

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013038417601**

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

RE: Eric William Ellinghaus, Respondent
General Securities Representative
CRD No. 2589213

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Eric William Ellinghaus ("Ellinghaus" 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 him alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Ellinghaus 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

Ellinghaus was first registered with FINRA through a member firm as a General Securities Representative ("GSR") in March 1995.

He was registered through B. Riley & Co., LLC (BD No. 40355) ("BRC") as a GSR from February 17, 2012 through September 26, 2013. On September 26, 2013, BRC filed a Form U5 Uniform Termination Notice for Securities Industry Registration regarding Ellinghaus, terminating his registration. Since that time, Ellinghaus has not been registered or associated with a FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

Ellinghaus does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA or any other self-regulatory organization.

OVERVIEW

Between February 16, 2012 and September 16, 2013 (the "Relevant Period"), Ellinghaus, while employed at BRC, recommended and entered securities orders for an outside brokerage account while in possession of certain confidential and/or proprietary information, in contravention of BRC policies. By his conduct, Ellinghaus violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Ellinghaus was employed at BRC as an institutional salesperson. He recommended and entered securities orders for an outside brokerage account owned by certain family members while he knew of certain confidential and/or proprietary information, even though such information was intended, pursuant to Firm policies, only for the performance of job duties and valid business reasons.

By virtue of this conduct, Ellinghaus failed to observe high standards of commercial honor and just and equitable principles of trade, and thereby, violated FINRA Rule 2010.

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

1. A suspension from associating with any FINRA member firm in any capacity for a period of 45 calendar days; and
2. A fine of \$20,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 45 day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Ellinghaus specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Ellinghaus understands that if he is suspended from associating with any FINRA member, 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 any capacity, including clerical or ministerial functions, during the period of the suspension (see FINRA Rules 8310 and 8311).

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

II.

WAIVER OF PROCEDURAL RIGHTS

Ellinghaus specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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

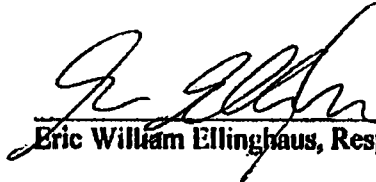
Ellinghaus understands that:

- 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 him; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 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 Respondent'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. Respondent understands that he 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.

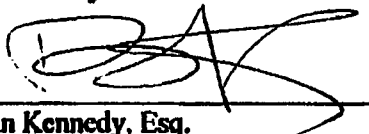
Ellinghaus certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has agreed to its provisions

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.

9/23/2015
Date (mm/dd/yyyy)


Eric William Ellinghaus, Respondent

Reviewed by:


Brian Kennedy, Esq.
Counsel for Respondent
Law Office of Brian Kennedy
87 Walker Street, 2nd Floor
New York, NY 10013
Tel: (212) 687-0099

Accepted by FINRA:

September 24, 2015
Date

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


Gary A. Chodosh
Senior Regional Counsel
FINRA Department of Enforcement
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New York, NY 10281
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