

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110278319-01**

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

RE: SG Americas Securities, LLC, Respondent (f/k/a Newedge USA, LLC)
Broker-Dealer
CRD No. 128351 (formerly CRD No. 36118)

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

Newedge USA, LLC ("Newedge") had been a FINRA member since March 1996. In January 2015, Newedge merged with and into SGAS, a FINRA member since April 2004, and Newedge terminated its FINRA membership and withdrew its broker-dealer registration.

RELEVANT DISCIPLINARY HISTORY

On October 17, 2011, FINRA accepted an AWC in which Newedge consented to a censure and fine of \$25,000 for violations of FINRA Rule 3360 (the predecessor rule to FINRA Rule 4560) and \$5,000 for related supervisory violations of NASD Rule 2110 (the predecessor rule to FINRA Rule 2010) and NASD Rule 3010, for conduct between June 30, 2008 and July 31, 2008.

SUMMARY

Matter No. 20110278319 involves a review conducted by the Department of Market Regulation's Short Interest Section (the "staff") of Newedge's compliance with short interest reporting requirements during the period between January 15, 2010 and August 15, 2012.

Matter No. 20120325737 involves a review conducted by staff of Newedge's compliance with short interest reporting requirements during the period between January 15, 2010 and March 15, 2012.

OVERVIEW

On a total of 55 settlement dates between January 15, 2010 and August 15, 2012 (the "relevant period"), Newedge failed to report a total of 6,047 short interest positions totaling 86,145,903 shares, and inaccurately reported eight positions totaling 525,082 shares when it should have reported eight positions totaling 584,139 shares.

FACTS AND VIOLATIVE CONDUCT

Matter No. 20110278319

1. On August 15, 2012, Newedge failed to report three short interest positions totaling 1,600 shares and inaccurately reported eight short interest positions totaling 525,082 shares when it should have reported eight short interest positions totaling 584,139 shares. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 4560.

Matter No. 20120325737

2. Between January 15, 2010 and March 15, 2012, Newedge failed to report a total of 6,044 short interest positions totaling at least 86,144,303 shares. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 4560.

Matter Nos. 20110278319 and 20120325737

3. During the relevant period, Newedge 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 short interest reporting. In addition, Newedge's supervisory system did not include sufficient written supervisory procedures to ensure compliance with FINRA Rule 4560. Specifically, Newedge's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) 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 separate and distinct violations of NASD Rule 3010 and FINRA Rule 2010.

OTHER FACTORS

4. In determining to resolve this matter as set forth below, Market Regulation gave significant consideration to the fact that Newedge undertook efforts to remediate the issues that led to the violations in this matter.

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

A censure and a fine totaling \$120,000 (consisting of a fine of \$90,000 for its violations of FINRA Rule 4560, and \$30,000 for its violations of NASD Rule 3010 and FINRA Rule 2010).

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. 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 the firm;
- 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.

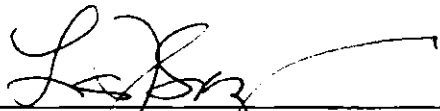
OTHER MATTERS

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 Respondent; 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 accordance with FINRA Rule 8313;
 - 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 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. Respondent 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 the firm, certifies that a person duly authorized to act on the firm's 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.

10/2/15
Date


SG Americas Securities, LLC as successor to
Newedge USA, LLC

By: Laura Schisgall

Name: E

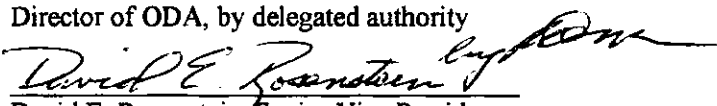
Title: General Counsel

Reviewed by:

Accepted by FINRA:

10/23/15
Date

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


David E. Rosenstein, Senior Vice President
Legal Section
FINRA Department of Market Regulation