

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090205145-01

FINRA

DEC 16 AM 9:18

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

RE: **Emmet & Co., Inc.**, Respondent
Broker-Dealer
CRD No. 15993

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Emmet & Co., Inc. (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 March 18, 1985. The firm's registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On December 17, 2007, an AWC became final wherein the firm was fined \$5,000 for record keeping violations for municipal securities transactions.

SUMMARY

This matter arose out of a review by the Fixed Income staff of the Department of Market Regulation (the "staff") of the firm's compliance with trade reporting to the Municipal Securities Rulemaking Board ("MSRB") during the period July 1, 2009 through September 30, 2009 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the firm failed to report information regarding 85 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 two percent of the inter-dealer 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.
2. During the review period, the firm failed to report the correct Time of Trade to the RTRS in 85 reports of transactions in municipal securities. These transactions constituted two percent of the inter-dealer 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)(ii).
3. The firm failed to show the correct time of execution on the memorandum of 85 transactions in municipal securities executed with another broker or dealer. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-8.

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

A censure and a fine of \$17,500 (composed of a \$7,500 fine for the trade reporting violations and a \$10,000 fine for the record keeping violations).

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.

12-15-2010
Date

Respondent
Emmet & Co., Inc.

By: M. L. Pineda

Name: MARU PINEIRO

Title: CCO

Counsel for Respondent

1/5/11
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