

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120303703-01**

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

RE: SG Americas Securities, LLC, Respondent ("SGAS" or the "Firm")
BD No. 128351

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, 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

SGAS has been a member of FINRA since April 2004. The Firm currently has five branch offices and employs approximately 600 registered representatives. The Firm is owned by SG Americas Securities Holdings, LLC and is an indirectly wholly owned broker-dealer subsidiary of Societe Generale, the international bank headquartered in Paris, France.

RELEVANT DISCIPLINARY HISTORY

In January 2012, SGAS entered into an AWC agreeing to a fine of \$25,000 and the entry of findings by FINRA that the Firm violated SEC Rule 17a-3 under the Securities Exchange Act of 1934 ("Exchange Act"), NASD Rules 6230, 3110 and 2110, and FINRA Rule 2010 on the basis that the Firm: (i) incorrectly reported to FINRA's Trade Reporting and Compliance Engine ("TRACE") 42 of 60 sampled transactions (70.0%) as customer transactions instead of inter-dealer transactions; (ii) reported 16 out of 377 transactions (4.2%) to TRACE with an inaccurate execution time; and (iii) either omitted or misstated data regarding the time of order receipt, entry or execution on 116 of 377 order memoranda (30.8%).

In August 2009, SGAS entered into an AWC agreeing to a fine of \$250,000 and the entry of findings by FINRA that the Firm violated SEC Rules 10b-10 and 17a-3 under the Exchange Act, and NASD Rules 2110, 3010, 3110 and 6230 on the basis that it: (i) failed to report to TRACE approximately 6,000 transactions in TRACE-eligible securities; (ii) failed to report over 130 transactions in TRACE-eligible securities to TRACE within 15 minutes of the time of execution; (iii) failed to report to TRACE the correct time of trade execution on approximately 60 transactions; (iv) failed to report the correct time of trade execution on approximately 60 order memoranda; (v) failed to include certain yield information required by SEC Rule 10b-10 on electronic customer confirmations sent to institutional customers using the Depository Trust Corporation Institutional Delivery ("DTC ID") system in connection with approximately 34,000 debt security transactions; and (vi) failed to establish, maintain and enforce an adequate supervisory system by failing to ensure an adequate supervisory review of customer confirmations that were issued electronically to institutional customers using the DTC ID system.

OVERVIEW

During a review period of August 2011 – February 2012 (the "Review Period"), SGAS: (i) submitted inaccurate reports to TRACE; (ii) included inaccurate data on order memoranda for trades in TRACE-eligible securities; and (iii) issued customer confirmations containing inaccurate data.

FACTS AND VIOLATIVE CONDUCT

1. During the Review Period, 33 out of 180 sampled TRACE-eligible transactions (18.3%) were reported to TRACE with inaccurate data, including incorrect capacity, execution time, volume, buy/sell, and contra-side.

By reason of the foregoing, SGAS violated FINRA Rule 6730(c).

2. During the Review Period, 28 out of 180 sampled TRACE-eligible transactions (15.6%) were inaccurately documented by SGAS. Inaccurate data included incorrect capacity, execution time, and price.

By reason of the foregoing, SGAS violated SEC Rule 17a-3 under the Exchange Act, NASD Rule 3110(a), and FINRA Rules 4511 and 2010.¹

3. During the Review Period, 12 out of 180 sampled TRACE-eligible transactions (6.7%) generated inaccurate customer confirmations. Inaccurate data included incorrect capacity and incorrect price.

By reason of the foregoing, SGAS violated SEC Rule 10b-10 under the Exchange Act and FINRA Rule 2010.

¹ NASD Rule 3110(a) was consolidated into FINRA Rule 4511 on December 5, 2011, during the Review Period. For this reason, SGAS is found to have violated NASD Rule 3110 and FINRA Rule 4511 in this matter.

OTHER FACTORS

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

- a fine in the amount of \$35,000; and
- a censure.

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. Respondent 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 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.

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 it; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent'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. 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 Respondent'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. Respondent 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 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 the Respondent 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 Respondent to submit it.

Respondent
SG Americas Securities, LLC
BD No. 128351

07/16/2013
Date (MM/DD/YYYY)

By: [Signature]
Title: Managing Director

Accepted by FINRA:

July 30, 2013
Date

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

[Signature]

Michael Wajda
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