

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090178620-01**

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

RE: Automated Trading Desk Brokerage Services, LLC, Respondent
Broker-Dealer
CRD No. 36000

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Automated Trading Desk Brokerage Services, 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 has been a member of FINRA since May 16, 1994, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm does not have any relevant disciplinary history.

SUMMARY

In connection with 20090178620, the Short Sales staff of FINRA's Department of Market Regulation (the "staff") reviewed the firm's compliance with the Securities and Exchange Commission's (the "Commission") emergency order of September 18, 2008 (the "Emergency Order")¹ during the period October 1, 2008 through October 3, 2008 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. The Commission issued the Emergency Order on September 18, 2008. The Emergency Order provided, among other things, that "[a]ll persons are prohibited from short selling any publicly traded securities of any Included Financial Firm." An appendix to the Emergency Order specifically identified 799 financial firms as "Included Financial Firms." The Emergency Order was effective immediately.
2. On September 21, 2008, the Commission amended the Emergency Order. The amendment required each exchange to designate which of their listed securities were subject to the short selling ban. The New York Stock Exchange published its "no short-sale list" (i.e., list of financial firms covered by the short selling ban) by posting the list on its website and emailing the list to interested parties beginning the morning of September 22, 2008.
3. During the review period, the firm executed 197 short sales for its proprietary accounts in securities covered by the Emergency Order. These sales involved two issuers, and the firm executed the sales through its proprietary trading platform. The firm obtained trading profits of \$5,144.85 upon the short sales in securities covered by the Emergency Order.
4. As a result of the conduct described in paragraph three, above, the firm violated Section 12(k)(4) of the Securities Exchange Act of 1934, which requires that brokers and dealers comply with Commission orders, and NASD Rule 2110.

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

A censure and a fine of \$25,144.85, which includes the disgorgement of unlawful profits of \$5,144.85.

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.

¹ See Exchange Act Rel. No. 58,592 (Sept. 18, 2008), which, as amended by Exchange Act Rel. No. 58,611 (Sept. 21, 2008), was effective from September 18 through October 8, 2008.

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

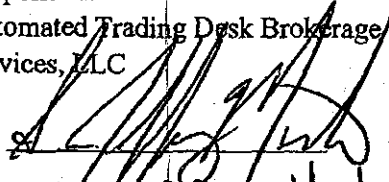
The firm understands that:

- 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.

3/22/11
Date

Respondent
Automated Trading Desk Brokerage
Services, LLC

By: 

Name: S. Jeffrey Martin

Title: President

Reviewed by:



Katie Allen Kessler, Esq.
Counsel for Respondent
Director & Associate General Counsel
Citigroup
425 Park Avenue
New York, New York 10022
(212) 559-6907

Accepted by FINRA:

5/12/11
Date

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


Thomas R. Gira
Executive Vice President
Department of Market Regulation