

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130360820 01**

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

RE: Credit Suisse Securities (USA) L.L.C., Respondent
Broker-Dealer
CRD No. 816

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Credit Suisse Securities (USA) L.L.C. ("FBCO" 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 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

FBCO became a member of FINRA on October 16, 1936 and its registration remains in effect. The firm has no prior relevant disciplinary history.

SUMMARY

In connection with Matter No. 20130360820, the Market Analysis Section of the Department of Market Regulation at FINRA ("staff") conducted a review of FBCO's compliance with Securities Exchange Act of 1934 ("SEA") Rules 611(a) and 611(c) of Regulation NMS, and NASD Rule 3010 and FINRA Rule 2010 during the period July 1, 2012 through September 30, 2012.

In connection with Matter No. 20130380615, staff conducted a review of FBCO's compliance with the above-mentioned rules during the period April 1, 2013 through June 30, 2013.

In connection with Matter No. 20140416343, staff conducted a review of FBCO's compliance with the above-mentioned rules during the period January 1, 2014 through March 31, 2014.

In connection with Matter No. 20140437826, staff conducted a review of FBCO's compliance with the above-mentioned rules during the period July 1, 2014 through September 30, 2014, and also May 23, 2014.

The above-mentioned periods are collectively referred to herein as the "Review Period".

FACTS AND VIOLATIVE CONDUCT

1. In approximately 700 instances during the Review Period, the firm traded through protected quotations in NMS stocks which were primarily executed in the over-the-counter ("OTC") market.¹ During the Review Period, the firm failed to establish, maintain, and enforce written policies and procedures that were reasonably designed to prevent trade-throughs of protected quotations in NMS stocks that do not fall within any applicable exception, and if relying on an exception, were reasonably designed to assure compliance with the terms of the exception. The conduct described in this paragraph constitutes a violation of SEA Rule 611(a) of Regulation NMS, NASD Rule 3010, and FINRA Rule 2010.
2. During the Review Period, the firm failed to take reasonable steps to establish that approximately 7,091 intermarket sweep orders it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS.² The conduct described in this paragraph constitutes a violation of SEA Rule 611(c) of Regulation NMS.

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

A censure; a fine of \$75,000 (consisting of a fine of \$30,000 for the violations of Securities Exchange Act of 1934 Rule 611(a) of Regulation NMS, NASD Rule 3010, and FINRA Rule 2010, and a fine of \$45,000 for the violation of Securities Exchange Act of 1934 Rule 611(c) of Regulation NMS); and an undertaking requiring the Firm to revise its supervisory procedures to address the deficiencies described above.

No later than 60 days after acceptance of this AWC, a registered principal of the Firm shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal, to MarketRegulationComp@finra.org providing the following: (i) an acknowledgement that the firm has addressed the deficiencies described above; (ii) a description of all changes, additions, or modifications made to the Firm's procedures and the dates of implementation; and (iii) the steps taken by supervisory personnel to ensure the firm's compliance with respect to the rules and regulations cited herein.

¹ The Firm executed approximately 88 million OTC transactions during the Review Period.

² The Firm routed approximately 86.4 million intermarket sweep orders during the Review Period.

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.

2/4/16
Date

Credit Suisse Securities (USA) L.L.C.
Respondent

By: Jaclyn A Barna ○
Name: Jaclyn A Barna
Title: Vice President

Reviewed by:



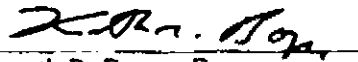
David Sieradzki
Counsel for Respondent
Bracewell & Giuliani LLP
2000 K Street NW, Suite 500
Washington, D.C. 20006
(202) 828-5826

Accepted by FINRA:

2/18/16

Date

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



Kenneth R. Bozza, Esq.
Chief Counsel, Legal Section
FINRA Department of Market Regulation