

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110296896-01

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

RE: ABG Sundal Collier Inc., Respondent
Broker-Dealer
CRD No. 30605

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, ABG Sundal Collier 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 has been a member of FINRA since April 1, 1993, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In connection with Matter No. 20110296896, the Order Audit Trail System ("OATS") Operations Team of FINRA's Department of Market Regulation conducted an OATS Consolidated Non-Reporting Sweep, covering a review period of March 24, 2011 through January 18, 2012 (the "review period").

1. During the review period, the firm failed to transmit one thousand nine hundred twenty-two (1,922) Reportable Order Events ("ROEs") to OATS on 48 business days. These 1,922 ROEs represented 94 percent of all ROEs (2,054) that the firm was required to transmit to OATS during the review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450.
2. During the review period, the firm transmitted to OATS fifty-nine (59) reports that contained inaccurate, incomplete, or improperly formatted data. Specifically, the reports contained inaccurate Sent to Firm MPIDs. These inaccurate reports represent 45 percent of all reports (132) that the firm transmitted to OATS during the review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450.
3. During the review period, the firm failed to enforce its written supervisory procedures, which specified that the firm would conduct a weekly review of the OATS Web Interface. The conduct described in this paragraph constitutes a violation of FINRA Rule 2010 and NASD 3010.

B. The firm also consents to the imposition of the following sanctions:

A censure and a fine of \$12,500 (comprised of \$7,500 for the OATS violations and \$5,000 for the supervision violation).

The firm 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.

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 imposed in this matter.

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

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 National Adjudicatory Council ("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:

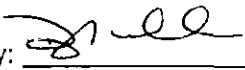
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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 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.

1/29/2013
Date

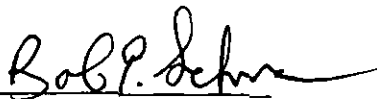
Respondent
ABG Sundal Collier Inc.

By: 

Name: DOUGLAS MILLER

Title: CEO

Reviewed by:



Attorney Name: Bob E. Lehman, Partner
Counsel for Respondent

Firm Name: Lehman & Eilen LLP

Address: 50 Charles Lindbergh Boulevard, Suite 505

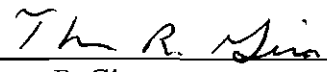
City/State/Zip: Uniondale, New York 11553

Phone Number: (516) 222-0888

Accepted by FINRA:

3/6/13
Date

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


Thomas R. Gira
Executive Vice President
Department of Market Regulation

January 31, 2013

National Adjudicatory Counsel
Department of Enforcement
Douglas Jacoby
Legal Counsel
FINRA Market Regulation
9509 Key West Avenue
Rockville, MD 20850

Re: ABG Sundal Collier, Inc. (CRD No. 30605)
Statement of Corrective Actions
Matter No. 20110296896

Dear Mr. Jacoby:

ABG Sundal Collier, Inc. (the "Firm" or "Respondent") submits the following Statement of Corrective Actions ("Statement") in connection with its submission on January 31, 2013 of a Letter of Acceptance, Waiver, and Consent ("AWC") to settle the alleged rule violations described therein, which cover the review period of March 24, 2011 through January 18, 2012 (the "Review Period").

This Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA Regulation, Inc. ("FINRA Regulation"), nor does it reflect the views of FINRA Regulation or its staff.

As a predicate matter, the Firm's business during the Review Period, as it is today, focused on the execution of orders in foreign securities on foreign exchanges, which are not subject to the OATS reporting requirements. Based upon the fact that the underlying trade reporting was such a small part of its business, the Firm was inexperienced with OATS reportable transactions, and, therefore, the Firm relied upon an institutional third party to ensure compliance with such reporting requirements. Unfortunately, while the Firm reviewed the reports of such third party, it neglected to compare such third party's OATS reports to the information reflected on the OATS Web Interface.

The conduct set forth in the AWC was limited to 63 unsolicited-institutional orders subject to the OATS reporting requirements. With respect to such orders, (i) 93.57% of the Firm's reportable order events ("ROEs") were not reported to OATS on 48 days during the staff's (the "Staff") Review Period; (ii) 59 of the Firm's OATS reports contained inaccurate *Sent to Firm MPIDs*; and (iii) the Firm did not conduct a weekly review of the OATS Web Interface to ensure that the third party reporting on the Firm's behalf did so correctly.

During the Review Period, the Firm had sent all of its OATS reportable transactions to another broker-dealer (the "Agency BD") for further handling and execution, and had engaged its clearing firm (the "Clearing Firm") to report the Firm's OATS data to FINRA. The Clearing Firm further contracted

out this responsibility to a third party vendor (the "Vendor"), which apparently reported incorrect data to OATS. Trades were either reflected as being routed to, and executed by, the Clearing Firm on behalf of the Firm, or were not reported at all. The Vendor claimed that it experienced technical problems that led to the OATS issues described above. The Firm blindly, but in good faith, relied upon the Clearing Firm and the Vendor rather than checking the OATS Web Interface regularly to ensure that the Firm's OATS data was being reported to FINRA correctly.

Upon becoming aware of the issues described above, the Firm took decisive action by contracting with the Agency BD to utilize its OATS reporting functionality. Using such functionality, the Agency BD sends the required FTP file with the Respondent's OATS reportable activity directly to the Clearing Firm, which, in turn, sends the file to OATS, all on the Firm's behalf.

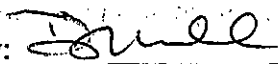
In support of the Firm's supervisory reviews, on a daily basis, the Agency BD sends to the Firm via email a copy of the file that it sends to OATS. The Firm compares the information in that file with its order records for any apparent discrepancies. The Firm then reviews the FINRA Web Interface to verify that all of the OATS files were received by FINRA and that all of the file information matches (i.e., there are no ROE rejections, late trades, or mismatched reports). All documentation is dated and signed or initialed. The Firm has revised its written supervisory procedures to reflect such supervisory review.

Together, the steps described above have alleviated the problems identified by the Staff. The Firm believes that it has taken appropriate corrective actions to ensure that the conduct at issue will not recur. We believe that the decisive-remedial actions taken by the Firm reflect that we take our regulatory and supervisory responsibilities seriously.

We appreciate the opportunity to submit this Statement and further appreciate your consideration of the matters discussed herein.

Respectfully yours,

ABG SUNDAL COLLIER INC.

By: 

Douglas Miller
Chief Financial Officer

cc: Lehman & Eilen LLP