

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100209938-01**

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

RE: Samuel A. Ramirez & Co., Inc., Respondent
Member Firm
BD No. 6963

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Samuel A. Ramirez & Co., Inc. ("S.A. Ramirez" or 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 Respondent S.A. Ramirez alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. S.A. Ramirez 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

S.A. Ramirez has been a member of FINRA since January 1976. The firm employs approximately 95 registered persons operating out of 13 branch offices. The firm's primary place of business is in New York, New York. The firm's primary business is that of an underwriter and syndicate participant in municipal and corporate securities.

RELEVANT DISCIPLINARY HISTORY

The firm does not have any relevant formal disciplinary history with the Securities Exchange Commission ("SEC"), any state securities regulator or any self-regulatory organization.

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OVERVIEW

This matter concerns S.A. Ramirez's failure to comply with certain rules applicable to the reporting of corporate bond transactions to FINRA's Trade Reporting and Compliance Engine ("TRACE"). In addition, in a limited number of instances, the firm failed to ensure that confirmations were delivered to customers and maintained by the firm.

FACTS AND VIOLATIVE CONDUCT

1. FINRA Rule 6730 requires member firms executing certain corporate bond transactions to report trade data to TRACE. Firms must report, *inter alia*, capacity, contra-party Market Participant ID ("MPID"), and trade modifiers for these TRACE eligible transactions. During the three month period of September 1, 2009 through November 30, 2009, S.A. Ramirez failed to accurately report the details of certain corporate bond transactions to TRACE, in violation of FINRA Rule 6730. More specifically:
 - The firm reported 22 out of 68 (32%) of its TRACE-eligible corporate bond transactions in the wrong capacity. These transactions were reported with the firm acting as agent when, instead, it had acted as principal;
 - one transaction was reported with an incorrect contra-party Market Participant ID ("MPID"); and
 - seven customer transactions were incorrectly reported as broker-dealer transactions when they should have been reported as customer transactions.

By reason of the foregoing, S.A. Ramirez violated FINRA Rule 6730.

2. Rule 10b-10 of the Securities Exchange Act of 1934 (the "Exchange Act") requires, *inter alia*, that member firms give or send written notification to customers of transaction details for the purchase or sale of certain securities (i.e. customer confirmations). Exchange Act Rule 17a-3(a)(8) requires that firms make and keep copies of such transaction confirmations. NASD Rule 3110 requires that member firms maintain books and records that are subject to SEC record retention requirements.

During the review period of August 20, 2008 through March 12, 2010, S.A. Ramirez executed 299 corporate bond transactions for customers. The firm failed to ensure delivery of confirmations for 20 out of 299

(6.7%) of those transactions, each of which was effected for a single investment advisor subaccount. This failure, which was due to human error, further resulted in the firm's failure to make and keep such confirmations as required under SEC and FINRA rules.

By reason of the foregoing, the firm violated NASD Rules 3110 and 2110, FINRA Rule 2010 and Exchange Act Rules 10b-10 and 17a-3(a)(8).

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

- Censure, and
- \$10,000 fine.

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. Respondent has submitted an Election of Payment form showing the method by which the firm 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 me;
- 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 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.

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:

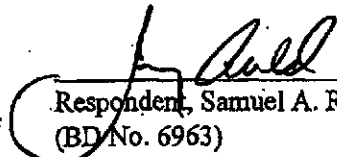
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

04/28/2011
Date (mm/dd/yyyy)


Respondent, Samuel A. Ramirez & Co., Inc.
(BD No. 6963)

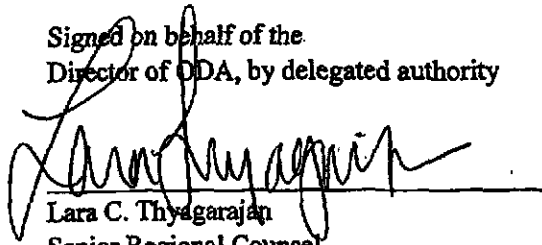
By: TERRY Auld
Title: Chief Compliance Officer

Accepted by FINRA:

June 3, 2011

Date

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

A handwritten signature in black ink, appearing to read "Lara C. Thyagarajan", is written over a horizontal line.

Lara C. Thyagarajan
Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza
New York, NY 10162
Phone: 212-858-4176
Fax: 212-858-4770

SAMUEL A. RAMIREZ & COMPANY, INC.

STATEMENT OF CORRECTIVE ACTION

Samuel A. Ramirez & Co., Inc. ("Ramirez") has made a concerted effort over the past two years to upgrade from a manual trading, execution, and reporting model to a modern, robust electronic trading environment. This decision was made in order to support our ever increasing volume and to reduce error rates via Straight Through Processing, since the historic human based processes have greater opportunity for error. The Firm has devoted extensive resources to this transition, including the hiring of a Chief Technology Officer and Operations personnel with strong backgrounds in electronic trading.

Although Ramirez trades a variety of financial instruments, our activities are concentrated primarily in the municipal markets. Accordingly, the major thrust of this modernization project was directed initially toward our municipal trading desk. Ramirez has made a major monetary commitment to integrate Bloomberg TOMS as its OMS for fixed income instruments. This required the time consuming marriage of two separate computer systems (Bloomberg and that of J.P. Morgan, our clearing firm) and testing to ensure that they worked together seamlessly. The completion of the TOMS project for our municipal desk has greatly improved both our trading and reporting accuracy.

With the completion of this phase, our other desks have been, or are in the process of, migrating onto electronic platforms. Our equities desk has been incorporated onto Fidessa and HydraTrade OMS platforms with significant attention being paid to remedying ACT and OATS reporting. The corporate fixed income desk is currently in a testing phase and we expect it to be fully electronic within a month. This migration includes the removal of the historical multi-step process to execute and then manually report the trades to TRACE. This will now be a completely automated process, driven by TOMS, which should result in increased reporting accuracy on that desk as well.

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.