

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Market Regulation, Complainant, v. Meyers Associates, L.P. (CRD No. 34171), Respondent.	Disciplinary Proceeding No. 20070099307 Hearing Officer: MAD <u>ORDER ACCEPTING OFFER OF SETTLEMENT</u> December 21, 2011
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INTRODUCTION

Disciplinary Proceeding No. 20070099307 was filed on June 17, 2011, by the Department of Market Regulation of the Financial Industry Regulatory Authority ("FINRA" or "Complainant"). Respondent Meyers Associates, L.P. ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant on November 28, 2011. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purpose of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings of facts and violations consistent with the allegations of the Complaint, and to the

imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent became a member of FINRA (formerly known as NASD) on June 16, 1994. At all times relevant to the Complaint filed in this matter, Respondent was a member of FINRA and subject to the jurisdiction of FINRA pursuant to Article IV, Section 1, of FINRA's By-Laws.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. From July 10, 2006 through January 31, 2007, Respondent failed to transmit to the Order Audit Trail System ("OATS") 6,271 Reportable Order Events ("ROEs") on 141 separate business days.
2. As a result of the foregoing conduct, Respondent violated NASD Rules 6955(a) and 2110.
3. From May 1 through August 31, 2007, Respondent failed to report, within 90 seconds of execution, to the FINRA/NASDAQ Trade Reporting Facility ("TRF") 307 last sale reports of transactions in designated securities executed during normal market hours.
4. From May 1 through August 31, 2007, Respondent incorrectly designated as late to the TRF 68 last sale reports of transactions in designated securities that were reported to the TRF within 90 seconds of execution, and failed to designate as late to the TRF seven last sale reports of transactions in designated securities that had not been transmitted to the TRF within 90 seconds after execution. In addition, from May 1 through August 31, 2007, Respondent

erroneously reported to the TRF for publication purposes 26 last sale reports that reflected the offsetting, riskless portion of each transaction.

5. The transactions cited in paragraphs 4 and 5 constituted approximately 86 percent of the total transactions that Respondent reported to the TRF from May 1 through August 31, 2007.

6. From May 1 through August 31, 2008, Respondent failed to report, within 90 seconds of execution, to the TRF 408 last sale reports of transactions in designated securities during normal market hours.

7. From May 1 through August 31, 2008, Respondent erroneously reported to the TRF for publication purposes 14 last sale reports that reflected the offsetting, riskless portion of each transaction to the TRF.

8. The transactions cited in paragraphs 6 and 7 constituted approximately 99 percent of the total transactions that Respondent reported to the TRF from May 1 through August 31, 2008.

9. As a result of the foregoing conduct, Respondent violated NASD Rules 4632(a)(1), 4632 (a)(4), 4632(d), and 2110.

10. From July 10, 2006 through January 31, 2007, Respondent failed to establish, maintain, and enforce written procedures to supervise the types of businesses in which it was engaged that were reasonably designed to achieve compliance with the applicable securities laws and regulations, and rules of NASD, regarding OATS Reporting. Specifically, Respondent's written supervisory procedures failed to provide: (a) an identification of the person(s) responsible for supervision of OATS Reporting; (b) a statement of the supervisory step(s) to be taken by the identified person(s) to ensure that Respondent made timely, accurate, and complete OATS

reports; (c) a statement as to how often such person(s) should take such step(s); and (d) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented.

11. From May 1 through August 31, 2007, and from May 1 through August 31, 2008, Respondent failed to establish, maintain, and enforce written procedures to supervise the types of businesses in which it was engaged that were reasonably designed to achieve compliance with the applicable securities laws and regulations, and rules of NASD, regarding trade reporting. Specifically, Respondent's written supervisory procedures failed to provide: (a) an identification of the person(s) responsible for supervision of trade reporting; (b) a statement of the supervisory step(s) to be taken by the identified person(s) to ensure that Respondent made timely, accurate, and complete trade reports; (c) a statement as to how often such person(s) should take such step(s); and (d) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented.

12. As a result of the foregoing conduct, Respondent violated NASD Rules 3010 and 2110.

Based upon these considerations, the sanction hereby imposed by the acceptance of the Offer is in the public interest, is sufficiently remedial to deter Respondent from any future misconduct, and represents a proper discharge by FINRA of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent is censured and shall pay a fine of \$25,000 (\$10,000 for the trade reporting violations; \$7,500 for the OATS reporting violations; and \$7,500 for the supervision violations).

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

SO ORDERED.

FINRA

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



Thomas R. Gira
Executive Vice President
Department of Market Regulation