

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011646701**

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REGISTRATION & DISCLOSURE

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

RE: Aurora Capital LLC, Respondent
BD No. 37924

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent, Aurora Capital LLC, ("Aurora" 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Respondent has been a member of FINRA since May 5, 1995. Respondent acts as a broker/dealer engaging in: (i) retail corporate equity securities over-the-counter; (ii) corporate debt securities; (iii) U.S. government securities; (iv) municipal securities; (v) variable life insurance or annuities; and (vi) puts and calls or options writing. Respondent also acts as an underwriter or selling group participant in corporate securities other than mutual funds, a mutual fund retailer, and engages in private placements, other securities business and other non-securities business. Respondent employs approximately 25 registered representatives.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history with the Securities Exchange Commission, any state securities regulator, or self-regulatory organization.

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OVERVIEW

During the period from June 2007 through February 2008 (the "Relevant Period"), Aurora participated in at least three firm commitment offerings in violation of its Membership Agreement, and thereby violated NASD Membership and Registration Rule 1017 and Conduct Rule 2110. In connection with two of the firm commitment offerings, Aurora failed to maintain its required minimum net capital, and thereby violated SEC Rule 15c3-1 and NASD Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Aurora, without any notification to FINRA, participated in at least three firm commitment offerings, while operating pursuant to a Membership Agreement that allowed the firm to engage in underwriting or selling group participant of public offerings of corporate securities (other than mutual funds) on a best efforts basis only, and that required prompt notification if the firm engaged in any underwriting or selling group activity of firm commitment offerings. By reason of the foregoing, Aurora violated NASD Membership and Registration Rule 1017 and Conduct Rule 2110.

As a result of Aurora's participation in the firm commitment offerings, on two occasions, Aurora conducted a securities business while failing to maintain its minimum net capital requirements on at least two dates. Specifically, on June 14, 2007, the firm had a net capital deficiency of \$14,365, and on February 12, 2008, the firm had a net capital deficiency of \$23,000. By reason of the foregoing, Aurora violated SEC Rule 15c3-1 and NASD Conduct Rule 2110.

B. Respondent also consents to the imposition of the following sanction:

- A Censure; and
- Fine in the amount of \$10,000.

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

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against Respondent;
- 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, Respondent specifically and voluntarily waives any right to claim bias or prejudice 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.

Respondent further specifically and voluntarily waives 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

Respondent 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 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 Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that Respondent 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 the Firm, 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 Respondent has 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 the Firm to submit it.

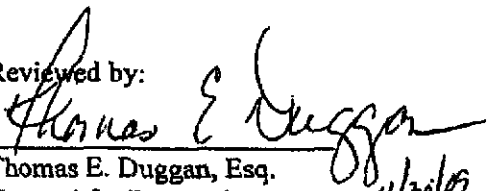
Date

Respondent Aurora Capital LLC

By: _____

Jeff Eliot Margolis, President

Reviewed by:


Thomas E. Duggan, Esq.
Counsel for Respondent
15 North Way
Chappaqua, NY 10514
Tel. No.: 917-225-2436

11/30/09

Accepted by FINRA:

December 7, 2009

Date

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

Christina J. Kang
Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza, 48th Floor
New York, NY 10006
212-858-4009; Fax 212-858-4770

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.

November 30, 2009
Date

Respondent Aurora Capital LLC

By: Jeff Eliot Margolis
Jeff Eliot Margolis, President

Reviewed by:

Thomas E. Duggan, Esq.
Counsel for Respondent
15 North Way
Chappaqua, NY 10514
Tel. No.: 917-225-2436

Accepted by FINRA:

December 7, 2009
Date

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

Christina J. Kang by JAE
Christina J. Kang
Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza, 48th Floor
New York, NY 10006
212-858-4009; Fax 212-858-4770



AuroraCapital

November 30, 2009

Ms. Christina J. Kang
Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza
48th Floor
New York, NY 10006

Re: Exam No. 20080116467

STATEMENT OF CORRECTIVE ACTION

Legend: this Statement of Corrective Action is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

Dear Ms. Kang:

We would like to submit this Statement of Corrective Action in conjunction with the proposed Letter of Acceptance, Waiver and Consent ("AWC") in respect to the Exam number noted above and which we have executed for acceptance by the Department of Enforcement and for submission to the Office of Disciplinary Action or the National Adjudicatory Council Review Subcommittees, one of which must approve the AWC before it becomes final.

Aurora Capital LLC ("Aurora") has taken the following corrective actions:

1. Aurora has ceased participation in firm commitment underwritings of any type. Aurora's cessation of such activities was immediately implemented upon being informed by the FINRA examiners of a possible violation.
 - a. The firm was the subject of a subsequent "FINOP" examination (exam number: 20090163080) and the firm believes that it was able to demonstrate that the firm had not participated in any underwritings, particularly firm commitment underwritings, during the examination period from May 2008 to September 2009.
2. Aurora shall not engage in any future firm commitment underwritings until such time as its Membership Agreement has been amended to permit such activities and the firm's net capital requirement and actual net capital positions are at levels that would permit such activities and until any notifications required are made.
3. Aurora has re-written its Written Supervisory Procedures Manual ("WSP's") and adopted the new version of the WSP's effective November 6, 2009. Although the new WSP's address many matters,

Member FINRA & SIPC

c/o Jeff Eliot Margolis
205 East 22nd Street, #4L
New York, NY 10010

Direct (917) 834-7206 * Fax (415) 887-7814 * email: jmargolis@auroracapital.com

Rockland County, NY (OSJ) * New York City, NY * Boca Raton, FL (OSJ) * Fort Washington, PA * Greenvale, NY * Miami, FL * Boynton Beach, FL



they state in respect to firm commitment underwritings: "The Firm may not participate in registered offerings on a firm commitment basis." (page 191).

We thank you for the opportunity to make this Corrective Action Statement.

Sincerely,

A handwritten signature in black ink that reads "Jeff Eliot Margolis". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Jeff Eliot Margolis
President

Member FINRA & SIPC

c/o Jeff Eliot Margolis
205 East 22nd Street, #4L
New York, NY 10010

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