

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130368378 Q I**

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

RE: Finance 500, Inc., Respondent
Member Firm, CRD No. 12981

Robert Lansing Hicks, Respondent
Registered Representative, CRD No. 846347

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Finance 500, Inc. ("Finance 500" or the "Firm") and Robert Lansing Hicks ("Hicks") (collectively, "Respondents") submit 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 Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondents hereby accept and consent, 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

Finance 500 is a full-service brokerage firm headquartered in Irvine, CA. It has been a FINRA member since 1982 and currently has approximately 29 registered individuals in five branches.

Hicks first became registered with a FINRA-member firm in 1977 as a General Securities Representative. In 1982, Hicks started Finance 500 and became registered as a General Securities Principal. Hicks became registered as a Municipal Fund Securities Principal in 2003, a Limited Representative – Investment Banking in 2009, and an Operations Professional in 2011. Hicks is currently registered in all of these capacities with Finance 500.

RELEVANT DISCIPLINARY HISTORY

In December 2011, the Firm consented to AWC No. 2008013079801 in which FINRA found that the Firm, its head equity trader, and one of its registered representatives had ignored red flags in connection with the liquidation of unregistered low-priced stock positions by a Firm retail customer. As a result, FINRA found that the Firm violated NASD Rules 3010(a) and 2110 for the period March 2008 through December 14, 2008, and NASD Rule 3010(a) and FINRA Rule 2010 for the period December 15, 2008 through May 2009. The Firm was censured and fined \$50,000.

Hicks has no relevant disciplinary history.

OVERVIEW

From 2005 to 2014 (the “Relevant Period”), Hicks held multiple supervisory roles at Finance 500. He was the Firm’s owner, President, Chief Executive Officer, Chief Compliance Officer (“CCO”), and designated Anti-Money Laundering Compliance Officer (“AMLCO”). Throughout this time, Hicks failed to delegate compliance responsibility appropriately to ensure that others were adequately supervising certain Firm activities to ensure compliance with applicable securities laws, rules, and regulations. In addition, he failed to ensure that certain electronic communications were retained and adequately reviewed. As a result, Finance 500, Hicks, and several Finance 500 employees, violated numerous NASD and FINRA rules and federal securities laws.

In 2005, Finance 500 sought to diversify its traditional securities business by making markets in low-priced securities primarily through its Florida branch office. The trading was 10-15% of the Firm’s overall revenues and a large part of the Florida branch office’s business. Making markets in low-priced securities comes with a higher risk of fraudulent activity than the Firm’s traditional securities business and required greater supervision. Given the higher risk, the Firm should have, but did not, adopt and implement adequate anti-money laundering (“AML”) and supervisory systems and procedures specifically tailored to its low-priced stock business. As a result, throughout the Relevant Period, Finance 500 experienced significant and pervasive AML and supervisory failures.

The Firm’s AML program and supervisory systems had numerous deficiencies:

- The Firm and Hicks failed to establish and implement an AML program reasonably designed to cause the detection and reporting of suspicious transactions. As a result, suspicious transactions in low-priced stock went undetected. Finance 500 and Hicks therefore violated NASD Rules 3011(a)¹ and 2110 and FINRA Rules 3310(a) and 2010.
- Finance 500 and Hicks failed to implement an adequate Customer Identification Program (“CIP”). The Firm and Hicks failed to ensure its brokers collected documents and information necessary to form a reasonable basis for knowing the Firm’s customers who

¹ FINRA Rule 3310 replaced NASD Rule 3011 on January 1, 2010.

traded low-priced stocks. Finance 500 and Hicks therefore violated NASD Rules 3011(b) and 2110 and FINRA Rules 3310(b) and 2010.

- Finance 500 and Hicks failed to establish and implement sufficient written supervisory procedures and systems to oversee the Firm's market making activities in low-priced stocks, sales of unregistered low-priced securities, retention and review of electronic communications, and delegation of supervisory responsibilities. As a result, Finance 500 and Hicks violated NASD Rules 3010(a), 3010(b), 3010(d), and 2110 and FINRA Rule 2010.

During the Relevant Period, the Firm also failed to ensure that certain of its electronic communications were being retained, in violation of Section 17(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), Rule 17a-4 thereunder; NASD Rules 3110(a) and 2110 and FINRA Rules 4511² and 2010.

In addition, between 2009 and 2013, Finance 500 failed to maintain accurate books and records. Specifically, in several instances, brokers in the Firm's Florida branch office altered information on forms after the customer had already signed and in some cases customer paperwork was signed but incomplete. As a result, Finance 500 violated NASD Rule 3110(a) and FINRA Rules 4511 and 2010.

Finally, on several occasions throughout FINRA's investigation, the Firm provided untimely and incomplete responses to FINRA Rule 8210 requests. These deficiencies delayed FINRA's investigation, causing it to expend additional resources. As a result, Finance 500 violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

AML Violations (Finance 500 and Hicks)

FINRA Rule 3310(a) requires members to establish and implement policies and procedures "that can be reasonably expected to detect and cause the reporting of" suspicious activity and transactions as required by the Bank Secrecy Act.³ Notices to Members 02-21 (April 2002) and 02-47 (August 2002) emphasized a firm's duty to detect red flags and, if detected, "perform additional due diligence."

FINRA Rule 3310(b) requires FINRA members to establish and implement procedures "reasonably designed to achieve compliance with the Bank Secrecy Act" and implementing regulations, including procedures concerning the identification and verification of account holders. The implementing regulations require member firms to establish a risk-based CIP for

² FINRA Rule 4511 replaced NASD Rule 3110(a) on December 5, 2011.

³ FINRA Rule 0140 (effective December 15, 2008) states that "[t]he Rules shall apply to all members and persons associated with a member. Persons associated with a member shall have the same duties and obligations as a member under the Rules." Thus, FINRA Rule 3310 applies to individual registered representatives who ignore and/or fail to report red flags of potentially suspicious activity.

verifying a customer's identity. The CIP must be tailored to the firm's business, including the firm's customer base, to ensure that firms have a reasonable basis for knowing their customers.

Finance 500 and Hicks Failed to Establish a Sufficient AML Program

During the Relevant Period, the Firm and Hicks failed to establish an AML program reasonably designed to cause the detection and reporting of suspicious activity. The Firm's AML procedures and monitoring systems were not tailored to the risks associated with low-priced stock trading, which was a significant portion of the Florida branch's business.

Hicks failed to establish, or ensure that others established, written AML procedures customized to the risks associated with low-priced stock trading. For example, the red flags identified in the Firm's procedures were not tailored to the Firm's low-priced stock trading business. The Firm's procedures also required supervisors to monitor a "sufficient amount of account activity" for suspicious activity, using the red flags identified in the procedures. The procedures, however, failed to define "sufficient amount," or instruct supervisors on how to conduct such monitoring and any resulting account reviews.

In addition, the Firm had inadequate procedures for monitoring the Florida branch for suspicious trading. The Firm's primary review tool was the daily trade blotter, which captured all of the Florida branch's equity transactions. While the blotter provided details about each trade it did not capture any information about the customer. Without this information, individuals at the Firm who reviewed the blotter did not have sufficient information to identify suspicious trading patterns in a particular account.

Finance 500 and Hicks Failed to Implement a Sufficient AML Program

The Firm and Hicks failed to implement a sufficient AML program to appropriately monitor low-priced stock trading.

The Firm's procedures required heightened AML scrutiny for accounts deemed "high-risk," but Finance 500 did not identify or maintain a list of "high-risk" accounts and thus did not provide heightened scrutiny of high-risk accounts. In fact, some of the Firm's supervisors were unaware of the policy. In addition, because the Firm failed to designate any accounts as "high risk," the AMLCO did not perform the additional review required by the Firm's procedures.

Deficient implementation of the Firm's AML program also made it possible for registered individuals at the Firm to ignore red flags of suspicious activity. The Firm's AML procedures required additional due diligence for unusual trading patterns that lacked an apparent investment strategy. Yet, between May 1, 2010 and September 30, 2010, the Florida branch executed market making trades in Fibrocell Science, Inc. stock ("FCSC") on behalf of John Carris Investments, LLC ("JCI"), a FINRA firm subsequently expelled, in part for its manipulation of FCSC stock. On at least 60 occasions, JCI simultaneously routed identical buy and sell orders of FCSC to Finance 500. Because of its inadequate monitoring, the Firm failed to detect the trading pattern and, in all 60 instances, the Firm executed the matching orders within 10 seconds of one another.

Hicks Failed to Adequately Implement the Firm's CIP

As AMLCO, Hicks was responsible for implementing, or delegating to others to implement, the Firm's CIP, which required the Firm to verify customers' identities through a risk-based approach. In some cases, Hicks failed to take sufficient steps to ensure that brokers complied with the Firm's CIP requirements. Most notably, in 2010, the Firm opened at least 300 accounts without properly verifying the account holders' identities. The customers resided in Vietnam and opened accounts with Finance 500 to liquidate shares of a Nasdaq-listed Vietnamese mining and construction company. The Firm accepted photocopies of the customers' Vietnamese identification cards, but performed no additional non-documentary verification to ensure that the identification cards actually matched the person opening the account. This violated the firm's procedures in addition to failing to comply with FINRA's Anti-Money Laundering Rule.

Accordingly, Finance 500 and Hicks violated NASD Rules 3011(a), 3011(b), and 2110 and FINRA Rules 3310(a), 3310(b), and 2010.

Supervisory Violations (Finance 500 and Hicks)

NASD Rule 3010(a) requires that a member firm "shall establish and maintain a system to supervise the activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD Rules." NASD Rule 3010(a)(2) requires a member firm to designate, where applicable, an appropriately registered principal with authority to carry out the supervisory responsibilities of the member for each type of business in which it engages for which registration as a broker-dealer is required. NASD Rule 3010(a)(6) requires that a firm make "[r]easonable efforts to determine that all supervisory personnel are qualified by virtue of experience or training to carry out their assigned responsibilities."

NASD Rule 3010(b) requires a member to "establish, maintain, and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of registered representatives, registered principals, and other associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with the applicable Rules of NASD." NASD Rule 3010(b)(3) requires that the Firm include in its supervisory procedures the locations of the required supervisory personnel and the responsibilities of each.

NASD Rule 3010(d)(1) requires each member to establish procedures for the review and endorsement by a registered principal in writing, on an internal record, of all transactions.

As President and CCO for Finance 500, Hicks was ultimately responsible for ensuring the Firm's supervisory systems and procedures were tailored to the Firm's business and reasonably designed to achieve compliance with applicable securities laws, rules, and regulations.

Finance 500 and Hicks Failed to Establish or Implement Sufficient Supervisory Systems and Procedures

During the Relevant Period, Finance 500, through Hicks, failed to design, implement, or enforce adequate written policies or other supervisory systems in the following respects:

- The Firm's procedures related to market making activity were in a Trading and Market Making Manual, which was separate from its written supervisory procedures. Neither Hicks nor anyone else at the Firm ensured The Trading and Market Making Manual was provided to the relevant supervisory staff or notified them of its availability. In fact, from 2005 to 2013, the Firm's written supervisory procedures contained a section titled, "Trading and Market Making," but made no reference to the other manual – the section was entirely blank. In addition, Hicks failed to ensure the Firm's market making activity was regularly reviewed. As a result, the Florida branch's market making activity was not adequately supervised.
- The Firm's procedures required a designated supervisor to regularly review electronic correspondence; however, the procedures failed to describe how to conduct such a review. Reviews were guided by search terms that were not tailored to the Firm's low-priced stock business, were conducted infrequently, and were not documented. These failures were exacerbated by frequent technical problems with the Firm's review tool. In reviews conducted from 2008 to 2014, the designated supervisor failed to document a single instance of correspondence warranting supervisory follow-up.
- The Firm also had inadequate supervisory systems concerning the collection, retention, and monitoring of Bloomberg L.P. electronic mail and instant messages ("Bloomberg Messages"). Unbeknownst to the Firm, certain individuals in the Florida branch office had been using Bloomberg Messages since at least 2009. These messages were never collected, reviewed, or retained pursuant to record retention requirements. As a result, the Firm failed to produce Bloomberg Messages responsive to requests by regulators.
- During the Relevant Period, the Firm had insufficient policies and procedures concerning the sale of unregistered low-priced securities. Primarily, the procedures provided no guidance on how to determine the provenance of shares prior to accepting stock certificates. In some cases, brokers in the Florida branch office accepted certificates after performing inadequate due diligence as to the origin or restricted status of the shares.

Hicks Failed to Delegate Compliance Responsibility Appropriately

As the Firm's President and CCO, Hicks was responsible for proper delegation of compliance responsibility. This responsibility included ensuring that: delegation was formalized and to a qualified person, the delegee understood the compliance obligations, and, the delegee regularly and satisfactorily performed the delegated tasks. Hicks failed to properly delegate the Firm's compliance responsibilities in the following respects:

- In 2005, Hicks hired a compliance supervisor who had limited industry experience and no background in low-priced stock trading. Hicks informally delegated nearly all of the

Firm's compliance responsibilities to her, but gave her no authority to affect procedural or personnel changes and took insufficient steps to ensure her compliance responsibilities were being appropriately executed.

- The Firm allowed an inexperienced broker to operate as a principal in the Florida branch office without providing him adequate training or guidance. Among other responsibilities, he approved new accounts and other customer paperwork submitted by his direct supervisor. The principal felt obligated to approve his supervisor's paperwork, resulting in the Florida branch opening new accounts for several individuals with criminal and regulatory backgrounds.

As a result, Finance 500 and Hicks violated NASD Rules 3010(a), 3010(b), 3010(d), and 2110 and FINRA Rule 2010.

Books and Records Violations (Finance 500)

FINRA Rule 4511 (previously NASD Rule 3110(a)) requires that FINRA members comply with Section 17(a) of the Exchange Act and Rule 17a-4, thereunder. Rule 17a-4 requires Firms to maintain and preserve certain business-related electronic communications. FINRA Rule 4511 and NASD Rule 3110(a) also require a Firm to maintain accurate books and records.

During the Relevant Period, Finance 500 failed to capture the Florida branch's instant messages in a manner compliant with Rule 17a-4. Rather than capturing instant messages automatically in real time, the Firm relied on brokers in the Florida branch office to save the messages on their hard drives for periodic, manual collection. As a result, the Firm did not regularly access or review the messages and had no way of ensuring that messages were not deleted or altered.

In addition, although certain Firm employees had been using Bloomberg Messages since at least 2009, Finance 500 failed to retain the messages as required by Rule 17a-4. In fact, the Firm was unaware until 2013 that some of its brokers had been using Bloomberg Messages.

Further, between at least 2009 and 2012, the Firm maintained books and records that in some instances were inaccurate because certain brokers in the Florida branch office altered information on account paperwork after the paperwork was signed by customers or obtained signed, but otherwise blank, stock power forms that the brokers would complete at a later date.

As a result, Finance 500 violated Section 17(a) of the Exchange Act, Rule 17a-4 thereunder; NASD Rules 3110(a) and 2110 and FINRA Rules 4511 and 2010.

8210 Violations (Finance 500)

FINRA Rule 8210 authorizes FINRA, in the course of an investigation, to require its members to "provide information orally [or] in writing . . . with respect to any matter involved in the investigation." It is well settled that a failure to provide information fully and promptly undermines FINRA's ability to carry out its regulatory mandate.

The Firm failed to comply with Rule 8210 by providing untimely and incomplete responses to the Staff's request for electronic communications. On October 25, 2013, the Staff requested electronic communications sent and received by a broker at the Firm. On November 15, 2013, the Firm produced the broker's communications and represented that it had complied fully with the request. However, on February 19, 2015, the Firm informed FINRA that its November 15, 2013 production was incomplete. On March 2, 2015, approximately fifteen months after the initial request, the Firm made a supplemental production of the broker's electronic communications.

In addition, the Firm failed to comply with Rule 8210 by providing untimely and incomplete responses to the Staff's request for commission reports. On October 22, 2014, pursuant to Rule 8210, the Staff requested commission reports for two of the Firm's brokers. On November 21, 2014, the Firm produced commission reports and represented it to be a complete response. After reviewing the documents, the Staff contacted the Firm with concerns that some commission reports were missing. As a result, the Firm supplemented its production on January 27, 2015. Still unsatisfied that the production was complete, the Staff again contacted the Firm. Then, on February 5, 2015, the Firm made a third production of commission reports. The Firm's untimely and incomplete responses unnecessarily delayed the Staff's investigation.

As a result, Finance 500 violated FINRA Rules 8210 and 2010.

B. Respondents also consent to the imposition of the following sanctions:

Finance 500:

- a censure; and
- a \$400,000 fine (\$25,000 of which is joint and several with Hicks).

Hicks:

- a nine-month suspension from association with any FINRA member in a principal capacity; and
- a \$25,000 fine (all of which is joint and several with the Firm).

Respondents agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. They have submitted an Election of Payment form showing the method by which they propose to pay the fines imposed.

Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent Hicks understands that if he is barred or suspended from associating with any FINRA member in a principal or supervisory capacity, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws,

incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in a principal or supervisory capacity during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because he is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against them;
- 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, Respondents specifically and voluntarily waive 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.

Respondents further specifically and voluntarily waive 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

Respondents understand 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 Respondents; and

C. If accepted:

1. this AWC will become part of Respondents’ permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondents;
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. Respondents 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. Respondents 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 Respondents’: (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. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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 the Firm has agreed to its 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.

Hicks certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has agreed to its 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 him to submit it.

11/24/2015

Date (mm/dd/yyyy)

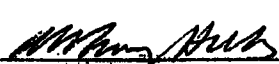
Finance 500, Inc.

Finance 500, Inc., Respondent

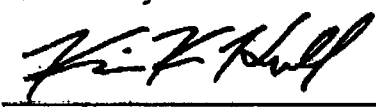
By: 

11/24/2015

Date (mm/dd/yyyy)


Robert Lansing Hicks, Respondent

Reviewed by:

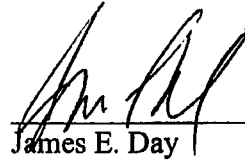

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Accepted by FINRA:

12/31/15
Date

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



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FINRA
LETTER OF ACCEPTANCE WAIVER AND CONSENT
NO. 20130368378

CORRECTIVE ACTION STATEMENT

This Corrective Action Statement is submitted by the respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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

FROM: Finance 500, Inc., CRD No. 12981

Without admitting or denying the findings, and solely for the purpose of this proceeding, prior to a hearing and without an adjudication of any issue of law or fact, Finance 500, Inc. ("Finance 500" or the "firm") submits this Corrective Action Statement for the purpose of presenting steps taken to address FINRA's findings in the attached AWC.

The activities that led to the AWC primarily involved a Florida branch office's equity market-making activities. The activities of the Florida branch involved suspicious trading activity in low-priced stocks rather than suspicious movements of money. In light of the risk arising from this activity, the firm determined to close the Florida branch office, which had constituted a small percentage of the firm's overall business, and ceased all equity market-making activities firm-wide. It has no intention to re-enter that business. The AWC also stated that the firm permitted employee-owners of an Asian construction firm, whose securities were traded in the United States, to open accounts and liquidate some securities of that company. FINRA found that the firm did not implement an adequate Customer Identification Program (CIP). The firm reviewed its CIP program and replaced its AMLCO and will more closely scrutinize new accounts from persons who do not reside in the United States. With regard to the finding that the firm failed to ensure that certain electronic communications were maintained, the firm has completely migrated its system to a well-known vendor of electronic message compliance services to the broker-dealer industry.

In addition to closing the Florida office and ceasing the related equity market making activity, the firm made salutary changes to staffing and personnel at its headquarters office, including installing a new Chief Compliance Officer. Subsequent to ceasing the activities detailed in the AWC, the firm agreed to be sold to a group of registered persons involved in the core fixed income and certificate of deposit underwriting activities that the firm is primarily known for. The new owners were not connected with the firm's equity market making or retail activities nor involved with any other conduct described in the AWC. As a result of the sale of the firm, new management is in place, including a new CEO. The new owners of the firm are part of the successful fixed income and CD underwriting team and take very seriously the CIP and AML responsibilities of the firm, given their business and regulated clientele.

In short, the firm is under new ownership, with new personnel in key management positions, and does not engage in the business lines that created the problems set forth in the AWC.

Respectfully submitted,

Finance 500, Inc.

Date 12-30-15


By: Bryan Bennett