

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

NO. 20130361514-01

2013 MAR -4 PM 2:01

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

RE: Cowen and Company, LLC, Respondent
Broker-Dealer
CRD No. 7616

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Cowen and Company, LLC (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 firm has been a member of FINRA since May 23, 1978, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On May 28, 2013, FINRA accepted an AWC in which the firm was censured and fined \$7,500 for Order Audit Trail System ("OATS") reporting violations for conduct that occurred on July 28, 2010 and July 29, 2010.

On March 22, 2012, FINRA accepted an AWC in which the firm was censured and fined \$17,500, which included a fine of \$7,500 for OATS reporting violations for conduct that occurred on August 24, 2009 and August 25, 2009.

On August 25, 2010, FINRA accepted an AWC in which the firm was censured and fined \$110,000, which included a fine of \$15,000 for OATS reporting violations for two matters with conduct that occurred on August 2, 2007 and August 3, 2007 and September 22, 2008 and September 23, 2008.

SUMMARY

In connection with Review No. 20130361514, the OATS Team of the Department of Market Regulation (the "OATS staff") reviewed the firm's compliance with OATS reporting requirements during the period April 2, 2012 through May 31, 2013 (the "April 2012 through May 2013 review period").

In connection with Review No. 20130395137, the OATS staff reviewed the firm's compliance with OATS reporting requirements during the period February 22, 2013 through October 3, 2013 (the "February through October 2013 review period").

FACTS AND VIOLATIVE CONDUCT

In Review No. 20130361514:

1. During the April 2012 through May 2013 review period, the firm failed to transmit 137,054 Reportable Order Events ("ROEs") to OATS on 275 business days. These 137,054 ROEs represented 100 percent of the ROEs (137,054) that the firm's COWL MPID was required to transmit to OATS during the April 2012 through May 2013 review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).

In Review No. 20130395137:

2. During the February through October 2013 review period, the firm failed to transmit 7,553,191 ROEs to OATS on 31 business days. These ROEs represented 19.69 percent of all ROEs (38,355,626) that the firm was required to transmit to OATS during the February through October 2013 review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).

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

A censure and a fine of \$25,000.

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.

March 3, 2015
Date

Respondent
Cowen and Company, LLC

By: 

Name: STEVEN COHEN

Title: CLO

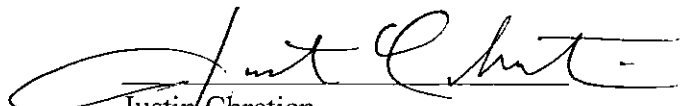
Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by FINRA:

3.23.15
Date

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


Justin Chretien
Chief Counsel
FINRA Department of Market Regulation