

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130375913-01

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

RE: Buckman, Buckman & Reid, Inc., Respondent
Broker-Dealer
CRD No. 23407

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Buckman, Buckman & Reid, Inc. (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

Respondent became a FINRA member on January 16, 1989, and its registration remains in effect. It is a full-service broker-dealer based in Shrewsbury, New Jersey, with approximately 70 registered representatives and three branch offices located in Pittsburgh, Pennsylvania, Boca Raton, Florida, and Scotch Plains, New Jersey.

RELEVANT DISCIPLINARY HISTORY

In AWC No. 20120309836-01 (FINRA Sept. 13, 2013), Respondent accepted and consented to findings that, among other things, it had violated FINRA Rule 2010 and NASD Rule 3010 in that its written supervisory procedures failed to describe the firm's supervisory steps and reviews in several areas, including "Best Execution: Execution of Customer Orders: Principal/Riskless Principal/Agent via order by order routing ... and Agent via aggregate routing ..." In addition, Respondent consented to findings that it had violated FINRA Rule 2010 and NASD Rule 3010 by failing to provide documentary evidence that it performed the supervisory reviews set forth in the written supervisory procedures concerning multiple areas, including order handling under Regulation NMS and "Best

Execution: Execution of Customer Orders: Principal/Riskless Principal/Agent via order by order routing and Agent via aggregate routing..." The firm agreed to a total fine of \$50,000, including a \$5,000 fine for its supervisory violations, and an undertaking to revise its written supervisory procedures to address the deficiencies.

SUMMARY

In Matter No. 20130375913, the staff of FINRA's Market Regulation Department conducted an over-the-counter securities order protection sweep for the first quarter of 2013 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, while accepting and holding six customer market orders and three customer limit orders, Respondent executed nine proprietary trades at prices that would have satisfied the customer orders and subsequently executed portions of the customer orders at inferior prices (see Appendix). The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5320. Respondent has paid restitution for these transactions.
2. During the review period, while accepting and holding two customer limit orders (one of which was also one of the orders in Paragraph I.A.1.), Respondent executed two proprietary trades at prices that would have satisfied the customer limit orders. Respondent then executed the customer orders up to the size and at the same price at which it had traded for its own account, but failed to do so immediately; it waited approximately one minute and 40 seconds to execute one of the customer orders after executing a proprietary trade and approximately four-and-a-half minutes to execute the other customer order after executing the second proprietary trade (items 4 and 10 in Appendix). The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5320.
3. From January 2013 through the present, the firm has failed to establish reasonable written supervisory procedures that were reasonably designed to achieve compliance with FINRA Rule 5320. The conduct described in this paragraph constitutes violations of NASD Rule 3010 (prior to December 1, 2014), FINRA Rule 3110 (after November 30, 2014), and FINRA Rule 2010.
4. During the review period, the firm also failed to supervise its traders' activity adequately in that it failed to review securities transactions in a manner designed to identify the trades that violated FINRA Rule 5320, as set forth in paragraphs I.A.1 and I.A.2. The conduct described in this paragraph constitutes violations of NASD Rule 3010 and FINRA Rule 2010.

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

1. A censure;
2. A fine of \$27,500 (\$7,500 for the violations of FINRA Rules 2010 and 5320; \$10,000 for the deficient written supervisory procedures; and \$10,000 for failing to supervise the traders' activity); and
3. An undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraphs I.A.3 and I.A.4. Within 30 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the Respondent 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 information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraphs I.A.3 and I.A.4; and (3) the date the revised procedures were implemented.

Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments 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 sanctions 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 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:

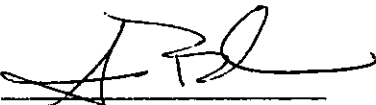
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

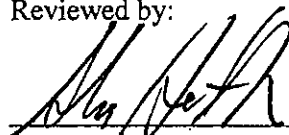
The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, 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.

Oct 16 2015
Date

Buckman, Buckman & Reid, Inc.

By: 
Name: Thomas P. Buckman
Title: Managing Director

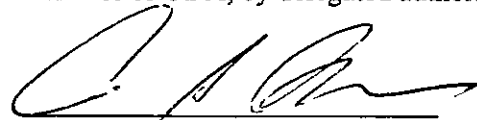
Reviewed by:


Andrew Heath
Chief Compliance Officer
Buckman, Buckman & Reid
44 Church Street
Little Silver, New Jersey 07739
Direct Dial: (732) 559-0089

Accepted by FINRA:

11/12/2015
Date

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


Eric S. Brown
Chief Counsel
FINRA Department of Market Regulation

Appendix

Part I: Triggering Transactions										Part II: Order Details								
Exception #	Trade Date	Trade Report Time	Execution Time	Firm	Capacity	Side	Trade Vol	Issue Symbol	Trade Price	Order Letter	Order Received Date	Order Received Time	MPID	Order to Buy/ Sell	Quantity	Issue Symbol	Order Type	Limit Price
1	1/2/2013	15:06:55	15:06:55	BKRT	P	S	2,010	RBGLY	13.03	A	1/2/2013	15:06:48	BKRT	SL	3,638	RBGLY	M	
2	1/15/2013	14:56:29	14:56:29	BKRT	P	B	1,528	CRRFY	4.96	B	1/15/2013	14:55:58	BKRT	B	3,307	CRRFY	M	
3	1/16/2013	15:08:00	15:08:00	BKRT	P	B	500	JSCPY	19.88	C	1/16/2013	15:07:03	BKRT	B	5,026	JSCPY	L	20.40
4	1/16/2013	15:08:06	15:08:06	BKRT	P	B	500	JSCPY	19.89									
5	2/25/2013	14:36:04	14:36:03	BKRT	P	B	169	VLKAY	39.99	D	2/25/2013	14:35:25	BKRT	B	1,000	VLKAY	L	40.00
6	3/5/2013	14:35:09	14:35:09	BKRT	P	B	367	TSCDY	16.94	E	3/5/2013	14:35:04	BKRT	B	101	TSCDY	M	
7	3/6/2013	14:10:41	14:10:41	BKRT	P	S	842	TKGBY	5.14	F	3/6/2013	14:10:36	BKRT	SL	304	TKGBY	M	
8	3/11/2013	15:58:21	15:58:21	BKRT	P	B	1,000	LNCGY	31.15	G	3/11/2013	15:57:24	BKRT	B	2,000	LNCGY	M	
9	3/14/2013	09:51:02	9:51:02	BKRT	P	S	500	TLSYY	23.20	H	3/14/2013	09:48:22	BKRT	SL	2,000	TLSYY	L	23.14
10	3/21/2013	09:35:12	9:35:12	BKRT	P	B	10,000	EFTB	0.023	I	3/20/2013	09:56:11	BKRT	B	585	EFTB	L	0.03
11	3/22/2013	15:12:07	15:12:07	BKRT	P	B	249	TKGBY	5.09	J	3/22/2013	15:11:59	BKRT	B	513	TKGBY	M	