

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080148227-01

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

RE: Adrian Terrance Nico, Respondent
CRD No. 5141684

Pursuant to Rule 9216 of FINRA's Code of Procedure, Adrian Terrance Nico ("Nico" or "Respondent") 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 Nico alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Nico 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

Nico entered the securities industry in 2006 as a registered corporate securities representative and equity trader at Great Point Capital LLC ("Great Point"). In January 2008, Nico became registered as a general securities principal with Great Point. On November 28, 2012, Great Point filed a Form U-5 terminating Nico's registration with the firm. Nico 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. Nico has no disciplinary history.

SUMMARY

In Market Regulation Review No. 20080148227, the Market Manipulation Investigations and Trading Analysis Section of the Department of Market Regulation conducted a review of trading activity occurring during the Nasdaq Opening Cross and Nasdaq Closing Cross during the period August 29, 2008 through December 5, 2012 ("review period").

FACTS AND VIOLATIVE CONDUCT

1. Nico began working for Great Point as a proprietary trader in May 2006. In November 2007, Nico was promoted to a new position within the firm which focused on risk management, trader support, and software support. In January 2008, Nico became a registered principal of the firm and began reviewing exception reports and supervising the trading activity of the firm's proprietary traders.
2. During the period June 16, 2008 through March 15, 2009, Nico was the sole designated principal responsible for supervising all of the firm's proprietary traders. Thereafter, from approximately March 16, 2009 through September 2011, Nico shared responsibility for supervising the firm's proprietary traders with another principal of the firm.
3. Nico also served as Chief Compliance Officer of the firm from approximately May 2008 through August 2011. During this period, Nico was responsible for maintaining and updating the firm's written supervisory procedures.
4. In August 2011, Nico resigned his positions as a supervisor and as Chief Compliance Officer, and returned to his former position of a proprietary trader.
5. Nico, while acting as a designated supervisor of the firm's proprietary traders, and while serving as Chief Compliance Officer of the firm, failed to establish, maintain, and enforce a system of supervision, including written procedures, to supervise Great Point's proprietary traders that was reasonably designed to achieve compliance with applicable securities laws and regulations. Specifically:
 - a. Nico failed to reasonably supervise Great Point's proprietary traders in connection with manipulative trading activity which improperly impacted prices on the Nasdaq Opening Cross and/or the Nasdaq Closing Cross; and
 - b. Nico failed to establish, maintain and enforce reasonable written supervisory procedures concerning: (i) manipulative trading activity; and (ii) short sale transactions.
6. Based on the conduct described above, Nico violated NASD Rule 2110 (for conduct occurring prior to December 15, 2008), FINRA Rule 2010 (for conduct occurring on or after December 15, 2008) and NASD Rule 3010.

B. Nico also consents to the imposition of the following sanctions:

A suspension from association with any member of FINRA in any principal or supervisory capacity for a period of three months, and a fine of \$25,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the three month suspension 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. Nico has submitted an Election of Payment Form showing the method by which he proposes to pay the deferred fine imposed.

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

Nico understands that if he is barred or suspended from associating with any FINRA member in a principal or supervisory capacity, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Nico may not be associated with any FINRA member in a principal or supervisory capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because Nico is subject to a statutory disqualification during the suspension, if Nico remains 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

Nico 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 him;
- 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, Nico 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.

Nico 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

Nico understands that:

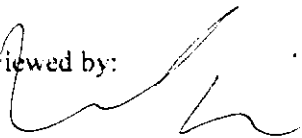
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against him; and
- C. If accepted:
 - 1. this AWC will become part of Nico's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Nico'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. Nico 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. Nico 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 Nico's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Nico may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Nico understands that he 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.

Nico certifies that he has read and understands all of the provisions of this AWC and has 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, have been made to induce him to submit it.

5-27-14
Date


Adrian Terrance Nico

Reviewed by:

Name: Michael Wise
Counsel for Respondent Louise Roman-Savary & Associates

Accepted by FINRA:
6-5-14
Date


David E. Rosenstein
Senior Vice President
Department of Market Regulation