

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010020993901**

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

RE: SG Americas Securities, LLC (BD No. 128351),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, SG Americas Securities, LLC ("Respondent" or "SGAS") 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

SGAS has been a member of FINRA since April 23, 2004. The firm currently has five branch offices and employs approximately 599 registered representatives. The firm is an indirectly wholly owned broker-dealer subsidiary of Societe Generale, the international bank headquartered in Paris, France.

RELEVANT DISCIPLINARY HISTORY

Within the past five years, SGAS has had the following relevant disciplinary history with the SEC, any self-regulatory organization or any state securities regulator:

- On August 17, 2009, an AWC (2008014361101) was approved where SGAS agreed to the entry of findings by FINRA that the firm violated SEC Rules

10b-10 and 17a-3, and NASD Rules 2110, 3010, 3110 and 6230. The firm: (i) failed to report to FINRA's Trade Reporting and Compliance Engine ("TRACE") approximately 6000 transactions in TRACE-eligible securities; (ii) failed to report 133 transactions in TRACE-eligible securities to TRACE within 15 minutes of the time of execution; (iii) failed to report to TRACE the correct time of trade execution for 61 transactions; (iv) failed to report the correct time of trade execution on 61 order memoranda; (v) failed to include certain yield information required by SEC Rule 10b-10 on electronic customer confirmations sent to institutional customers using the Depository Trust Corporation Institutional Delivery ("DTC ID") system in connection with approximately 34,000 debt security transactions; and (vi) failed to establish, maintain and enforce an adequate supervisory system in connection with the review of customer confirmations that were issued electronically to institutional customers using the DTC ID system. The firm was fined \$250,000 and censured.

OVERVIEW

This case involves failures by SGAS to: (i) comply with the reporting requirements for TRACE, and (ii) maintain accurate and complete order memoranda.

FACTS AND VIOLATIVE CONDUCT

1. During review periods of October 2008, December 2008 and March 2010, SGAS reported a total of 913 transactions in TRACE-eligible securities to TRACE. A review of 60 of those transactions that were reported to TRACE as customer transactions revealed that during the October 2008 and December 2008 review periods, the firm incorrectly reported 42 out of the 60 as customer transactions instead of inter-dealer transactions.

By reason of the foregoing, SGAS violated NASD Marketplace Rule 6230.

2. A review of 377 transactions in TRACE-eligible securities reported to TRACE by SGAS during October 2008 and December 2008, revealed that in 16 instances, SGAS reported an incorrect execution time to TRACE.

By reason of the foregoing, SGAS violated NASD Marketplace Rule 6230.

3. The review periods of the 377 transactions in TRACE-eligible securities identified in paragraph 2 above, also revealed that SGAS failed to:

- show the times of receipt, entry and execution on order memoranda for 21 brokerage transactions; and
- show the correct time of execution on order memoranda for 95 additional brokerage transactions.

By reason of the foregoing, SGAS violated SEC Rule 17a-3, NASD Conduct Rules 3110 and 2110, and FINRA Rule 2010.

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

- A fine in the amount of \$25,000; and
- A censure.

Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which Respondent proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that Respondent is unable to pay, now or at any time hereafter, the monetary sanctions 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 Respondent;
- 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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 Respondent, 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.

SG Americas Securities, LLC

12/22/11
Date

By: Gregory Zelnick

Print Name: Gregory Zelnick

Title: Managing Director

COO Global Threats Americas

Accepted by FINRA:

January 4, 2012
Date

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

Frank M. Weber

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