

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20120316542-01

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

RE: Finance 500, Inc., Respondent
Broker-Dealer
CRD No. 12981

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Finance 500, Inc. ("FANC" or 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 member of FINRA in 1982, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On October 19, 2012 FINRA accepted an AWC in which the firm was censured and fined \$12,500 for Market Order Timeliness and Best Execution violations of FINRA Rule 2010 and NASD Rules 2111(a) and 2320 from April 1, 2009 to June 30, 2009.

SUMMARY

This matter is the result of four separate reviews of compliance with the rules relating to limit order protection, including FINRA Rules 2010 and 5320 and NASD IM-2110-2, and one review of the firm's compliance with rules relating to market order timeliness and best execution, including FINRA Rules 2010 and 5310.

In Review No. 20120316542, the Customers Issues Group of the Department of Market Regulation (the "CIG staff") reviewed the firm's compliance with the rules relating to limit order protection for the period of April 1, 2011 to June 30, 2011.

In Review No. 20120352159, the CIG staff reviewed the firm's compliance with the rules relating to limit order protection for the period of January 1, 2012 through March 31, 2012.

In Review No. 20130367107, the CIG staff reviewed the firm's compliance with the rules relating to limit order protection for the period of October 1, 2012 through December 31, 2012.

In Review No. 20130367798, the CIG staff reviewed the firm's compliance with the rules relating to market order timeliness and best execution for the period of January 1, 2013 through March 31, 2013.

In Review No. 20140398748, the CIG staff reviewed the firm's compliance with the rules relating to limit order protection for the period of July 1, 2013 through September 30, 2013.

Based upon their reviews, the CIG staff determined that the firm committed violations of the rules regarding limit order protection, recordkeeping, supervision, market order timeliness and best execution.

FACTS AND VIOLATIVE CONDUCT

20120316542

1. During the period of April 1, 2011 to June 30, 2011, in 40 instances during the review period, the firm failed to contemporaneously or partially execute 21 customer limit orders in OTC securities after it traded each subject security for its own market-making account at a price that would have satisfied each customer's limit order. The instances are reflected on Exhibit A to the AWC. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010 and NASD IM-2110-2.
2. The firm also failed to show a correct term or condition on the memorandum of 13 brokerage orders, by incorrectly denoting the orders as held instead of not held orders.

The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and NASD Rule 3110.

20120352159

3. During the period of January 1, 2012 through March 31, 2012, in 24 instances during the review period, the firm failed to contemporaneously or partially execute 14 customer limit orders in OTC securities after it traded each subject security for its own market-making account at a price that would have satisfied each customer's limit order. The instances are reflected on Exhibit B to the AWC. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5320.
4. The firm also failed to show a correct term or condition on the memorandum of three brokerage orders, by incorrectly denoting the orders as held instead of not held orders. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and FINRA Rule 4511.

20130367107

5. During the period of October 1, 2012 through December 31, 2012, in 19 instances during the review period, the firm failed to contemporaneously or partially execute 13 customer limit orders in OTC securities after it traded each subject security for its own market-making account at a price that would have satisfied each customer's limit order. The instances are reflected on Exhibit C to the AWC. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5320.
6. The firm also failed to show a correct term or condition on the memorandum of five brokerage orders, by incorrectly denoting the orders as held instead of not held orders. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and FINRA Rule 4511.
7. During the period of October 1, 2012 through December 31, 2012, the firm failed to enforce its written supervisory procedures which specified that it would not effect an order for the firm's proprietary account, while holding a customer limit order in an OTC security at the same price, unless the customer limit order is also filled; and the firm must pass along any price improvement that the firm received in the execution of its own order, or better. The conduct described in this paragraph constitutes violations of FINRA Rule 2010 and NASD Rule 3010.

20130367798

8. During the period of January 1, 2013 through March 31, 2013, in 5 instances, the firm failed to execute orders fully and promptly, and in 12 additional instances, the firm the

firm failed to use reasonable diligence to ascertain the best inter-dealer market and buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions. The 17 instances are reflected on Exhibit D. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5310.

20140398748

9. During the period of July 1, 2013 through September 30, 2013, in 15 instances, the firm failed to contemporaneously or partially execute 11 customer limit orders in OTC securities after it traded each subject security for its own market-making account at a price that would have satisfied each customer's limit order. The instances are reflected on Exhibit E. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5320.

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

A censure, fine of \$75,000 (\$35,000 for the limit order protection violations of FINRA Rules 2010 and 5320, and NASD IM-2110-2; \$10,000 for the recordkeeping violations of NASD Rule 3110, FINRA Rule 4511, and SEC Rule 17a-3; \$15,000 for the supervisory violation; and \$15,000 for the market order timeliness and best execution violations of FINRA Rules 2010 and 5310), and restitution to the customers listed on Exhibits A-E, which are attached, in the total amount of \$4,845.56, 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. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org. This proof shall be provided to FINRA no later than 120 days after acceptance of this AWC.

If for any reason, Respondent cannot locate any customer identified in Exhibits A-E after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by FINRA staff in writing, 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. Respondent shall provide satisfactory proof of such action to FINRA in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

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.

The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

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 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.

9-21-15
Date

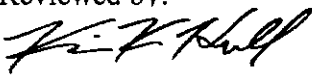
Respondent
Finance 500, Inc.

By: 

Name: Robert L. Hick

Title: president

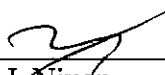
Reviewed by:


Counsel for Respondent

Accepted by FINRA:

October 7, 2015
Date

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


James J. Nixon
Chief Litigation Counsel, Legal Section
Department of Market Regulation

FINRA
LETTER OF ACCEPTANCE WAIVER AND CONSENT
NO. 2020120316542
(includes 20120352159, 20130367107, 20130367798 and 20140398748)

CORRECTIVE ACTION STATEMENT

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

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

RE: Finance 500, Inc.
CRD No. 12981

Without admitting or denying the findings, and solely for the purposes of this proceeding, prior to a hearing and without an adjudication of any issue of law or fact, Finance 500, Inc. ("Finance 500" or the "firm") submits this Corrective Action Statement for the purpose of presenting demonstrable steps taken to correct FINRA's finding that Finance 500 failed to comply with certain rules related to limit order protection, market order timeliness and best execution.

The activities that led to the AWC primarily involved a Florida branch office's equity market-making activities between 2011 and 2013. In mid-2014, the firm not only ceased all equity market-making activities, it also closed the Florida branch office. The firm is no longer engaged in equity market making and has no plans to reenter that business at this time.

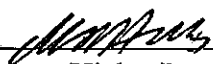
In addition to closing the Florida branch office and exiting the equity market making business, the firm made salutary changes to staffing and personnel at its headquarters office and agreed to be sold to a group of registered persons who were not connected with the equity trading violations nor involved with any other conduct described in the AWC. Finally, the firm also committed to make restitution payments totaling \$4,845.56 to benefit any affected investors.

Respectfully submitted,

Finance 500, Inc.

9-21-15

Date



By: Robert Hicks, President

Part I: Triggering Transactions										Part II: Order Details											
Exception #	Original Exception #	Trade Report Date	Trade Report Time	Execution Time	MPID	Capacity	Side	Trade Vol	Issue Symbol	Order #	Order Received Date	Order Received Time	Desk Received Time	MPID	Account Type Code	Routing Firm MPID	Routed Order ID	TIF	LOP Violation	Restitution Amount	Books and Records Violation
1	1	4/1/2011	15:20:43	15:20:41	FANC	P	S	525	IEAG	1-1	4/1/2011	15:13:32	15:13:32	FANC	W	MERR	ME161GW 639040120	DAY	No	N/A	Yes
2	2	4/1/2011	10:59:50	10:59:50	FANC	P	S	5,000	VPRO	2-1	3/29/2011	11:20:40		FANC	W			GTC	Yes	\$10.00	No
3	3	4/4/2011	13:35:14	13:35:14	FANC	P	S	60,000	ECOI	3-1	4/4/2011	13:27:28	13:27:28	FANC	W	MERR	ME1C2WU 703040420	DAY	No	N/A	Yes
4	4	4/4/2011	13:22:34	13:22:33	FANC	P	B	300	ITEX	4-1	4/1/2011	15:08:39	15:08:39	FANC	W	ANDG	23307540- 144-72-E	GTC	No	N/A	Yes
5	5	4/4/2011	13:20:55	13:20:55	FANC	P	S	800,000	PYBK	5-1	4/4/2011	13:19:36	13:19:36	FANC	W	MERR	ME146JUG 950404201	DAY	No	N/A	Yes
6	6	4/5/2011	15:19:44	15:19:44	FANC	P	S	500	SFBI	6-1	3/16/2011	15:48:53		FANC	W	MLEX	AF16937	GTC	Yes	N/A	No
7	7	4/6/2011	09:59:00	9:59:00	FANC	P	S	10,000	SGLB	7-1	4/6/2011	09:58:21		FANC	W	OPCO	FJS2443	DAY	Yes	\$57.50	No
8		4/6/2011	09:59:32	09:59:32	FANC	P	S	5,000	SGLB										Yes		
9		4/6/2011	09:59:41	09:59:41	FANC	P	S	5,000	SGLB										Yes		
10		4/6/2011	09:59:49	09:59:49	FANC	P	S	5,000	SGLB										Yes		
11	8	4/6/2011	10:00:05	10:00:05	FANC	P	S	10,000	SGLB	8-1	4/7/2011	09:29:31		FANC	W	OPCO	FJT1679	DAY	Yes	\$133.00	No
12		4/7/2011	09:30:02	09:30:02	FANC	P	S	4,000	SGLB										Yes		
13		4/7/2011	09:30:20	09:30:20	FANC	P	S	5,000	SGLB										Yes		
14		4/7/2011	09:30:30	09:30:30	FANC	P	S	10,000	SGLB										Yes		
15		4/7/2011	09:30:54	09:30:54	FANC	P	S	5,000	SGLB										Yes		
16	9	4/7/2011	09:30:55	9:30:55	FANC	P	S	5,000	SGLB										Yes		
17		4/7/2011	09:30:58	09:30:58	FANC	P	S	5,000	SGLB										Yes		
18		4/7/2011	09:31:09	09:31:09	FANC	P	S	500	SGLB										Yes		
19	10	4/7/2011	13:32:24	13:32:24	FANC	P	B	10,000	SINX	9-1	4/7/2011	13:31:28	13:31:28	FANC	W	MERR	ME143AE5 570407201	DAY	No	N/A	Yes
20	11	4/7/2011	15:21:33	15:21:30	FANC	P	B	140,000	TYTN	10-1	4/7/2011	15:19:07		FANC	W	OPCO	FJT8505	DAY	Yes	N/A	No
										10-2	4/7/2011	15:19:45		FANC	W	OPCO	FJT8515	DAY	Yes	N/A	No
21		7/4/2011	15:19:48	15:19:48	FANC	P	B	100,000	TYTN	11-1	4/7/2011	15:19:45		FANC	W	OPCO	FJT8515	DAY	Yes	\$90.00	No
22		7/4/2011	15:21:28	15:21:28	FANC	P	B	800,000	TYTN										Yes		
23		7/4/2011	15:21:56	15:21:56	FANC	P	B	800,000	TYTN										Yes		
24	13	4/8/2011	10:10:51	10:10:51	FANC	P	S	5,000	CGAQ	12-1	4/8/2011	10:10:12		FANC	W	OPCO	FJU2964	DAY	Yes	\$2.50	No
25	14	4/8/2011	12:53:34	12:53:34	FANC	P	S	10,000	WBSI	13-1	4/8/2011	12:36:59		FANC	W			DAY	Yes	N/A	No
26	15	4/14/2011	15:29:45	15:29:45	FANC	P	S	10,000	MZEI	14-1	3/30/2011	11:14:41		FANC	W			GTC	No	N/A	No
27	16	4/15/2011	15:13:20	15:13:20	FANC	P	S	25,000	CGAQ	15-1	4/15/2011	15:12:24		FANC	W	OPCO	FJZ7601	DAY	Yes	\$12.50	No
28	17	4/18/2011	15:33:04	15:33:04	FANC	P	S	200,000	DIII	16-1	4/18/2011	15:30:28	15:30:28	FANC	W	MERR	ME144MV8 290418201	GTC	No	N/A	Yes
29	20	4/20/2011	10:34:48	10:34:48	FANC	P	S	500	LEXG	18-1	4/20/2011	10:17:11	10:17:11	FANC	W	SCAI	CCI1373039	DAY	Yes	N/A	No
30	21	4/21/2011	09:41:13	9:41:13	FANC	P	S	25,000	ABPR	19-1	4/21/2011	09:40:18		FANC	W	MLEX	AGE6256	DAY	Yes	N/A	No
31	22	4/21/2011	10:18:05	10:18:05	FANC	P	S	5,000	KHZM	20-1	4/21/2011	10:08:47	10:08:47	FANC	W	MERR	ME404TU2 400421201	DAY	No	N/A	Yes
32	23	4/25/2011	11:19:31	11:19:31	FANC	P	S	5,000	DIII	21-1	4/18/2011	15:30:28	15:30:28	FANC	W	MERR	ME144MV8 290418201	GTC	No	N/A	Yes
33	24	4/25/2011	10:54:31	10:54:31	FANC	P	B	10,000	ETEV	22-1	3/29/2011	13:15:15		FANC	W	MLEX	AFP8847	GTC	Yes	N/A	No
34	28	5/2/2011	09:32:49	9:32:49	FANC	P	S	5,000	SGLB	25-1	5/2/2011	09:31:28		FANC	W	OPCO	FKK2300	DAY	Yes	N/A	No
35	29	5/2/2011	09:34:05	9:34:04	FANC	P	S	5,000	SGLB										Yes		
36	30	5/3/2011	15:13:29	15:13:29	FANC	P	S	2,500	AIDO	26-1	5/3/2011	14:11:36		FANC	W	MLEX	AGM4884	GTC	Yes	N/A	No
37	31	5/3/2011	11:28:53	11:28:53	FANC	P	B	500	MRVC	27-1	5/3/2011	09:39:30	09:39:30	FANC	W	ANDG	25061315- 73-72-E	DAY	No	N/A	Yes
38	32	5/3/2011	12:00:59	12:00:59	FANC	P	B	3,500	MRVC										No		
39	33	5/4/2011	10:33:58	10:33:58	FANC	P	S	10,000	SINX	28-1	5/4/2011	10:30:06	10:30:06	FANC	W	MERR	MEN211X2 560504201	DAY	No	N/A	Yes
40	34	5/5/2011	14:01:02	14:01:02	FANC	P	B	2,500	PRWP	29-1	5/5/2011	13:59:08		FANC	W	SPHN	AAB2207	GTC	Yes	N/A	No
41	35	5/5/2011	14:01:29	14:01:29	FANC	P	B	5,000	PRWP										Yes		
42	36	5/5/2011	14:28:59	14:28:59	FANC	P	B	500	PRWP										Yes		
43	37	5/5/2011	14:29:31	14:29:30	FANC	P	B	2,500	PRWP										Yes		
44	38	5/5/2011	12:49:58	12:49:58	FANC	P	S	10,000	VRNI	30-1	5/5/2011	12:42:21	12:42:21	FANC	W	MERR	ME4012XM 570505201	DAY	No	N/A	Yes
45	39	5/5/2011	15:20:13	15:20:13	FANC	P	S	5,000	VRNI	31-1	5/5/2011	15:11:49	15:11:49	FANC	W	MERR	ME4019GX 900505201	GTC	No	N/A	Yes
46	40	5/6/2011	13:17:43	13:17:42	FANC	P	S	4,573	VRNI	32-1	5/6/2011	09:35:15	09:35:15	FANC	W	MERR	ME404UG9 105062011	DAY	No	N/A	Yes
47	41	5/6/2011	15:01:57	15:01:56	FANC	P	S	5,000	VRNI	33-1	5/6/2011	14:58:29	14:58:29	FANC	W	MERR	ME4020RX 970506201	GTC	No	N/A	Yes
48	43	5/25/2011	10:50:31	10:50:30	FANC	P	S	90,000	PRMK	35-1	5/25/2011	10:49:40		FANC	W	STFL	KTEZ3108	GTC	Yes	N/A	No
										35-2	5/25/2011	10:49:06		FANC	W	STFL	KTEY9908	GTC	Yes	N/A	No
49	44	6/7/2011	11:31:49	11:31:49	FANC	P	B	5,000	LBSR	36-1	6/7/2011	11:30:34		FANC	W	SPHN	AAB3411	DAY	Yes	\$2.00	No
50		6/7/2011	11:31:52	11:31:52	FANC	P	B	5,000	LBSR										Yes		
51	45	6/16/2011	11:27:22	11:27:22	FANC	P	S	2,500	WTF5	37-1	6/16/2011	11:22:15		FANC	W	MLEX	AHM0454	DAY	Yes	\$0.25*	No
52	46	6/16/2011	11:28:13	11:28:13	FANC	P	S	2,500	WTF5										Yes		
53	47	6/16/2011	14:36:38	14:36:38	FANC	P	B	2,500	WTF5	38-1	6/16/2011	14:36:12		FANC	W	MLEX	AHM3641	DAY	Yes	\$12.50	No
54	48	6/16/2011	14:36:43	14:36:43	FANC	P	B	2,500	WTF5										Yes		
55	49	6/16/2011	14:36:56	14:36:56	FANC	P	B	2,500	WTF5										Yes		
56	50	6/24/2011	13:03:58	13:03:58	FANC	P	B	5,000	POTG	39-1	6/24/2011	13:02:47		FANC	W	MLEX	AHQ5105		GTC	Yes	N/A

Part I: Triggering Transactions													Part II: Order Details							Staff's Analysis			
No.	Exception #	Trade Report Date	Trade Report Time	Execution Time	MPID	Capacity	Side	Trade Vol	Issue Symbol	Order Letter	Order Received Date	Order Received Time	Desk Received Time	Account Type Code	Routing Firm MPID	Routed Order ID	TIF	Special Handling Code	OP Violation	Restitution Amount	Books and Records Violation		
1	2	1/6/2012	15:05:46	15:05:46	FANC	P	B	73,310	SKNY	B	1/6/2012	15:05:26		FANC	U	MLEX	ALW7497	DAY		Yes	\$3.67	No	
2	3	1/6/2012	15:06:12	15:06:12	FANC	P	B	73,310	SKNY										Yes	\$3.67	No		
3	4	1/17/2012	10:11:03	10:11:03	FANC	P	S	5,000	ANYI	C	1/17/2012	10:09:52	10:09:52	FANC	U	MSGP	MP113FW21301172012	GTC		Yes	\$50.00	No	
4	7	1/18/2012	09:33:58	9:33:57	FANC	P	S	5,000	ANYI	E	1/18/2012	08:09:39	08:09:39	FANC	U	MSGP	MP111LK001182012	GTC		Yes	\$20.00	No	
5	8	1/19/2012	12:50:34	12:50:33	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AA42746		Yes	\$10.00	No		
										G	1/19/2012	12:49:17		FANC	U	STFL	AA42747		Yes	N/A	No		
										H	1/19/2012	12:49:49		FANC	U	STFL	AA42748		Yes	N/A	No		
6	9	1/19/2012	12:50:48	12:50:48	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AA42746		Yes	N/A	No		
										G	1/19/2012	12:49:17		FANC	U	STFL	AA42747		Yes	N/A	No		
										H	1/19/2012	12:49:49		FANC	U	STFL	AA42748		Yes	N/A	No		
7	10	1/19/2012	12:50:55	12:50:55	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AA42746		Yes	N/A	No		
										G	1/19/2012	12:49:17		FANC	U	STFL	AA42747		Yes	N/A	No		
										H	1/19/2012	12:49:49		FANC	U	STFL	AA42748		Yes	N/A	No		
8	11	1/19/2012	12:50:56	12:50:56	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AA42746		Yes	\$5.00	No		
										G	1/19/2012	12:49:17		FANC	U	STFL	AA42747		Yes	N/A	No		
										H	1/19/2012	12:49:49		FANC	U	STFL	AA42748		Yes	N/A	No		
9	12	1/19/2012	12:51:28	12:51:28	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AA42746		Yes	N/A	No		
										G	1/19/2012	12:49:17		FANC	U	STFL	AA42747		Yes	N/A	No		
										H	1/19/2012	12:49:49		FANC	U	STFL	AA42748		Yes	N/A	No		
10	13	1/19/2012	12:51:30	12:51:30	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AA42746		Yes	N/A	No		
										G	1/19/2012	12:49:17		FANC	U	STFL	AA42747		Yes	N/A	No		
										H	1/19/2012	12:49:49		FANC	U	STFL	AA42748		Yes	N/A	No		
11	14	1/19/2012	12:57:16	12:57:16	FANC	P	B	5,000	EKDKQ	I	1/19/2012	12:56:01		FANC	U	STFL	AA42754		Yes	N/A	No		
12	15	1/19/2012	12:57:24	12:57:24	FANC	P	B	5,000	EKDKQ										Yes	N/A	No		
13	16	1/20/2012	13:21:20	13:21:20	FANC	P	S	2,500	NSRS	J	1/20/2012	13:21:07		FANC	U	STFL	AAA3373		Yes	\$116.25	No		
14	18	1/31/2012	14:49:52	14:49:52	FANC	P	S	124,000	SUNV	L	1/31/2012	14:49:39		FANC	U	MLEX	AMN6596		Yes	\$12.40	No		
15	30	2/6/2012	15:28:41	15:28:41	FANC	P	S	5,100	NSRS										Yes	\$43.86	No		
16	31	2/6/2012	15:29:03	15:29:03	FANC	P	S	500	NSRS	S	2/6/2012	15:28:25		FANC	U	STFL	AAB3494		Yes	\$4.30	No		
17	32	2/6/2012	15:29:22	15:29:22	FANC	P	S	500	NSRS										Yes	\$4.30	No		
18	33	2/6/2012	15:29:23	15:29:23	FANC	P	S	1,100	NSRS										Yes	\$9.46	No		
19	34	2/6/2012	10:27:50	10:27:50	FANC	P	B	698	RVUE	T	2/6/2012	10:25:27		FANC	U	STFL	AAB3101	DAY	Yes	\$6.98	No		
20	35	2/8/2012	11:38:40	11:38:40	FANC	P	B	50,000	NSRS	U	2/8/2012	11:37:11	11:37:11	FANC	U	SPTD	S120208000010	DAY	Yes	\$50.00	No		
21	37	2/10/2012	09:41:02	9:41:02	FANC	P	S	8,650	APNT	W	2/9/2012	12:53:50		FANC	U	STFL	AAB5991	GTC	Yes	N/A	No		
22	43	2/14/2012	13:59:43	13:59:43	FANC	P	S	2,500	DGHG	AA	2/14/2012	12:49:49	12:49:49	FANC	U	MERR	ME401KW76202142012	DAY	No	N/A	Yes		
23	44	2/14/2012	14:00:51	14:00:51	FANC	P	S	2,500	DGHG	AB	2/14/2012	13:33:22	13:33:22	FANC	U	MERR	ME402LC86102142012	DAY	No	N/A	Yes		
24	45	3/19/2012	10:01:32	10:01:32	FANC	P	B	20,000	NEOM	AA	2/14/2012	12:49:49	12:49:49	FANC	U	MERR	ME401KW76202142012	DAY	No	N/A	Yes		
25	46	3/19/2012	10:01:55	10:01:55	FANC	P	B	100,000	NEOM	AC	3/19/2012	10:00:44	10:00:44	FANC	U	MERR	ME155XT21603192012	DAY	No	N/A	Yes		
26	48	3/28/2012	11:42:24	11:42:24	FANC	P	S	10,000	AXPW										No	N/A	Yes		
27	49	3/28/2012	11:42:34	11:42:34	FANC	P	S	5,000	AXPW	AE	3/28/2012	09:30:00		FANC	I				Yes	N/A	No		
28	50	3/28/2012	13:53:39	13:53:39	FANC	P	S	10,000	AXPW									DJR	Yes	N/A	No		

Part I: Triggering Transactions																Part II: Order Details						Staff's Analysis			
Exception #	Trade Report Date	Trade Report Time	Execution Time	MPID	Capacity	Side	Trade Vol	Issue Symbol	Order Letter	Order Received Date	Order Received Time	Desk Received Time	Account Type Code	Routing Firm MPID	Routed Order ID	TIF	Special Handling Code	OP Violation	Restitution Amount	Books and Records Violation					
1	2	1/6/2012	15:05:46	15:05:46	FANC	P	B	73,310	SKNY	B	1/6/2012	15:05:26		FANC	U	MLEX	ALW7497	DAY	Yes	\$3.67	No				
2	3	1/6/2012	15:06:12	15:06:12	FANC	P	B	73,310	SKNY									Yes	\$3.67	No					
3	4	1/17/2012	10:11:03	10:11:03	FANC	P	S	5,000	ANYI	C	1/17/2012	10:09:52	10:09:52	FANC	U	MSGP	MP113FW21301172012	GTC	Yes	\$50.00	No				
4	7	1/18/2012	09:33:58	9:33:57	FANC	P	S	5,000	ANYI	E	1/18/2012	08:09:39	08:09:39	FANC	U	MSGP	MP111LK001182012	GTC	Yes	\$20.00	No				
5	8	1/19/2012	12:50:34	12:50:33	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AAA2746		Yes	\$10.00	No				
										G	1/19/2012	12:49:17		FANC	U	STFL	AAA2747		Yes	N/A	No				
										H	1/19/2012	12:49:49		FANC	U	STFL	AAA2748		Yes	N/A	No				
6	9	1/19/2012	12:50:48	12:50:48	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AAA2746		Yes	N/A	No				
										G	1/19/2012	12:49:17		FANC	U	STFL	AAA2747		Yes	N/A	No				
										H	1/19/2012	12:49:49		FANC	U	STFL	AAA2748		Yes	N/A	No				
7	10	1/19/2012	12:50:55	12:50:55	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AAA2746		Yes	N/A	No				
										G	1/19/2012	12:49:17		FANC	U	STFL	AAA2747		Yes	N/A	No				
										H	1/19/2012	12:49:49		FANC	U	STFL	AAA2748		Yes	N/A	No				
8	11	1/19/2012	12:50:56	12:50:56	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AAA2746		Yes	\$5.00	No				
										G	1/19/2012	12:49:17		FANC	U	STFL	AAA2747		Yes	N/A	No				
										H	1/19/2012	12:49:49		FANC	U	STFL	AAA2748		Yes	N/A	No				
9	12	1/19/2012	12:51:28	12:51:28	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AAA2746		Yes	N/A	No				
										G	1/19/2012	12:49:17		FANC	U	STFL	AAA2747		Yes	N/A	No				
										H	1/19/2012	12:49:49		FANC	U	STFL	AAA2748		Yes	N/A	No				
10	13	1/19/2012	12:51:30	12:51:30	FANC	P	S	5,000	EKDKQ	F	1/19/2012	12:48:47		FANC	U	STFL	AAA2746		Yes	N/A	No				
										G	1/19/2012	12:49:17		FANC	U	STFL	AAA2747		Yes	N/A	No				
										H	1/19/2012	12:49:49		FANC	U	STFL	AAA2748		Yes	N/A	No				
11	14	1/19/2012	12:57:16	12:57:16	FANC	P	B	5,000	EKDKQ	I	1/19/2012	12:56:01		FANC	U	STFL	AAA2754		Yes	N/A	No				
12	15	1/19/2012	12:57:24	12:57:24	FANC	P	B	5,000	EKDKQ									Yes	N/A	No					
13	16	1/20/2012	13:21:20	13:21:20	FANC	P	S	2,500	NSRS	J	1/20/2012	13:21:07		FANC	U	STFL	AAA3373		Yes	\$116.25	No				
14	18	1/31/2012	14:49:52	14:49:52	FANC	P	S	124,000	SUNV	L	1/31/2012	14:49:39		FANC	U	MLEX	AMN6596		Yes	\$12.40	No				
15	30	2/6/2012	15:28:41	15:28:41	FANC	P	S	5,100	NSRS									Yes	\$43.86	No					
16	31	2/6/2012	15:29:03	15:29:03	FANC	P	S	500	NSRS	S	2/6/2012	15:28:25		FANC	U	STFL	AAB3494		Yes	\$4.30	No				
17	32	2/6/2012	15:29:22	15:29:22	FANC	P	S	500	NSRS									Yes	\$4.30	No					
18	33	2/6/2012	15:29:23	15:29:23	FANC	P	S	1,100	NSRS									Yes	\$9.46	No					
19	34	2/6/2012	10:27:50	10:27:50	FANC	P	B	698	RVUE	T	2/6/2012	10:25:27		FANC	U	STFL	AAB3101	DAY	Yes	\$6.98	No				
20	35	2/8/2012	11:38:40	11:38:40	FANC	P	B	50,000	NSRS	U	2/8/2012	11:37:11	11:37:11	FANC	U	SPTD	S12020800010	DAY	Yes	\$50.00	No				
21	37	2/10/2012	09:41:02	9:41:02	FANC	P	S	8,650	APNT	W	2/9/2012	12:53:50		FANC	U	STFL	AAB5991	GTC	Yes	N/A	No				
22	43	2/14/2012	13:59:43	13:59:43	FANC	P	S	2,500	DGHG	AA	2/14/2012	12:49:49	12:49:49	FANC	U	MERR	ME401KW76202142012	DAY	No	N/A	Yes				
23	44	2/14/2012	14:00:51	14:00:51	FANC	P	S	2,500	DGHG	AB	2/14/2012	13:33:22	13:33:22	FANC	U	MERR	ME402LC86102142012	DAY	No	N/A	Yes				
24	45	3/19/2012	10:01:32	10:01:32	FANC	P	B	20,000	NEOM	AA	2/14/2012	12:49:49	12:49:49	FANC	U	MERR	ME401KW76202142012	DAY	No	N/A	Yes				
25	46	3/19/2012	10:01:55	10:01:55	FANC	P	B	100,000	NEOM	AC	3/19/2012	10:00:44	10:00:44	FANC	U	MERR	ME155XT21603192012	DAY	No	N/A	Yes				
26	48	3/28/2012	11:42:24	11:42:24	FANC	P	S	10,000	AXPW									No	N/A	Yes					
27	49	3/28/2012	11:42:34	11:42:34	FANC	P	S	5,000	AXPW	AE	3/28/2012	09:30:00		FANC	I				Yes	N/A	No				
28	50	3/28/2012	13:53:39	13:53:39	FANC	P	S	10,000	AXPW								DJR	Yes	N/A	No					

Exception #	Order Receipt Date	Event Type	Firm MPID	Order Received Time	Desk Received Time	Buy / Sell	Quantity	Issue Symbol	Firm Order ID	Special Handling Codes	Reporting Exception Code	Execution Time	Last Principal Fill Execution Time	Total Order Duration	MOT Violation	Restitution
1	1/7/2013	NW	FANC	11:04:53	11:04:53	B	1,000	DDD	BRSO0022			11:05:30	11:05:30	00:00:37	Yes	\$9.20
2	1/7/2013	NW	FANC	11:25:46	11:25:46	B	2,000	SSVS	BRSO0025			11:26:51	11:26:51	00:01:05	Yes	\$179.00
3	1/8/2013	NW	FANC	13:08:20	13:08:20	B	100	FB	AH012XL55001082013			13:09:13	13:09:13	00:00:53	Yes	\$2.00
4	1/18/2013	NW	FANC	10:31:04	10:31:04	SL	1,000	HES	BRSO0006			10:32:01	10:32:01	00:00:57	Yes	N/A
5	1/23/2013	NW	FANC	10:37:15	10:37:15	SL	800	DDD	BRSO0029			10:38:19	10:38:19	00:01:04	Yes	\$124.00
6	1/28/2013	NW	FANC	13:05:36	13:05:36	B	1,000	LNKD	BRSO0101			13:06:07	13:06:07	00:00:31	Yes	\$16.00
7	1/31/2013	OE	FANC	09:16:46	09:16:46	SL	2,500	INSM	BRSO0013			09:31:25	9:31:25	01:25:00	Yes	N/A
8	2/8/2013	NW	FANC	09:42:20	09:42:20	SL	1,000	M	BRSO0028			09:43:03	09:43:03	00:00:43	Yes	\$50.00
9	2/12/2013	NW	FANC	11:09:57	11:09:57	B	5,000	VHC	BRSO0082			11:11:29	11:11:29	00:01:32	Yes	\$444.00
10	2/12/2013	NW	FANC	11:11:12	11:11:12	SL	700	KORS	BRSO0083			11:12:02	11:12:02	00:00:50	Yes	\$66.00
11	2/12/2013	NW	FANC	14:02:41	14:02:41	SL	2,500	MITK	BRSO0113			14:04:00	14:04:00	00:01:19	Yes	\$21.00
12	2/12/2013	NW	FANC	14:09:21	14:09:21	B	1,110	VRNG	BRSO0116			14:11:12	14:11:12	00:01:51	Yes	N/A
13	2/12/2013	NW	FANC	14:07:09	14:07:09	SL	2,500	MITK	BRSO0115			14:11:19	14:11:19	00:04:10	Yes	\$80.98
14	2/14/2013	NW	FANC	13:22:01	13:22:01	SL	2,200	DGIT	BRSO0088			13:24:06	13:24:06	00:02:05	Yes	\$46.00
15	2/20/2013	NW	FANC	14:04:38	14:04:38	SL	800	EBAY	BRSO0109			14:05:12	14:05:12	00:00:34	Yes	N/A
16	3/12/2013	NW	FANC	11:00:17	11:00:17	B	500	CSTR	BRSO0018			11:00:54	11:00:54	00:00:37	Yes	N/A
17	3/22/2013	NW	FANC	10:19:47	10:19:47	B	1,000	DDD	BRSO0004			10:20:20	10:20:20	00:00:33	Yes	\$90.00

Part I: Triggering Transactions															Part II: Order Details										Part III: Staff's Analysis															
Item #	Exception #	Trade Report Date	Trade Report Time	Execution Time	Firm	Firm ID Type	Capacity	Side	Trade Vol	Issue Symbol	Trade Price	Counter party Firm ID	Counter party Firm ID Type	Counter party Capacity	Branch Sequence ID / Exchange Order ID	Order Letter	Event Type	Order Received Date	Order Received Time	Desk Received Time	Order to Buy/Sell	Quantity	Issue Symbol	Order Type	Limit Price	Account Firm Order ID	Account Firm MPID	Routing Firm MPID	Routed Order ID	TIF	Special Handling Code	Execution Time(s)	Executed Share Quantity	Execution Price	Canceled Time	OP Violation (Trading Ahead)	OP Violation (Failure to Cross)	Restitution Amount	Failure to Follow Customer Instructions	
1	8	7/29/2013	09:32:46	9:32:46	FANC	M	P	B	2,400	SOUL	1.14	BKRT	M	P	10001365	C	OE	7/29/2013	09:29:50	09:29:50	FANC	B	10,000	SOUL	L	1.36	BRSC0012	U	SPTD	S130729000011	DAY		9:33:09	10,000	1.28		Yes	No	\$336.00	No
2	11	8/2/2013	12:02:40	12:02:40	FANC	M	P	B	25,000	XUII	0.321	OFKS	M	A	13000212	E	OE	8/2/2013	12:02:31	12:02:31	FANC	B	2,500	XUII	L	0.322	BRSC0016	U	SPTD	S130802000007	DAY		12:02:57	2,500	0.322		Yes	Yes	\$2.50	No
3	13	8/12/2013	09:30:56	9:30:55	FANC	M	P	B	10,000	EXHI	0.086	VNDM	M	P	10000711	G	NW	8/12/2013	09:30:23	09:30:23	FANC	B	30,000	EXHI	L	0.09	BRSC0006	U	SPTD	S130812000002	DAY		N/A	N/A	09:32:14		No	\$450.00	No	
4	16	9/12/2013	09:25:47	9:25:47	FANC	M	P	B	20,000	PVEN	0.145	BMAK	M	P	10000181	J	OE	9/12/2013	09:24:50	09:24:50	FANC	B	10,000	PVEN	L	0.13	BRSC0011	U	SPTD	S130912000006	DAY		9:27:19	15,000	0.13		Yes	No	N/A	Yes
5	17	9/12/2013	09:25:59	9:25:59	FANC	M	P	B	10,000	PVEN	0.145	BMAK	M	P	10000185	K	OE	9/12/2013	09:24:50	09:24:50	FANC	B	10,000	PVEN	L	0.12	BRSC0006	U	SPTD	S130912000010	DAY		9:27:21	10,000	0.145		Yes	No	N/A	Yes
6	18	9/12/2013	09:27:35	9:27:35	FANC	M	P	B	50,000	PVEN	0.145	BMAK	M	P	10000229	L	OE	9/12/2013	09:25:01	09:25:01	FANC	B	10,000	PVEN	L	0.15	BRSC0009	U	SPTD	S130912000011	DAY		9:27:08	10,000	0.145		Yes	No	N/A	Yes
7	19	9/12/2013	09:27:57	9:27:57	FANC	M	P	B	10,000	PVEN	0.145	BMAK	M	P	10000254		OE	9/12/2013	09:27:23	09:27:23	FANC	B	50,000	PVEN	L	0.16	BRSC0008	U	SPTD	S130912000017	DAY		9:28:13	50,000	0.16		Yes	No	\$750.00	Yes
8	20	9/12/2013	09:28:27	9:28:27	FANC	M	P	B	50,000	PVEN	0.145	BMAK	M	P	10000295		OE	9/12/2013	09:28:10	09:28:10	FANC	B	50,000	PVEN	L	0.155	BRSC0009	U	SPTD	S130912000025	DAY		9:29:31	50,000	0.15		Yes	No	\$250.00	Yes
9	21	9/12/2013	09:24:36	9:24:36	FANC	M	P	B	50,000	PWEI	0.0551	BMAK	M	P	10000159	N	OE	9/12/2013	09:23:20	09:23:20	FANC	B	100,000	PWEI	L	0.0552	BRSC0005	U	SPTD	S130917000009	DAY		9:25:19	100,000	0.0552		Yes	No	\$7.00	Yes
10	22	9/12/2013	09:24:48	9:24:47	FANC	M	P	B	20,000	PWEI	0.0551	ARCA	M	A	10000165		OE	9/12/2013	16:00:07	16:00:07	FANC	B	20,000	PCWT	L	0.0871	BRSC0031	U	SPTD	S130917000094	DAY		16:00:38	20,000	0.0871		Yes	Yes	N/A	Yes
11	23	9/17/2013	16:00:25	16:00:25	FANC	M	P	B	1,000,000	PCWT	0.087	OFKS	M	A	59000431	O	OE	9/17/2013	16:00:09	16:00:09	FANC	B	10,000	PCWT	L	0.0871	BRSC0032	U	SPTD	S130917000095	DAY		16:00:37	10,000	0.0871		Yes	Yes	N/A	Yes
12	28	9/23/2013	09:54:37	9:54:37	FANC	M	P	S	500	MEDA	1.27	ATDF	M	P	10004821	R	NW	9/23/2013	09:54:31	09:54:31	FANC	SL	6,500	MEDA	L	1.25	BRSC0017	U	SPTD	S130923000028	DAY		9:55:12	1,500	1.25		Yes	No	\$10.00	No