD No. 8361

Pursuant to NASD Rule 9216 of FINRA Code of Procedure, Euro Pacific Capital, Inc., (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

- 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

The firm has been a member of FINRA since October 7, 1980 and its registration remains in effect. The firm has no relevant disciplinary history.

OVERVIEW

In connection with matter 20070082885, the Market Regulation Department staff (the "staff") conducted a review of the firm's compliance with trade reporting requirements during the review period September 1, 2006 to December 31, 2006 (the "review period").

FACTS/VIOLOGATIVE CONDUCT BY RESPONDENT

1. The firm failed, within 90 seconds after execution, to transmit to the OTC Reporting Facility 486 last sale reports of transactions in OTC Equity securities. These transactions constitute 95 percent of the transactions reviewed that the firm was required to report to the OTC Reporting Facility during the review period. The conduct described in this paragraph constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Conduct Rule 2110.
2. The firm failed to show the correct time of execution on the memorandum of 10 brokerage orders. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and NASD Conduct Rule 3110.
3. 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 Trade Reporting. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) a statement of the supervisory step(s) to be taken by the identified person(s); (2) a statement as to how often such person(s) should take such step(s); and (3) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Conduct Rules 2110 and 3010.

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

A censure and fine of \$14,500 comprised of a \$7,500 fine for the trade reporting violations, a \$2,000 fine for the SEC Rule 17a-3 and NASD Conduct Rule 3110 violations, and a \$5,000 fine for deficient supervisory procedures and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph three. Within 30 business days of acceptance of this AWC by the NAC, a registered principal of the Respondent 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 three; and, (3) the date the revised procedures were implemented.

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

The firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that payment is due and payable. The firm has submitted an Election of Payment form showing the method by which the firm proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that the firm is unable to pay, now or at any time hereafter, the monetary sanction 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 the firm;
- 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 record;
 - 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.

9/29/08

By: [Signature]

Title: CCO, CDD

10/17/08

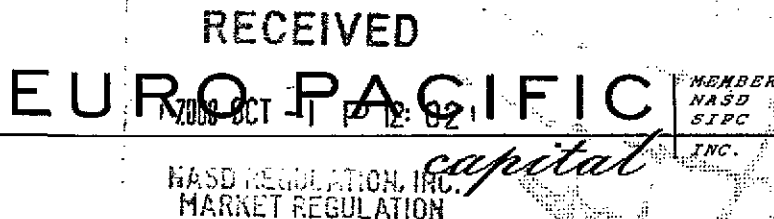
Thos R. Smith

5

Euro Pacific Capital, Inc.
10 Corbin Drive, Suite B
Darien, CT 06820

toll-free: 800.727.7922

office: [REDACTED]
fax: [REDACTED]



September 30, 2008

FINRA Market Regulation
Attn: Lora W. Alexander
9509 Key West Avenue
Rockville, ND 20850-3329

Re: Corrective Action Statement
STAR No. 2070082885

Dear Ms. Alexander:

This letter is our Corrective Action Statement to be attached to the Acceptance, Waiver and Consent (AWC) dated September 8, 2008.

As per the AWC, we acknowledge that many trades were reported late to the OTC Reporting Facility, however we feel that it is important to note several pertinent facts:

First and foremost, the problem was detected and clearly corrected well before the end of the reporting period. We signed a Service Bureau/Executing Broker Supplement on October 6, 2006, or 36 days into the 122 day review period, that effectively solved the problem. There were no instances of late reports in the list provided after October 6, 2006.

Also, though 486 last sale reports were reported after the 90 second limit, these represented less than 3% of the total trades executed by Euro Pacific Capital (18,087) during that timeframe.

Although we understand the importance of the trade reporting rules and our adherence to them, it should also be noted that neither Euro Pacific Capital nor any of our clients gained any type of financial advantage or disadvantage from this activity. This was strictly a matter of regulatory trade reporting, there was never any type of concern expressed that Euro Pacific Capital was attempting to manipulate markets or clients in any way whatsoever.

As we are required to state: This Corrective Action Statement is submitted by the Respondent (Euro Pacific Capital). It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

I would be happy to discuss any of these matters further, please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'Michael Carroll', written in a cursive style.

Michael Carroll
Chief Compliance Officer