

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130388150-01**

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

RE: Belle Haven Investments, L.P., Respondent
Broker-Dealer
CRD No. 29278

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Belle Haven Investments, L.P. (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 October 14, 1991 and its registration is still in effect.

RELEVANT DISCIPLINARY HISTORY

The firm does not have any relevant disciplinary history.

SUMMARY

In Matter No. 20130388150, the Municipal Bonds Team of the Department of Market Regulation (the "staff") conducted a review of the firm related to transactions in municipal bond products during the review period of July 1, 2013 through September 30, 2013 (the "3Q13 review period").

In Matter No. 20140416216, the Trade Reporting and Compliance Engine ("TRACE") Agency Team of the Department of Market Regulation (also, the "staff") conducted a review of the firm related to transactions in TRACE-eligible securities during the review period of July 1, 2013 through December 31, 2013 (the "2H13 review period").

FACTS AND VIOLATIVE CONDUCT

In connection with Matter Nos. 20130388150 and 20140416216, the staff found:

1. During the 3Q13 review period, the staff concluded the following:
 - a. The firm failed to report information regarding 1,525 purchase and sale transactions effected in municipal securities to the Real-time Transaction Reporting System ("RTRS") in the manner prescribed by Rule G-14 RTRS Procedures and the RTRS Users Manual. Specifically, the firm failed to report information about such transactions within 15 minutes of the Time of Trade to a RTRS Portal. These transactions constituted 6.58% of the transactions that the firm reported to RTRS during the 3Q13 review period (23,185). The conduct described in this paragraph constitutes separate and distinct violations of Municipal Securities Rulemaking Board ("MSRB") Rule G-14.
2. During the 2H13 review period, the staff concluded the following:
 - a. The firm failed to report the correct Time of Trade to the RTRS in 150 reports of transactions in municipal securities. These 150 transactions constituted 0.41% of the 36,236 customer trade reports submitted by the firm during the review period. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
 - b. The firm failed to report information regarding 143 purchase and sale customer transactions effected in municipal securities to the RTRS in the manner prescribed by Rule G-14 RTRS Procedures and the RTRS Users Manual. Specifically, the firm failed to report information about such transactions within 15 minutes of the Time of Trade to an RTRS Portal. These 143 transactions constituted 0.39% of the 36,236 customer trade reports submitted by the firm during the review period. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
 - c. The firm failed to show the correct time of execution on the memorandum of 150 transactions in municipal securities. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-8.
 - d. The firm failed to report to TRACE 25 transactions in TRACE-eligible Corporate Debt Securities ("CDS") within 15 minutes of the time of execution. These 25 transactions constituted 6.01% of the TRACE-eligible CDS transactions (416) that the firm reported to TRACE during the 2H13 review period. The firm also failed to report to TRACE 20 transactions in TRACE-eligible Securitized Products ("SP") within 15 minutes of the time of execution. These 20 transactions constituted 7.78% of the TRACE-eligible SP transactions (257) that the firm reported to TRACE during the 2H13 review period. The conduct described in this

paragraph constitutes separate and distinct violations of FINRA Rule 6730(a).

- e. The firm failed to report to TRACE the correct time of execution for 25 customer transactions in TRACE-eligible CDS. These 25 reports constituted 11.74% of the reports (213) submitted by the firm during the 2H13 review period. The firm also failed to report the correct time of execution to TRACE for 25 customer transactions in TRACE-eligible SP. These 25 reports constituted 19.23% of the reports (130) submitted by the firm during the 2H13 review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730(c)(8). The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730(c)(8).
- f. The firm failed to show the correct time of execution on the memoranda of 50 brokerage orders. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and FINRA Rule 4511.

B. The firm consents to the imposition of the following sanctions:

A censure and fine of \$22,500, which is comprised of a \$10,000 fine for the MSRB-reporting violations, \$10,000 fine for the TRACE-reporting violations and a fine of \$2,500 for the order memoranda and books and records charges (MSRB Rule G-8 (\$1,000) and SEC Rule 17a-3 and FINRA Rule 4511 violations (\$1,500 combined)).

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.

June 16, 2015
Date

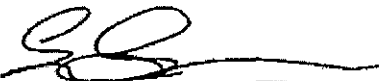
Respondent
Belle Haven Investments, L.P.

By: 

Name: LAURA CHAPMAN

Title: CCO

Reviewed by:



Luigi Spadafora, Esq.
Winget, Spadafora & Schwartzberg, LLP
Counsel for Respondent
Belle Haven Investments, L.P.

Accepted by FINRA:

6-30-15
Date

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


Justin Chretien
Chief Counsel
Department of Market Regulation