

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012030485701**

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

RE: Geoffrey Richards Securities Corp. ("Geoffrey Richards"), Respondent
Member Firm
120007

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

Geoffrey Richards has been a FINRA member since June 2002. The firm maintains one office, its main office, in Hypoloxo, Florida. Its primary business includes the retailing of corporate equity securities, municipal securities, mutual funds (including closed-end funds), and corporate debt. Geoffrey Richards employs three registered persons, including its owners.

RELEVANT DISCIPLINARY HISTORY

Geoffrey Richards has no relevant formal disciplinary history with the Securities and Exchange Commission, any state securities agency or any self-regulatory organization.

OVERVIEW

Between June 2010 and January 2013, Geoffrey Richards acted as an underwriter in firm commitment offerings, conducted a securities business while it was net capital deficient, failed to file the requisite net capital deficiency notifications, filed inaccurate Financial and Operational Combined Uniform Single ("FOCUS") Reports, and maintained inaccurate books and records. As a result of the foregoing, the firm violated Sections 15(c) and 17(a) of the Securities and Exchange Act of 1934 and SEC Rules 15c3-1, 17a-3, 17a-5, and 17a-11, and also violated NASD Rules 1017 and 3110(a) (for misconduct before December 5, 2011) and FINRA Rules 4110, 4511 (for misconduct after December 4, 2011), and 2010.

FACTS AND VIOLATIVE CONDUCT

Between June 24, 2010 and January 31, 2013 ("Relevant Period"), Geoffrey Richards acted as an underwriter in 24 firm commitment offerings, in violation of its membership agreement and without filing a continuing membership application.

Geoffrey Richards' participation as an underwriter in the firm commitment offerings required that it take deductions from its net capital for open contractual commitments. On 8 days during the Relevant Period these deductions caused Geoffrey Richards' net capital to fall below its minimum requirement. The firm failed to take, or account for, the deductions and conducted a securities business on the days it was net capital deficient. The firm's excess net capital on those dates ranged from (\$78,463.08) to (\$855,812.84).

In connection with the underwritings and the net capital deficiencies, the firm failed to file the requisite net capital deficiency notifications in 7 instances. In addition, Geoffrey Richards failed to accurately reflect the source of its revenue from underwriting and selling group participation on its general ledger and net capital computations. Therefore, it filed inaccurate FOCUS Reports and maintained inaccurate books and records.

As a result of the foregoing, Geoffrey Richards violated Sections 15(c) and 17(a) of the Securities and Exchange Act of 1934 and SEC Rules 15c3-1, 17a-3, 17a-5 and 17a-11, and also violated NASD Rules 1017 and 3110(a) (for misconduct before December 5, 2011) and FINRA Rules 4110, 4511 (for misconduct after December 4, 2011), and 2010.

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

- Censure; and
- A \$40,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is 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 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 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 it;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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 its: (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 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 Respondent to submit it.

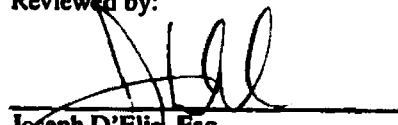
11/20/2014
Date (mm/dd/yyyy)


Respondent, Geoffrey Richards Securities Corp.

By: GEORGEY D. LINDA

Title: PRINCIPAL

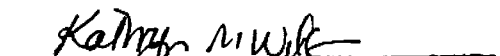
Reviewed by:


Joseph D'Elia, Esq.
Counsel for Respondent
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Accepted by FINRA:

12/11/14
Date

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


Kathryn M. Wilson
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Authorized House Counsel
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