

FINRA

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FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110282001-01

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

RE: VFinance Investments, Inc, Respondent
Broker-Dealer
CRD No. 44962

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, VFinance Investments, Inc (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. The firm 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 FINRA member on September 9, 1998. Its registration remains in effect. The firm has no prior relevant disciplinary history.

SUMMARY

In Matter No. 20110282001, the Department of Market Regulation reviewed the firm's compliance with FINRA rules pertaining to the execution of held market orders for the period of January 1, 2011 through March 31, 2011.

FACTS AND VIOLATIVE CONDUCT

1. In 49 instances, the firm failed to execute orders fully and promptly. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010 and NASD Rule 2111(a).
2. In 12 of the 49 transactions for or with a customer described above, the firm failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under

prevailing market conditions, as reflected on Exhibit A which is attached. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010 and NASD Rule 2320.

- B. The firm also consents to the imposition of the following sanctions:
- a) Censure;
 - b) A fine of \$12,500; and
 - c) Restitution by Respondent to the customers listed on Exhibit A, which is attached, in the total amount of \$461.71, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council ("NAC"). A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850 or in an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, no later than 120 days after acceptance of this AWC. If for any reason, Respondent cannot locate any customer after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer is known to have last resided.

The firm 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.

The firm 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.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm 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.

The firm 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

The firm 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 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 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 the firm to submit it.

11/1/2013
Date

Respondent

VFinance Investments, Inc

By:

Name:

Title:

[Signature]
BILL GROENEVELD
PRESIDENT

Reviewed by:

[Signature]
Counsel for Respondent

Accepted by FINRA:

11/25/13
Date

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

[Signature]
James J. Nixon
Chief Litigation Counsel
Department of Market Regulation

[Signature]

Item No.	MPID	Order Received Date	Order Receipt Time	Buy/ Sell	Quantity	Issue	Firm Order ID	Order Execution Time	Restitution Amount
1	VFIN	01/04/2011	14:15:59	B	300	AUTC		14:17:00	N/A
2	VFIN	01/06/2011	10:10:29	SL	5,000	RIMM		10:11:48	\$47.00
3	VFIN	01/07/2011	11:55:59	SL	1,000	VTUS		11:57:07	N/A
4	VFIN	01/07/2011	12:07:33	SL	1,000	NVDA		12:08:18	N/A
5	VFIN	01/10/2011	11:33:10	B	1,000	SIGA		11:33:56	N/A
6	VFIN	01/11/2011	11:16:09	SL	880	RIMM		11:16:47	N/A
7	VFIN	01/14/2011	12:15:47	B	1,000	IPXL		12:16:37	\$16.72
8	VFIN	01/18/2011	13:56:57	B	235	TEVA		13:57:36	N/A
9	VFIN	01/18/2011	14:28:50	SL	20	VVUS		14:29:38	N/A
10	VFIN	01/20/2011	9:34:33	B	300	TEVA		9:35:31	N/A
11	VFIN	01/20/2011	12:03:49	B	362	LOCM		12:04:31	N/A
12	VFIN	01/20/2011	14:05:23	B	15	AAPL		14:05:53	N/A
13	VFIN	01/21/2011	14:07:46	B	1,000	CBST		14:08:17	N/A
14	VFIN	01/25/2011	10:08:32	SL	250	PSTI		10:12:32	\$2.50
15	VFIN	01/31/2011	11:54:33	B	1,000	CBPO		11:56:58	N/A
16	VFIN	01/31/2011	12:33:46	B	800	CBPO		12:34:24	N/A
17	VFIN	01/31/2011	15:14:43	B	800	VTUS		15:15:26	N/A
18	VFIN	01/31/2011	15:16:44	B	1,000	VTUS		15:17:27	\$85.00
19	VFIN	02/01/2011	11:21:38	B	500	FNFG		11:22:44	N/A
20	VFIN	02/01/2011	15:17:22	B	3	DLTR		15:24:06	N/A
21	VFIN	02/03/2011	10:19:07	B	1,000	CBPO		10:25:00	N/A
22	VFIN	02/03/2011	14:43:59	B	2,000	AERG		14:45:38	N/A
23	VFIN	02/08/2011	10:22:21	SL	500	NFEC		10:22:53	\$2.61
24	VFIN	02/08/2011	14:41:57	SL	300	MNRO		14:42:48	N/A
25	VFIN	02/14/2011	13:47:27	B	1,000	CBOE		13:48:02	N/A
26	VFIN	02/17/2011	8:31:10	SL	12	BVSN		9:30:34	N/A
27	VFIN	02/17/2011	11:38:55	SL	250	SCMFO		11:44:17	N/A
28	VFIN	02/17/2011	13:14:08	B	1,000	CBOE		13:14:43	N/A
29	VFIN	02/22/2011	10:32:51	SL	1,400	ZAGG		10:34:10	\$12.00
30	VFIN	02/22/2011	12:02:35	SL	750	VTUS		12:04:14	\$7.50
31	VFIN	02/23/2011	11:58:19	B	1,000	VTUS		11:59:19	N/A
32	VFIN	02/23/2011	14:56:02	B	1,000	DRYS		14:56:37	N/A
33	VFIN	02/25/2011	12:47:39	B	500	VTUS		12:48:16	N/A
34	VFIN	02/25/2011	15:43:35	SL	400	INTC		15:44:16	N/A
35	VFIN	03/04/2011	12:36:56	SL	479	LLEN		12:38:01	N/A
36	VFIN	03/14/2011	14:05:22	B	1,000	SOLR		14:06:05	N/A
37	VFIN	03/14/2011	14:46:28	B	500	MOBI		14:50:55	\$71.00
38	VFIN	03/15/2011	9:36:05	SL	600	BEAV		9:36:48	\$23.00
39	VFIN	03/15/2011	10:34:24	B	200	CIGX		10:35:00	N/A
40	VFIN	03/16/2011	14:02:42	B	200	INTC		14:03:16	N/A
41	VFIN	03/16/2011	15:11:30	SL	1,000	HGSI		15:12:05	N/A
42	VFIN	03/18/2011	14:13:31	B	1,500	MOBI		14:14:56	N/A
43	VFIN	03/22/2011	13:35:10	SL	3,000	DEER		13:36:26	\$45.68
44	VFIN	03/22/2011	14:04:41	B	500	VTUS		14:05:23	N/A
45	VFIN	03/22/2011	15:27:36	B	5,000	VTUS		15:28:38	N/A
46	VFIN	03/24/2011	11:07:26	B	2,000	OMER		11:09:00	\$12.00
47	VFIN	03/28/2011	12:21:11	SL	200	VTUS		12:21:42	N/A
48	VFIN	03/30/2011	11:38:29	SL	500	DEER		11:38:59	N/A
49	VFIN	03/30/2011	12:18:55	B	4,000	GFRE		12:25:49	\$136.70
Total Restitution Amount:									\$461.71