

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20130357162-01

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

**RE: BNP Paribas Securities Corp., Respondent
Broker-Dealer
CRD No. 15794**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, BNP Paribas Securities Corp. (the "firm" or "Respondent") 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 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 Respondent became a member of FINRA on December 27, 1984 and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

This matter emanates from an investigation conducted by the Quality of Markets Section of the Department of Market Regulation (the "staff") regarding the accuracy of the firm's advertised trade volume for a number of securities as transmitted through Bloomberg L.P. ("Bloomberg") during the period June 2011 through July 2013 (the "First Review Period") and January 2012 through May 2015 (the "Second Review Period"). The investigation revealed that the firm experienced separate system issues during each of the review periods.

FACTS AND VIOLATIVE CONDUCT

1. Bloomberg is a private service provider that allows certain subscribers, including broker-dealers, to advertise intra-day and historical trading volume in a particular security. Participation by member firms in this service is voluntary.

2. A broker-dealer subscriber may send to Bloomberg advertisements of the trade volume that it transacted in a given security. The subscribers' advertised trade volume is used by Bloomberg to compile rankings and other custom-defined reports, including, but not limited to, reports that rank the most active broker-dealers by security.
3. During the First Review Period, the firm overstated its advertised trade volume in 10,392 instances in 75 securities through Bloomberg. These 10,392 instances resulted in an overstatement of 125,344,723 shares. The overstated advertised trade volume resulted from a system issue that caused the firm to combine the advertised trade volume in unrelated securities that had the same trading symbol in the Canadian market and the United States market. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 5210 and 2010.
4. During the Second Review Period, the firm overstated its advertised trade volume in seven instances through Bloomberg. These seven instances resulted in an overstatement of 1,129,387 shares. The overstated advertised trade volume was due to a separate issue than in the First Review Period. The system issue was caused by the manner in which common stocks and preferred stocks were identified in the firm's systems by firm customers. This error caused the firm to inaccurately advertise volume in a common stock when the volume actually traded by the firm was in the preferred stock related to the same issuer. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 5210 and 2010.
5. The firm failed to establish and implement a supervisory system during the two review periods that was reasonably designed to ensure compliance with regulatory requirements for accuracy in the firm's advertisements of executed trade volume. The conduct in this paragraph constitutes a violation of FINRA Rule 2010, NASD Rule 3010 (for conduct prior to December 1, 2014, and FINRA Rule 3110 (for conduct on or after December 1, 2014).

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

Censure and fine in the amount of \$375,000 (\$250,000 for violations of FINRA Rules 5210 and 2010; and \$125,000 for violations of FINRA Rule 2010, NASD Rule 3010 (for conduct prior to December 1, 2014), and FINRA Rule 3110 (for conduct on or after December 1, 2014).

Respondent 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.

Respondent 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

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 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 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 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

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 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. Respondent 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.

Date

4/14/2016

Respondent

BNP Paribas Securities Corp.

By: _____

Name: _____

Edward Speal
Title: **Managing Director**

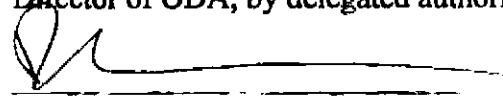
Reviewed by:

Counsel for Respondent
BNP Paribas Securities Corp.

Accepted by FINRA:

4.22-16
Date

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

A handwritten signature in black ink, appearing to read 'David E. Rosenstein', is written over a horizontal line.

David E. Rosenstein
Senior Vice President
FINRA Department of Market Regulation