

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2013035305701**

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

RE: Intercoastal Capital Markets, Inc., Respondent  
Member  
CRD No. 83

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Intercoastal Capital Markets, Inc. ("Intercoastal") 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 Intercoastal alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Intercoastal 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**

Intercoastal has been a FINRA member since September 1952, has approximately 22 registered persons, and maintains its principal place of business in Boca Raton, Florida. Intercoastal is approved to conduct a retail securities business.

**RELEVANT DISCIPLINARY HISTORY**

Intercoastal has no relevant disciplinary history.

**FACTS AND VIOLATIVE CONDUCT**

1. From June 3, 2013 through August 30, 2013 (the "relevant period"), Intercoastal failed to timely report to TRACE 37 transactions in TRACE-eligible Securitized Products within the time required by FINRA Rule 6730. These 37 transactions constitute 3.4 percent of the total number of transactions in TRACE-eligible Securitized Products that Intercoastal reported to TRACE during the relevant period. The conduct described in

this paragraph constitutes separate and distinct violations of FINRA Rule 6730(a) and a pattern or practice of late reporting without exceptional circumstances in violation of FINRA Rule 2010.

2. During the relevant period, Intercoastal failed to report to TRACE 19 transactions in TRACE-eligible Securitized Products that it was required to report. These 19 transactions constitute 1.75 percent of the total number of transactions in TRACE-eligible Securitized Products that Intercoastal reported to TRACE during the relevant period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730(b) and a pattern or practice of late reporting without exceptional circumstances in violation of FINRA Rule 2010.

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

- A censure;
- A fine in the amount of \$7,500; and
- An undertaking to report to TRACE the transactions that were not previously reported, as described in paragraph I.A.2. Within 30 business days of acceptance of this AWC by the National Adjudicatory Counsel ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), a registered principal of the Respondent shall submit to Kevin D. Rosen, Principal Regional Counsel, FINRA Department of Enforcement, 5200 Town Center Circle, Tower I, Suite 200, Boca Raton, Florida 33486, a signed, dated letter or an e-mail from a work-related account of the registered principal to [kevin.rosen@finra.org](mailto:kevin.rosen@finra.org), providing the following information: (1) a reference to this matter; (2) a representation that Intercoastal has reported the previously unreported transactions to TRACE; and (3) the date the transactions were reported to TRACE.

Intercoastal agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Intercoastal has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Intercoastal 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**

Intercoastal specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Intercoastal;
- 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, Intercoastal 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.

Intercoastal 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**

Intercoastal 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 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 Intercoastal; and
- C. If accepted:
  - 1. this AWC will become part of Intercoastal's permanent disciplinary record

and may be considered in any future actions brought by FINRA or any other regulator against Intercoastal;

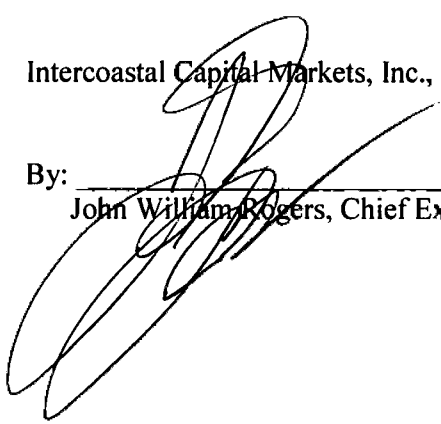
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Intercoastal's disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Intercoastal 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. Intercoastal 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 Intercoastal'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. Intercoastal may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Intercoastal 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 Intercoastal, 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 Intercoastal 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 Intercoastal to submit it.

09/05/2014  
Date (mm/dd/yyyy)

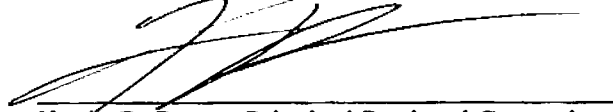
Intercoastal Capital Markets, Inc., Respondent

By:   
John William Rogers, Chief Executive Officer

Accepted by FINRA:

09/11/2014  
Date

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



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