

FINANCIAL INDUSTRY REGULATORY AUTHORITY 2014 APR 14 AM 11:23
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120323412-01

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

RE: GMP Securities, LLC, Respondent
Broker-Dealer
CRD No. 41025

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, GMP Securities, LLC, which was known as Miller Tabak Roberts Securities, LLC prior to January 17, 2012 (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 June 11, 1997, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In Market Regulation Review No. 20120323412, FINRA's Market Analysis Section ("staff") conducted a review of the firm's compliance with FINRA Rule 6460 and related supervision requirements during the period of October 1, 2011 through December 31, 2011 (the "4Q2011 Review Period").

In Market Regulation Review No. 20130355129, the staff conducted a review of the firm's compliance with FINRA Rule 6460 and related supervision requirements during the period of July 1, 2012 through September 30, 2012 (the "3Q2012 Review Period").

In connection with Review No. 20120323412,

1. During the 4Q2011 Review Period, the firm failed to publish immediately a bid or offer that reflected the price and the full size of 16 customer limit orders for OTC Equity Securities held by the firm that were at a price that would have improved the bid or offer of the firm in such securities. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6460.

In connection with Review No. 20130355129,

2. During the 3Q2012 Review Period, the firm failed to publish immediately a bid or offer that reflected the price and the full size of six customer limit orders for OTC Equity Securities held by the firm that were at a price that would have improved the bid or offer of the firm in such securities. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6460.

In connection with Review Nos. 20120323412 and 20130355129,

3. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA, concerning limit order display requirements. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such supervisory step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes violations of NASD Rule 3010 and FINRA Rule 2010.

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

A censure, a fine of \$25,000 (consisting of \$10,000 for the FINRA Rule 6460 violations during the 4Q2011 Review Period, \$7,500 for the FINRA Rule 6460 violations during the 3Q2012 Review Period, and 7,500 for the combined supervisory findings from both review periods), and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.3 above. Within 30 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a

registered principal of the Respondent shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph I.A.3; and, (3) the date the revised procedures were implemented.

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 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.

April 11, 2014
Date

MICHAEL F. SULLIVAN
CHIEF COMPLIANCE OFFICER
GMP SECURITIES, LLC
Michael F. Sullivan

Respondent
GMP Securities, LLC

By: Michael F. Sullivan

Name: Michael F. Sullivan

Title: Chief Compliance Officer

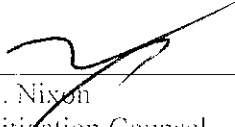
Reviewed by:

Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

May 2, 2014
Date

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



James J. Nixon
Chief Litigation Counsel
Department of Market Regulation

**STATEMENT OF CORRECTIVE ACTION SUBMITTED BY GMP SECURITIES, LLC
IN CONNECTION WITH FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

GMP Securities, LLC (the “Firm”), due to the manner in which it handled certain customer limit orders in OTC Equities, failed to correctly publish immediately a bid or offer for a number of customer limit orders that would have improved the bid or offer in such securities in accordance with FINRA Rule 6460. These orders occurred during the review periods of October 1, 2011 through December 31, 2011 and July 1, 2012 through September 30, 2012 (the “Review Periods”).

Immediately following receipt of the Staff’s letter pertaining to the above, the Firm, under the supervision of the CCO undertook the following corrective measures:

- 1.) Reaffirmed with all Equity traders, the Firm’s policy of accepting only “Not Held” equity orders from its customers.
- 2.) The Firm ensured that all settings on its equity order management system, SSEOMS have been set up and calibrated to comply with all regulatory requirements in accordance with FINRA Rule 6460 and to specifically provide Limit Order Display alerts whenever an exception occurs.
- 3.) The CCO has subscribed to OTCQuote.com, which allows the CCO to monitor and have access to all Level 2 quotes entered via the OTC Link system.
- 4.) Simultaneously, the Firm updated its policies and procedures (WSP’s) to reflect all regulatory, procedural, and supervisory enhancements made with respect to these two inquiries in order to satisfy FINRA Rule 6460.

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