

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035247201**

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

RE: Cabot Lodge Securities, LLC, Respondent
Member Firm
BD No. 159712

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Cabot Lodge Securities, LLC, ("Cabot Lodge" 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent Cabot Lodge 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

Cabot Lodge has been a FINRA member since August 2012. The Firm's business mix includes retail sales of over the counter equities, U.S. government securities, bonds, mutual funds, municipal securities, mortgage or asset backed securities, life insurance or annuities, gas or oil interests, options, and tax shelter or limited partnerships. The Firm also acts as an Underwriter, Real Estate Syndicator, and engages in private placements and other non-securities businesses. Cabot Lodge operates on a fully disclosed clearing arrangement through another FINRA member. The Firm employs approximately 113 registered representatives. At all times relevant hereto, Cabot Lodge's net capital requirement was the greater of \$5,000 or 12.5% of the Firm's aggregate indebtedness.

RELEVANT DISCIPLINARY HISTORY

Cabot Lodge has no disciplinary history.

OVERVIEW

During the period from October 16, 2012, through December 12, 2012, (the "Relevant Period"), the Firm conducted a securities business on various dates while failing to maintain its required minimum net capital. By reason of the foregoing, the Firm was in violation of Section 15(c) of the Securities Exchange Act of 1934 ("Exchange Act"), Exchange Act Rule 15c3-1 promulgated thereunder, and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Exchange Act Rule 15c3-1(a) requires broker-dealers to maintain certain minimum levels of net capital. During the Relevant Period, the Firm's required net capital was the greater of \$5,000 or 12.5% of aggregate indebtedness pursuant to such Rule.

The Firm conducted a securities business on the business days during the following three periods while it did not meet its net capital requirements: 1) October 16-30, 2012; 2) November 1-19, 2012; and 3) November 26- December 12, 2012. During these periods of time, the Firm's minimum required net capital requirements ranged from \$9,568 to \$23,763, and the Firm's net capital deficiencies ranged from \$1,611 to \$109,929.

By reason of the foregoing, the Firm was in violation of Section 15(c) of the Exchange Act, Exchange Act Rule 15c3-1 promulgated thereunder, and FINRA Rule 2010.

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

- o Censure; and
- o Fine of \$20,000

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 Respondent proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that Respondent 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 Respondent;
- 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 Respondent; and

C. If accepted:

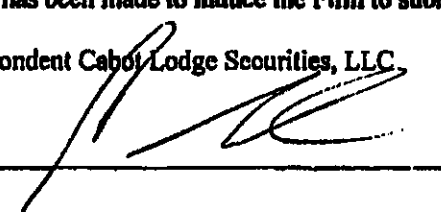
1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA 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 Respondent 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 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 Firm to submit it.

4-2-15
Date (mm/dd/yyyy)

Respondent Cabot Lodge Securities, LLC

By: 

Reviewed by:



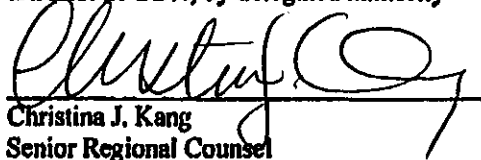
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Accepted by FINRA:

May 6, 2015

Date

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



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