

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120349441**

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

**RE: Richard M. Vecchione, Respondent
(CRD No. 4890106)**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Richard M. Vecchione ("Vecchione") submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

Vecchione joined FINRA regulated broker-dealer G-Trade Services LLC ("G-Trade" or the "Firm") in July 2007 as an unregistered senior manager in the Firm's Core Accounting department. Vecchione remained employed at G-Trade until his termination on September 12, 2012. Vecchione does not hold and has never held any securities licenses.

Vecchione has not been associated with a FINRA regulated broker-dealer since September 12, 2012. FINRA retains jurisdiction over Vecchione pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Vecchione has no relevant disciplinary history.

OVERVIEW

During the course of an ongoing investigation into allegations that there was a \$5.7 million reconciliation disparity present between balances in the Firm's trading system and the relevant balance sheet balances on its general ledger, Vecchione failed to produce documents and information to FINRA as required pursuant to FINRA Rule 8210. By virtue of the conduct set forth herein, Vecchione violated FINRA Rule 8210 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Vecchione, in his role as a senior manager in the Firm's Core Accounting department, was responsible for various tasks including the daily management of billings, collections, revenue recognition, general ledger and month-end closings.

On August 8, 2013, during the course of an investigation into allegations that there was a \$5.7 million reconciliation disparity present between balances in the Firm's trading system and the relevant balance sheet balances on its general ledger, Enforcement staff sent a letter to Vecchione, pursuant to FINRA Rule 8210 (the "August 8, 2013 Letter"), requiring him to provide documents and information on or before August 26, 2013.

On August 16, 2013, in response to the August 8, 2013 Letter, Vecchione, via his attorney, forwarded correspondence to Enforcement staff (the "August 16, 2013 Letter") stating that "Vecchione respectfully declines to submit such responses [to Staff's August 8, 2013 Letter]." To date, Respondent has not produced the documents and information requested in the August 8, 2013 Letter as required pursuant to FINRA Rule 8210.

FINRA Rule 8210 authorizes FINRA, in the course of its investigations, to require persons associated with a FINRA member to "provide information orally, in writing, or electronically... and to testify at a location to be specified by [FINRA] staff, under oath or affirmation...with respect to any matter involved in the investigation."

By failing to produce the documents and information requested by the August 8, 2013 Letter, Vecchione violated FINRA Rule 8210 and FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

A bar from associating with any FINRA member firm in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II. WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; and

C. If accepted:

1. ~~this AWC will become part of my permanent disciplinary record and~~ may be considered in any future actions brought by FINRA or any other regulator against me;
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. I 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. I 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 my: (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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

11/19/13

Date:

Richard M. Vechione

Respondent Richard M. Vechione

Reviewed by:

Richard F.X. Guay, Esq.

Richard F.X. Guay, Esq.

Counsel for Respondent

Meyer, Suozzi, English & Klein, P.C.

1350 Broadway, Suite 501

New York, New York 10018-0026

Accepted by FINRA:

1.2.14

Date

Signed on behalf of the

Director of ODA, by delegated authority

Richard R. Best

Richard R. Best

Chief Counsel

FINRA Department of Enforcement

One World Financial Center

200 Liberty Street, 11th Floor

New York, New York 10281

Phone: (646) 315-7386

Fax: (646) 315-7425