

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080128312-01**

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

RE: Ross, Sinclair & Associates, LLC, Respondent
Broker-Dealer
CRD No. 25440

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Ross, Sinclair & Associates, LLC (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 became a member of FINRA on November 30, 1989. The firm's registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

SUMMARY

The staff of the Department of Market Regulation ("staff") reviewed the firm's compliance with municipal securities reporting rules during the period October 1 through December 31, 2007 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the firm failed to report information regarding 182 purchase and sale transactions effected in municipal securities to the Real-time Transaction Reporting System ("RTRS") in the manner prescribed by Rule G-14 RTRS Procedures and the RTRS Users Manual. Specifically, the firm failed to report information about such transactions within 15 minutes of Time of Trade to an RTRS Portal. These transactions constituted 4.3 percent of the transactions that the firm reported to the RTRS during the review period. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14(b)(i) and (ii).
2. During the review period, the firm over-reported eight transactions in municipal securities. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14(b)(i) and (ii).

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

- A censure.
- A fine of \$7,500.

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 imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

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 Complaint issued specifying the allegations against the firm;
- 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 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 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 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 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 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 FINRA Rule 8313; 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.

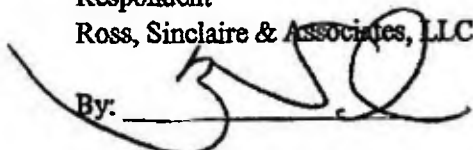
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, 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 the firm to submit it.

August 25, 2009

Date

Respondent

Ross, Sinclair & Associates, LLC

By: 

Name: Murray Sinclair, Jr.

Title: President/CEO

Reviewed by:

Attorney Name

Counsel for Respondent

Accepted by FINRA:

9/17/09
Date

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

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

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August 25, 2009

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Mr. Gerard P. Finn
FINRA
Market Regulation
9509 Key West Avenue
Rockville, MD 20850-3820

**RE: Statement of Corrective Action
Star No. 20080128312**

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Dear Mr. Finn:

Pursuant to your letter dated August 12, 2009 [attached as **Exhibit A**] setting forth certain requirements and options in regards to the above-referenced matter, please have this letter constitute the Ross, Sinclair & Associates, LLC ["RSA"] "Statement of Corrective Action." Per our conversation and as detailed in your letter, I understand that this statement can only address demonstrable steps taken to correct any deficiencies, and that I cannot deny the charges or make any statement that is inconsistent with the proposed settlement, or that denies any factual basis. I have also included at the conclusion of this statement the required legend identified in your letter.

Specific steps have been implemented at RSA to ensure continual compliance with all FINRA Regulations, most notably in regards to this review, to insure a complete understanding and thorough adherence to MSRB Rule G-14 at both the staff, as well as the Supervisory and Management levels at RSA. These steps include:

1. the addition of additional personnel in the Municipal Operations group to provide additional infrastructure and efficiencies in the processing of municipal transactions. RSA has hired two industry veterans with many years of experience in brokerage operations. In the case of one of the hires there was a long history of previous experience with the new back office system [Zia] referenced below.
2. the re-organization of the RSA Municipal group to reflect more efficient processing including the implementation of detailed job descriptions and the development of several checks and balances to insure a high degree of regulatory compliance. In addition, all RSA Brokers have been updated as to the new processes, and alerted to all regulatory requirements in their own best practices as professionals.

STPC

FINRA

ROSS, SINCLAIRE & ASSOCIATES, LLC

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Mr. Gerard P. Finn

August 25, 2009

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3. the implementation of a new municipal back office system [Zia] that allows for immediate electronic trade order entry, and minimized the amount of time to efficiently execute and report all transactions. As noted in previous submissions, the integration of Zia was not without some required refinements and training issues. But, RSA is firmly of the belief that the significant expenditure to employ the Zia is a major step in achieving industry best practices.
4. the addition of a full-time Compliance Officer who works directly with both the operations group and the producing brokers to ensure real-time compliance with all applicable regulatory standards. The CCO also works extensively with Senior Management and Supervisory personnel to ensure top down understanding of and compliance with the ever-changing regulatory environs.
5. a review of the RSA Supervisory Procedures Manual to ensure that all pertinent sections of that document are current and updated to reflect the changes at RSA noted above.

As noted in all the previous RSA submissions in this matter, we are committed to maintaining a high standard of business operations at RSA. We have expended substantial effort to implement best practices and will continue to monitor all RSA operations and update policies and procedures to insure maximum efficiencies and full compliance with all applicable regulatory mandates.

This Corrective Action Statement 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.

Respectfully submitted,



Murray Sinclair, Jr.
President/CEO

MSjr:bak

Enclosures