

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035376301**

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

RE: Dealerweb, Inc. (BD No. 19662)
Broker-Dealer
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Dealerweb, Inc. ("Dealerweb" 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

Dealerweb has been a member of FINRA since July 1987, and is a member of the Municipal Securities Rulemaking Board ("MSRB"). Dealerweb currently employs approximately 153 registered persons operating from 6 branch offices. Dealerweb is headquartered in Jersey City, New Jersey.

RELEVANT DISCIPLINARY HISTORY

In September 2013, FINRA issued an AWC (No. 2012033526101) in which Dealerweb was censured and fined \$5,000 for failing to report to TRACE the correct time of trade execution for 2,634 transactions in violation of FINRA Rule 6730.

FACTS AND VIOLATIVE CONDUCT

From July 2013 through September 2013, Dealerweb failed to accurately

report its trading capacity on 16,678 municipal securities transactions to the MSRB's Real-Time Reporting System. Specifically, Dealerweb reported these trades as agency trades when, in fact, the Firm was acting in a riskless principal capacity. By misreporting the 16,678 trades as agency trades, Dealerweb violated MSRB Rule G-14.

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

- a censure; and
- a \$20,000 fine.

The Firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. It has submitted an Election of Payment form showing the method by which it propose 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 imposed in this matter.

The sanction 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 it;
- 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, the Firm 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.

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 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 the Firm;
- 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 it;
 - 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. 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. It 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. It 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 the Firm 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.

02/12/2015
Date (mm/dd/yyyy)

Respondent:
Dealerweb, Inc.

By: [Signature]

Name: SCOTT D. ZUCKER

Title: Chief Admin. Officer
Dealerweb Inc.

Accepted by FINRA:

3/3/2015
Date

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

[Signature]

Alsmara J. Abreu
Principal Regional Counsel
FINRA Department of Enforcement
581 Main Street, Room 710
Woodbridge, NJ 07095
732-596-2079 (telephone)
202-721-6558 (facsimile)



Dealerweb

Dealerweb Inc.
Harborside Financial Center
2200 Plaza Five
Jersey City, NJ 07311-4993

phone: 201.536.5780
Fax: 201.915.3111
www.dealerweb.com

February 12, 2015

Aismara J. Abreu
FINRA
Principal Regional Counsel
New Jersey District Office
581 Main Street
Suite 710
Woodbridge, NJ 07095

Dear Ms. Abreu,

This is in response to the Letter of Acceptance, Waiver and Consent ("AWC") No. 2013035376301 sent to our Firm on February 10, 2015. The Firm has decided to include a Statement of Corrective Action to this letter.

This Corrective Action Statement is submitted by Dealerweb Inc. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff. The Firm's Statement is as follows:

"As of July 23, 2014, Dealerweb Inc. implemented a change to its municipal securities reporting to MSRB's Real-Time Reporting System such that Dealerweb Inc. correctly reports its capacity as principal (acting as Riskless Principal) in compliance with MSRB Rule G-14."

If you have any questions about this, please do not hesitate to call me at 646-484-2933.

Sincerely,

Nicholas Passarelli
Chief Compliance Officer
Dealerweb Inc.