

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021326901**

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

RE: APB Financial Group, LLC (BD No. 38235)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent APB Financial Group, LLC ("APB") 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

Respondent APB has been a member of FINRA since June 25, 1996. At all relevant times, APB has conducted securities transactions primarily for institutional investors. APB's main office is in New York, New York. APB currently has 3 branch offices and 19 registered persons.

RELEVANT DISCIPLINARY HISTORY

Respondent has no relevant disciplinary history.

OVERVIEW

As described below, during the period September 2007 through August 2010, APB failed to establish, maintain and enforce adequate written supervisory procedures ("WSPs") and adequate written supervisory control procedures ("WSCPs") reasonably designed to achieve compliance with applicable securities laws and regulations concerning a number of areas. This conduct violated NASD

Conduct Rules 2110, 3010, 3012, 3013 and 3040(c), FINRA Rules 3130 and 2010, and MSRB Rule G-27.

FACTS AND VIOLATIVE CONDUCT

SUPERVISORY VIOLATIONS

During the period September 2007 through August 2010, APB failed to establish and maintain a supervisory system and establish, maintain and enforce adequate WSPs reasonably designed to achieve compliance with applicable securities laws and regulations concerning (i) the supervision of approved participation in private securities transactions; (ii) the review and inspection of non-branch locations; and (iii) the retention of emails concerning firm business sent from or received by personal email accounts. During the same time period, APB failed to enforce its WSPs addressing the review of outside brokerage account statements for the approved outside accounts of two associated persons.

As a result of the foregoing conduct, APB violated NASD Conduct Rules 3010 3040(c) and 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008).

SUPERVISORY CONTROL VIOLATIONS

During the period September 2007 through August 2010, APB failed to establish, maintain and enforce adequate WSCPs that were reasonably and adequately designed to review and supervise the customer account activity conducted by each of the firm's two producing managers. APB also submitted to senior management annual reports for 2008 and 2009 that failed to detail the Firm's system of supervisory controls, the summary of the test results thereof, significant identified exceptions, and any supervisory procedures created in response to the test results. In addition, for the years 2008 and 2009, APB prepared an annual certification from its CEO stating that APB had supervisory control and review processes in place but failed to adequately evidence such processes in a written report for review by the chief executive officer and chief compliance officer.

As a result of the foregoing conduct, APB violated NASD Conduct Rule 3012, NASD Conduct Rules 3013 and 2110 (for conduct prior to December 15, 2008), FINRA Rules 3130 and 2010 (for conduct after December 15, 2008), and MSRB Rule G-27.

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

- A censure and a monetary fine of \$30,000 (\$2,500 of which pertains to the violation of MSRB Rule G-27).

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 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 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 prejudice 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

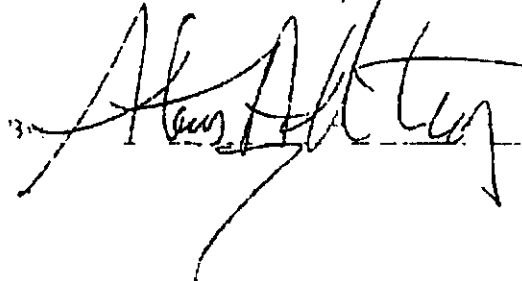
Respondent understands that:

- 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 Respondent's 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 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: (i) testimonial obligations; or (ii) rights 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 APB, 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.

Date: 5/3/2013

APB FINANCIAL GROUP, LLC



Reviewed by

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Accepted by FINRA:

May 1, 2013
Date

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



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