

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20090169609-01

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

RE: Credit Suisse Securities (USA) LLC, Respondent
Broker-Dealer
CRD No. 816

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Credit Suisse Securities (USA) LLC (the "firm" 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 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

The firm has been a member of FINRA since October 16, 1936, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

In Review No. 20090169609, the Trade Reporting Team of the Department of Market Regulation reviewed the firm's compliance with NASD and FINRA rules applicable to equity trade reporting during the period from January 1, 2008 through January 1, 2010 (the "review period").

FACTS AND VIOLATIVE CONDUCT

NASD Rule 6130(d)(7) and FINRA Rule 7230A(d)(7) require members to accurately submit a symbol indicating whether the capacity of a trade is principal, riskless principal,

or agent for each transaction that is reported to the FINRA/Nasdaq Trade Reporting Facility.

During the review period, the firm's internal crossing engine, CrossFinder ATS reported incorrect execution capacities for broker-dealer client orders that were identified as principal orders and that were received via electronic FIX connections. Specifically, when principal capacity orders were received via FIX connection from broker-dealer clients, and executed in CrossFinder ATS, the transactions were reported with the client's capacity as agent. Because the broker-dealer clients identified the order as a principal order, the firm should have reported the transactions with a principal capacity. As a result, the firm reported numerous transactions to the FINRA/Nasdaq Trade Reporting Facility that contained incorrect execution capacities, in violation of NASD Rule 6130(d)(7) (for conduct occurring prior to December 15, 2008) and FINRA Rule 7230A(d)(7) (for conduct occurring on or after December 15, 2008).

OTHER FACTORS

The firm notified the staff that the client capacity code in certain trade reports were not being properly reported to the FINRA/Nasdaq Trade Reporting Facility, as set forth above. The sanctions set forth below take into consideration the fact that the firm self-reported these violations and took remedial action.

- B. Respondent also consents to the imposition of the following sanctions:

A censure and a fine of \$85,000.

Respondent 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.

Respondent 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

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 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, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, 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 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 accordance with FINRA Rule 8313;

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 the firm'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. Respondent 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.

1/23/2015
Date

Respondent
Credit Suisse Securities (USA) LLC

By: [Signature]

Name: Allen Britton

Title: Managing Director

Reviewed by:

[Signature]
Michael D. Wolk, Esq.
Counsel for Respondent
Sidley Austin LLP
1501 K Street, NW
Washington, DC 20005
(202) 736-8807

Accepted by FINRA:

2.9.2015
Date

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

[Signature]
Justin Chretien
Chief Counsel
FINRA Department of Market Regulation