

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

NO. 20130367624-01

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

RE: Duncan-Williams, Inc. ("DNWL"), Respondent
Broker-Dealer
CRD No. 6950

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Duncan-Williams, Inc. ("DNWL", 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 1975, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On March 8, 2012, FINRA accepted an AWC in which the firm consented to a censure and fine of \$8,500 for violations of FINRA Rule 6730, NASD Rule 3110 and Securities Exchange Act of 1934 ("SEA") Rule 17a-3 between October 1, 2010 and December 31, 2010.

On May 8, 2012, FINRA accepted an AWC in which the firm consented to a censure and fine of \$10,000 for violations of Municipal Securities Rulemaking Board ("MSRB") Rules G-14 and G-27 between January 1, 2009 and March 31, 2009.

On September 14, 2012, FINRA accepted an AWC in which the firm consented to a censure and fine of \$7,500 for violations of MSRB Rule G-14 between January 1, 2011 and March 31, 2011.

SUMMARY

In connection with Matter No. 20130367624, the staff of the Municipal Bonds Team of the Department of Market Regulation ("Market Regulation") conducted a review of the firm related to transactions in municipal bond products during the period of January 1, 2013 through March 31, 2013.

In connection with Matter No. 20130377922, the TRACE Agency/SP Team of Market Regulation conducted a review of the firm related to transactions in TRACE-eligible securities during the period of April 1, 2013 through June 30 2013.

In connection with Matter No. 20140410751, the TRACE Agency/SP Team of Market Regulation conducted a review of the firm related to transactions in TRACE-eligible securities during the period of January 1, 2014 through March 31, 2014.

FACTS AND VIOLATIVE CONDUCT

Matter No. 20130367624

1. During the review period, the firm failed to report the correct Time of Trade to the Real-time Transaction Reporting System ("RTRS") in 32 reports of transactions in municipal securities. These transactions constituted 2.03% of the transactions that the firm reported to the RTRS during the review period. The firm also failed to report information about 15 of these transactions within 15 minutes of Time of Trade to an RTRS portal. The conduct described herein constitutes separate and distinct violations of MSRB G-14(b)(ii) (for inaccurate reports) and MSRB Rule G-14 (for late reports).
2. The firm failed to show the correct time of execution on the memoranda for these same 32 transactions in municipal securities. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-8.
3. During the review period, the firm failed to enforce its written supervisory procedures, which specified that the Designated Supervisor would periodically review applicable data to determine whether transactions in municipal securities were properly reported to the RTRS. The conduct described in this paragraph constitutes a violation of MSRB Rule G-27.

Matter No. 20130377922

4. During the review period, the firm failed to report to TRACE the correct time of execution for 53 transactions in TRACE-eligible Securitized Products. These transactions constituted 9.5% of the 558 matched inter-dealer reports that the firm submitted to TRACE during the review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730(c)(8).
5. The firm failed to show the correct time of execution on the memoranda of 54 brokerage orders, which includes the same 53 transactions described above in paragraph 4. The

conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 4511 and SEA Rule 17a-3.

6. During the review period, the firm failed to enforce its written supervisory procedures, which specified that the Designated Supervisor would periodically review applicable data, including the TRACE Quality of Markets Report Card, to determine whether transactions in TRACE-eligible Securitized Products were properly reported to TRACE. The conduct described in this paragraph constitutes a violation of NASD Rule 3010 and FINRA Rule 2010.

Matter No. 20140410751

7. During the review period, the firm failed to report to TRACE the correct time of execution for 60 transactions in TRACE-eligible Securitized Products. These transactions constituted 13.02% of the 461 matched inter-dealer reports that the firm submitted to TRACE during the review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730(c)(8).
8. The firm failed to show the correct time of execution on the memoranda for these same 60 brokerage orders. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 4511 and SEA Rule 17a-3.
9. During the review period, the firm failed to enforce its written supervisory procedures, which specified that the Designated Supervisor would periodically review applicable data, including the TRACE Quality of Markets Report Card, to determine whether transactions in TRACE-eligible Securitized Products were properly reported to TRACE. The conduct described in this paragraph constitutes a violation of NASD Rule 3010 and FINRA Rule 2010.

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

Censure and a fine of \$50,000 (consisting of \$10,000 for the violations of MSRB Rule G-14, and \$2,500 for the violations of MSRB Rule G-8 under Matter No. 20130367624; \$17,500 for the TRACE-reporting violations of FINRA Rule 6730(c)(8), and \$5,000 for the violations of FINRA Rule 4511 and SEA Rule 17a-3 under Matter Nos. 20130377922 and 20140410751; \$7,500 for the supervisory violations of MSRB Rule G-27 under Matter No. 20130367624, and \$7,500 for the supervisory violations of NASD Rule 3010 and FINRA Rule 2010 under Matter Nos. 20130377922 and 20140410751).

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 prejudice 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.

November 2, 2015
Date

Respondent
Duncan-Williams, Inc.

By

Name: Jim Cherry

Title: Chief Compliance Officer

Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by FINRA:

12/1/15
Date

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

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