

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

NO. 20130358266-01

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

RE: SG Americas Securities, LLC, Respondent
Broker-Dealer
CRD No. 128351

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, SG Americas Securities, LLC (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

The firm has been a member of FINRA since April 23, 2004 and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On October 23, 2013, FINRA accepted an AWC in which the firm was censured and fined \$7,500 for Order Audit Trail System ("OATS") violations and \$5,000 for trade reporting violations, including violations of FINRA Rule 7230A.

On October 12, 2012, FINRA accepted an AWC in which the firm was censured and fined \$12,500 for trade reporting violations, including violations of FINRA Rule 7230A.

On September 21, 2011, FINRA accepted an AWC in which the firm was censured and fined \$22,500 for OATS violations and \$47,500 for trade reporting violations, including violations of FINRA Rule 7230A.

SUMMARY

In connection with the firm's 2013 Trading and Market Making Surveillance ("TMMS") Exam, matter no. 20130358266, the TMMS staff of FINRA's Department of Market Regulation (the "staff") initially reviewed the trading activity of the firm for trade dates May 29 and May 30, 2013 as reflected on AWC Exhibit No. 1. The staff subsequently expanded its review period to encompass OATS violations that occurred between September 1, 2012 and November 20, 2013 and trade reporting violations that occurred between May 1, 2013 and January 28, 2014.

FACTS AND VIOLATIVE CONDUCT

In connection with matter no. 20130358266, the staff concluded the following:

1. During the period September 1, 2012 to November 20, 2013, the firm transmitted to OATS 89,656 reports that contained inaccurate, incomplete, or improperly formatted data. Specifically, 89,653 reports included an inaccurate order receipt time, buy/sell indicator, order type, time-in-force and/or special handling code; two reports included an inaccurate order origin code, account type code, and/or time-in-force; and, in one instance the firm failed to submit data to OATS for an order. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450.
2. During the period May 1, 2013 to January 28, 2014, in 3,500 instances the firm failed to submit the correct related market center indicator to a non-tape report to the FINRA/Nasdaq TRF. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7230A.

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

A censure and a fine of \$20,000, including \$10,000 for the OATS violations and \$10,000 for the trade reporting violations.

The firm 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.

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(s) imposed in this matter.

The sanctions 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 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, 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 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 the firm; 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. 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. The firm 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. 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.

3/25/15
Date

Respondent
SG Americas Securities, LLC

By: [Signature]

Name: Gregory Zelman

Title: Managing Director
COO MARK AMER

Reviewed by:

[Signature]
Counsel for Respondent

Accepted by FINRA:

4/10/15
Date

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

[Signature]
Tina Salehi Gubb
Chief Counsel
Department of Market Regulation

2013 Market Regulation Examination Samples
 SG Americas Securities LLC ("SGAS")
 Exam No. 20130358266
 Sample Source/Period*: May 29 - 30, 2013

<u>Sample</u>	<u>Size</u>	<u>Sample Description</u>
5775		Sales reviewed for compliance with SEC Rule 200(g) long/short sale recording requirements
3116		Short Sales reviewed for compliance with SEC Rule 203(b) security location requirements
0		Sales reviewed for compliance with SEC Rule 204 fail-to-deliver requirements
17		Sell trades reported to a TRF or OTCRF for compliance with sale indicator requirements, FINRA Rules 6182 or 6624
21		Sell orders entered into Nasdaq Exchange execution system for compliance with Nasdaq Rule 4755(a)(1)(A) long/short reporting requirements
21		Buy and Sell orders entered into Nasdaq Exchange execution system for compliance with Nasdaq Rule 4611 capacity reporting requirements
0		Sell orders entered into Nasdaq OMX BX execution system for compliance with Nasdaq OMX BX Rule 4755 long/short reporting requirements
0		Sell orders entered into Nasdaq OMX PHLX execution system for compliance with Nasdaq OMX PSX Rule 3305 long/short reporting requirements
40		Sell orders entered into DirectEdge Exchange execution systems for compliance with EDGA/EDGX Rule 11.15 long/short reporting requirements
40		Buy and Sell orders entered into DirectEdge Exchange execution systems for compliance with EDGA/EDGX Rule 11.22 capacity reporting requirements
20		Sell orders entered into NYSE-Arca execution system for compliance with NYSE-Arca Equities Rule 7.16 long/short reporting requirements
20		Buy and Sell orders entered into NYSE-Arca execution system for compliance with NYSE Arca Equities Rule 7.33 capacity reporting requirements
0		Limit orders for NMS securities in which the member acts as an exchange market maker for compliance with the display requirements of SEC Rules 602 and 604, and Nasdaq Rule 3390
2		Orders for compliance with best execution requirements of FINRA Rule 5310: 0 Orders from the Order Protection Review 0 Order executed with a .PRP (Prior Reference Price) trade modifier 2 Customer orders in OTC equity securities
0		Orders for compliance with order protection requirements of FINRA Rule 5320
0		Open Limit orders to buy and/or open Stop orders to sell securities that traded ex-dividend for compliance with FINRA Rule 5330
12		Non-tape reports to a TRF or OTCRF for compliance with the Related Market Center Indicator requirements of FINRA Rules 7230A and 7330
0		Order memoranda and Net Trading agreements for compliance with NASD Rule 2441 requirements
50		Orders in securities required to be submitted to OATS for compliance with FINRA Rules 7440 and 7450, and Nasdaq Rules 6954 and 6955 requirements

2013 Market Regulation Examination Samples
 SG Americas Securities LLC ("SGAS")
 Exam No. 20130358266
 Sample Source/Period*: May 29 - 30, 2013

<u>Sample Size</u>	<u>Sample Description</u>
25	Customer confirmations prepared and maintained in connection with select samples for compliance with SEC Rule 10b-10
N/A	Orders for NMS securities in which the Firm acts as a market center for compliance with SEC Rule 605 order classification requirements
N/A	Data sets published for monthly order execution report for compliance with SEC Rule 605 requirement to publish accurate data (a 'data set' encompasses all required statistical data for single security and order type/size category as described in SEC Rule 605)
1	Quarterly Routing Report for compliance with SEC Rule 606 requirements
20	CRD registration records for persons conducting and/or supervising Firm's trading and/or market making activities for compliance with NASD Rule Series 1020-1040; Nasdaq Rule Series 1020-1040, Nasdaq OMX BX Rule Series 1020-1040; Nasdaq OMX PHLX Rule Series 600-604; EDGA/EDGX Rules 2.3, 2.5 and 11.4 and NYSE-Arca Rules 2.4, 6.18 and 7.21
2	Customer orders in OTC equity securities for compliance with FINRA Rule 5310, Supplementary Material .06: Securities with Limited Quotation or Pricing Information
0	Disclosures to customers relating to trading in the Extended Hours session for compliance with FINRA Rule 2265
943	Records prepared and maintained in connection with the above samples for compliance with SEC Rules 17a-3 and 17a-4
69	Trades reported to a TRF or OTCRF for compliance with FINRA Rules 6380A and 7230A or 6622 and 7330
All Provided	Member's "Regular & Rigorous" review procedures regarding order execution quality for compliance with FINRA Rule 5310 and NASD Rule 3010
All Provided	Member's supervisory and operational policies and procedures and documentation evidencing execution of the policies and procedures for compliance with SEC Regulation NMS Rule 611
All Provided	Member's supervisory system, written supervisory procedures ("WSPs") and documentation evidencing execution of the WSPs for compliance with NASD Rule 3010, Nasdaq Rule 3010, Nasdaq OMX BX Rule 3010, Nasdaq OMX PHLX Rule 748, EDGA Rule 5.1, EDGX Rule 5.1 or NYSE-Arca Rule 6.18 requirements
All Provided	Member's risk management and supervisory system/procedures and documentation evidencing execution of the policies and procedures for compliance with SEC Rule 15c3-5 requirements
N/A	Trading Halts declared during the on-site portion of the examination for which FINRA Staff observed the operation of the ATS.
N/A	Trades reported to the ADF/TRACS for compliance with FINRA Rule 6282
N/A	ADF orders and quotes accessed by other market participants for compliance with FINRA Rule 6250 requirements to submit Order and Order Response reports