

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110275374 - 01

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

RE: Clearview Correspondent Services, LLC (n/k/a BB&T Securities, LLC), Respondent
Broker-Dealer
CRD No. 142785

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Clearview Correspondent Services, LLC¹ ("Respondent" 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 the Firm 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

The Firm became a member of FINRA in June 2007, and its registration remains in effect. The Firm does not have any relevant prior disciplinary history.

SUMMARY

In Matter No. 20110275374, the Department of Market Regulation's Options Regulation Staff (the "Staff") conducted a review of the Firm's compliance with the rules related to the reporting of options positions to the Large Options Position Reporting ("LOPR") system covering the period of January 2011 through March 2011, which was later expanded to include the period from October 2007 through September 19, 2011 (the "First Review Period").

In Matter No. 20130362205, Staff conducted a review of the Firm's compliance with the rules related to the reporting of options positions to the LOPR system covering the period

¹ Effective January 1, 2013, Clearview Correspondent Services, LLC was renamed BB&T Securities, LLC.

of October 2012 through December 2012, which was later expanded to include the period from May 2010 through August 2014 (the "Second Review Period").

FACTS AND VIOLATIVE CONDUCT

1. LOPR data is used extensively by self-regulatory organizations ("SROs") to identify holders of large options positions who may be attempting to manipulate the market or otherwise violate securities rules and regulations. The accuracy of LOPR data is essential for the analysis of potential violations related to, among other things, insider trading, position limits, exercise limits, front-running, capping and pegging, mini-manipulation, and marking-the-close.

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2. During the First Review Period, the Firm failed to properly aggregate positions for approximately 1,000 accounts that were acting in concert under the common control of specific registered representatives/investment advisors within the Firm.¹ As a result, the Firm failed to report positions to the LOPR in approximately 1.4 million instances.² The conduct described in this paragraph constitutes a violation of NASD Rule 2860(b)(5) (for conduct that occurred prior to February 17, 2009) and FINRA Rule 2360(b)(5) (for conduct that occurred on or after February 17, 2009).

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3. During the Second Review Period, the Firm failed to properly aggregate positions for 16 accounts that were acting in concert under the common control of an unregistered third party outside the Firm. As a result, the Firm failed to report positions to the LOPR in 6,796 instances. In addition, the Firm failed to timely report positions to the LOPR in four instances. The conduct described in this paragraph constitutes a violation of FINRA Rule 2360(b)(5).
4. During the First and Second Review Periods, the Firm failed to establish and maintain a supervisory system that was reasonably designed to achieve compliance with the applicable securities laws and regulations, and FINRA Rules, concerning the reporting of options positions to the LOPR. In addition, the firm's supervisory system did not include sufficient written supervisory procedures providing for the reporting of options positions to the LOPR, specifically: (1) the identification of the person(s)

¹ All accounts under the common control of the same individual or entity with the authority to make investment decisions and/or execute transactions for those accounts are considered as acting in concert. When accounts acting in concert hold in the aggregate a reportable position, a member organization must report each account's position, whether individually reportable or not, to the Options Clearing Corporation ("OCC") for LOPR purposes.

² An "instance" is a single failure to report, or inaccurately report, a reportable option position. The number of instances is determined by multiplying a given reportable position by the number of trade dates the position was not reported or was reported incorrectly. When accounts acting in-concert hold in the aggregate a reportable position, each account's position, whether individually above the 200 contract threshold or not, must be reported to the OCC for LOPR purposes.

responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Rule 2110 (for conduct that occurred prior to December 15, 2008), FINRA Rule 2010 (for conduct that occurred on or after December 15, 2008) and NASD Rule 3010.

Other Considerations

In settling this matter, FINRA took into consideration the remedial steps taken by the Firm immediately upon notice of this investigation by FINRA, including enhancements to its supervisory systems, and that the Firm provided FINRA with a calculation of the number of impacted accounts and positions during the First and Second Review Periods.

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

A censure and fine of \$1,000,000.

Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) 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(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 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 Chief Legal Officer, 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 the Firm; and
- C. If accepted:
 - 1. this AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the Firm'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. The Firm 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. The Firm 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 the Firm'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. The Firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Firm 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 it has agreed to the AWC's 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.

11/17/14
Date

Respondent Clearview Correspondent Services, LLC,
n/k/a BB&T Securities, LLC

By: [Signature]

Name: Bill Robbins

Title: Senior Managing Director

Reviewed by:

[Signature]
Thomas J. McGonigle
Murphy & McGonigle
555 13th St., N.W., Ste. 410W
Washington, DC 20004

Counsel for Respondent

Accepted by FINRA:

12-4-14
Date

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

[Signature]
Robert A. Marchman
Executive Vice President, Legal Section
Department of Market Regulation