

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025434001**

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

RE: Euro Pacific Capital, Inc. (BD No. 8361),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent, Euro Pacific Capital, Inc. ("EPC" 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 it 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

EPC has been a member of FINRA since 1980. EPC has approximately 82 registered representatives operating from its principal office located in Westport, Connecticut, and 8 branch offices. EPC conducts a general securities business.

RELEVANT DISCIPLINARY HISTORY

On September 16, 2011, FINRA issued an AWC against EPC in which the Firm agreed, without admitting or denying the findings, to a censure and a fine of \$150,000 for several deficiencies, including its failure to timely report quarterly statistical information concerning approximately 180 customer complaints, equaling about 88% of the customer complaints that the Firm received from July 5, 2007 through July 20, 2009; its failure to amend three registered representatives' Forms U4 to report customer complaints; its failure to keep its books and records current regarding customer complaints; and its failure to enforce its written supervisory procedures (WSPs) concerning the reporting of customer complaints, in violation of NASD Conduct Rules 2110, 3070, 3010(a),

and 3110(d); SEC Rule 17a-3; FINRA Rule 2010; and, Article V, Section 2(c) of the FINRA By-Laws.

EPC has no other relevant formal disciplinary history with the SEC, any state securities regulator or any self-regulatory organization.

OVERVIEW

During the period from October 24, 2009 to March 27, 2011 (the "Relevant Period"), EPC failed to timely report statistical and summary information regarding 94 customer complaints it had received. In addition, EPC failed to establish and maintain a supervisory system, including WSPs, reasonably designed to ensure the timely reporting of customer complaints. The Firm did have WSPs during the Relevant Period that required its branch managers to review the emails of the registered representatives under the branch managers' supervision, and forward copies of customer communications that might constitute "complaints" to EPC's compliance department. As the compliance department knew, however, some branch managers did not timely forward those communications. Moreover, some branch managers failed to notify the compliance department when the branch managers themselves were the subjects of potential complaints. This conduct violated NASD Conduct Rules 3010(a) and 3070(c) and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

EPC Failed Timely To Report 94 Customer Complaints

During the Relevant Period, EPC failed to timely report statistical and summary information to FINRA regarding 94 customer complaints it had received, including 24 complaints about the Firm's or its registered representatives' "sales practices." This failure was not in accordance with the Firm's obligation to provide statistical and summary information about customer complaints each calendar quarter. In comparison, during the Relevant Period, the Firm reported 128 customer complaints. Consequently, EPC failed to timely report approximately 42% of the customer complaints that it should have reported during the Relevant Period. The data was reported between 93 and 580 days late.

Based on the foregoing, EPC violated NASD Conduct Rule 3070(c) and FINRA Rule 2010.

*EPC Did Not Have An Adequate System And Procedures
To Report Customer Complaints*

During the Relevant Period, EPC's supervisory system and procedures required its branch managers to review the emails of registered representatives under their supervision, and forward copies of customer communications that might constitute "complaints" to the Firm's compliance department. EPC's compliance department, in turn, was required to report those customer complaints to FINRA. As the Firm's compliance department knew, however, some branch managers repeatedly failed to timely inform the compliance department about customer complaints. Additionally, some branch managers failed to inform the Firm's compliance department about complaints that were lodged against the branch managers themselves. Moreover, EPC's chief compliance officer received direct notice about some customer complaints, but failed to inform another employee in the compliance department, who was charged with reporting those complaints to FINRA, about them.

NASD Conduct Rule 3010 requires firms to establish and maintain systems to supervise their employees that are reasonably designed to achieve compliance with the federal securities laws and FINRA and NASD Rules. As described above, EPC failed to establish and maintain systems and establish, maintain, and enforce procedures that were reasonably designed to comply with its obligation to report customer complaints. This constitutes a violation of NASD Conduct Rule 3010 and FINRA Rule 2010.

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

- a censure; and
- a fine of \$40,000.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. It 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 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 it;
- 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;

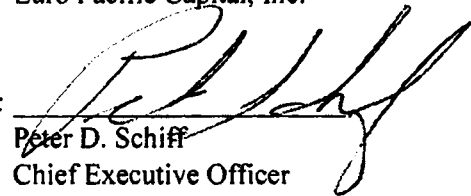
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent;
- C. If accepted:
1. this AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about its 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) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and
- 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 the Firm 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 the Firm to submit it.

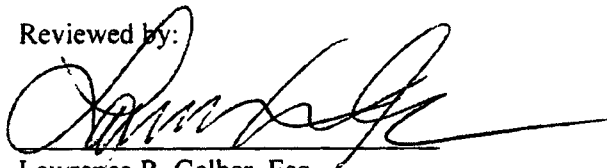
Euro Pacific Capital, Inc.

5/1/14
Date (mm/dd/yyyy)

By:


Peter D. Schiff
Chief Executive Officer

Reviewed by:

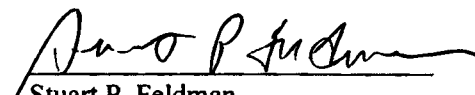


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Accepted by FINRA:

May 21, 2014
Date

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


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