

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110255869-01**

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

RE: Barclays Capital Inc., Respondent
Member Firm
BD No. 19714

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Barclays Capital Inc. ("Barclays" 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 Barclays alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Barclays 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

Barclays has been a FINRA member firm since October 19, 1987. It is a full-service broker-dealer with headquarters in New York, New York. It provides equity research, sales and trading services, as well as underwriting services. The Firm is also registered with the Municipal Securities Rulemaking Board ("MSRB").

RELEVANT DISCIPLINARY HISTORY

In December 2012, Barclays entered into an AWC with FINRA through which it consented to findings that it violated MSRB Rules G-14 and G-8 when, between April 1, 2011 and June 30, 2011, it captured inaccurate trade times which resulted in the Firm's failure to report certain trade information and its maintenance of inaccurate trade memoranda (AWC No. 20110288101-01). The Firm also consented to findings that it violated MSRB Rule G-27 by failing to maintain adequate written supervisory procedures related to municipal trade reporting. The Firm consented to sanctions of a censure and a \$15,000 fine.

In October 2013, Barclays entered into an AWC with FINRA through which it consented to findings that it violated MSRB Rules G-17 and G-27 when, between December 2008 and December 2010, it improperly obtained reimbursement for voluntary payments that Barclays made to the California Public Securities Association ("Cal PSA"), on behalf of itself and other members of the underwriting syndicates, from the proceeds of municipal and state bond offerings. (AWC No. 20130378794-01). Barclays had made payments to Cal PSA and requested that those payments be reimbursed as underwriting expenses from the proceeds of particular negotiated municipal and state bond offerings. However, among other things, Cal PSA's activities did not bear a direct relationship to those bond offerings, and were not expenses of conducting each underwriting. The Firm consented to sanctions of a censure, a \$200,000 fine and restitution to customers in the amount of \$25,983.60. The Firm also consented to complete a review of its WSPs and systems related to the areas of the violation, implement corrective action and certify in writing to FINRA that it had taken those steps.

Barclays does not have other relevant formal disciplinary history with the Securities and Exchange Commission, any state securities agency, FINRA or any other self-regulatory organization.

OVERVIEW

From June 2009 through June 2012, Barclays violated MSRB Rule G-32 by failing to timely file official statements ("OSs"), OS amendments and advance refunding documents ("ARDs") with MSRB's Electronic Municipal Market Access System ("EMMA"), and reporting certain inaccurate information regarding OSs to EMMA.

FACTS AND VIOLATIVE CONDUCT

MSRB Rule G-32 requires, among other things, underwriters of primary offerings to file certain information and documentation timely and accurately to EMMA. Among the documentation that must be filed is the OS and, if applicable, Advance Refunding Documents ("ARDs").

1. MSRB Rule G-32(b)(i)(B)(1) requires the underwriter of a primary offering of municipal securities to send the OS to EMMA within one business day after receipt of the OS from the issuer, but by no later than the closing date of the offering.

MSRB Rule G-32(b)(i)(A) requires timely submission of all information required to be submitted by Form G-32. Form G-32 collects certain information in connection with primary offerings of municipal securities, including information about the identity of the managing underwriter, the offering's type, fees and

discounts; the identity of and relevant dates for each issue in the offering; the identity, price, principal amount, interest and relevant dates for each security in each issue; advance refunding information such as the maturity date of refunded securities and the issuer's identity; the type, date and availability of documents used in the offering; and disclosure information.

From June 2009 through June 2012, when Barclays was acting as an underwriter, Barclays failed to timely file the OS relating to 44 offerings and the OS amendment related to 1 offering. All but one of the untimely filings were made within 35 days of the deadline.

By reason of the foregoing, Barclays violated MSRB Rules G-32(b)(i)(B)(1) and G-32(b)(i)(A).

2. MSRB Rule G-32(b)(i)(A) requires accurate submission of all information required to be submitted by Form G-32. From February 2010 to January 2012, Barclays inaccurately filed with EMMA the OS relating to 10 offerings and 2 exempt limited offerings.

By reason of the foregoing, Barclays violated MSRB Rule G-32(b)(i)(A).

3. For advance refunding of outstanding municipal securities, MSRB Rule G-32(b)(ii) requires the underwriter to send the ARDs to EMMA by no later than five business days after the closing date. From June 2009 through March 2012, Barclays failed to timely file 9 ARDs. The untimely ARD filings were between 1 and 136 days late.

By reason of the foregoing, Barclays violated MSRB Rule G-32(b)(ii).

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

- A censure; and
- A fine in the amount of \$10,000

Barclays agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Barclays has submitted an Election of Payment form showing the method by which Barclays proposes to pay the fine imposed.

Barclays specifically and voluntarily waives any right to claim that Barclays is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanction imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Barclays 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, Barclays 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.

Barclays 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

Barclays 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 Barclays; and
- C. If accepted:

1. this AWC will become part of Barclays's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Barclays;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Barclays'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. Barclays 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. Barclays 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 Barclays'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.
- D. Barclays may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Barclays understands that Barclays 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 Barclays has agreed to its provisions voluntarily; and that no offer,

Date (mm/dd/yyyy)

By:

Title

December 17, 2013
Date

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