

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

NO. 20130395082-01

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

RE: Feltl & Company, Respondent
Broker-Dealer
CRD No. 6905

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Feltl & Company ("FLTL" or the "firm") 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 the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm 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 became a member of FINRA in 1975, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

In Review No. 20130395082, Customers Issues Group of the Department of Market Regulation (the "CIG staff") reviewed the firm's compliance with the rules relating to market order timeliness and best execution from July 1, 2013 through September 30, 2013 (the "review period"). Based upon their review, the CIG staff determined that the firm committed violations of the rules relating to market order timeliness and best execution.

FACTS AND VIOLATIVE CONDUCT

During the review period, in 35 instances, the firm failed to execute orders fully and promptly, and in 20 of those 35 instances, the firm failed to use reasonable diligence to ascertain the best inter-dealer market and buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions. The 35 instances are reflected on Exhibit A, which is attached. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 2010 and 5310.

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

A censure, a fine of \$12,500, and restitution to the customers listed on Exhibit A, which is attached, in the total amount of \$978.06, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council ("NAC").

A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org. This proof shall be provided to FINRA no later than 120 days after acceptance of this AWC.

If for any reason, Respondent cannot locate any customer identified in Exhibit A after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by FINRA staff in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer is known to have last resided. Respondent shall provide satisfactory proof of such action to FINRA in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

The firm 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.

The firm 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 imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

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

II.

WAIVER OF PROCEDURAL RIGHTS

The firm 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, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, 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.

The firm 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

The firm 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 the firm; 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 response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. The firm 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. The firm 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. The firm 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.

December 3, 2015
Date

Respondent
Feltl & Company

By: TH Steil

Name: Thomas Steichen

Title: General Counsel

Reviewed by
[Signature]
Counsel for Respondent

Accepted by FINRA:

December 7, 2015
Date

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

[Signature]
James J. Nixon
Chief Litigation Counsel, Legal Section
Department of Market Regulation

Part I: Order Details												Part II: Analysis				
Exception #	Exception #	Order Receipt Date	Event Type	Firm MPID	Order Received Time	Desk Received Time	Buy / Sell	Quantity	Issue Sym	Market Class	Firm Order ID	Execution Time	Crossed Market	Total Order Deviation	MOT Violation	Restitution
1	1	7/2/2013	CR	FELT	12:00:11		B	1,000	TEAR	SC	XT/0067/13183H9K8Z	12:01:00	0:00:00	0:00:49	Yes	N/A
2	2	7/18/2013	NW	FELT	14:26:21		B	1,000	RHF	CQS	XW/0061/13199R5HQH	14:26:58	0:00:00	0:00:37	Yes	\$13.00
3	3	7/18/2013	NW	FELT	15:04:41		B	2,000	PCYO	SC	XT/0113/13199S82XZ	15:10:00	0:00:00	0:01:19	Yes	\$52.20
4	4	7/23/2013	NW	FELT	10:05:44		B	500	THST	SC	XT/0016/13204J8S1H	10:06:18	0:00:00	0:00:31	Yes	\$38.00
5	5	7/23/2013	NW	FELT	13:20:38		SL	2,500	XGTW	SC	XT/0069/13204QPCQH	13:21:44	0:00:00	0:01:06	Yes	N/A
6	6	7/25/2013	NW	FELT	11:33:42		SL	300	LNDC	NNH	XT/0076/13206HLJHT	11:34:16	0:00:00	0:00:33	Yes	\$3.00
7	7	7/25/2013	NW	FELT	13:42:06		SL	1,000	TEAR	SC	XT/0116/13206Q00XP	13:42:44	0:00:00	0:00:38	Yes	N/A
8	8	8/1/2013	NW	FELT	14:07:24		B	2,000	TEAR	SC	XT/0093/13213RN1BK	14:10:41	0:00:00	0:03:13	Yes	\$44.00
9	9	8/2/2013	NW	FELT	10:17:05		B	200	GPFE	NNH	XT/0012/13214K0QJT	10:17:35	0:00:00	0:00:30	Yes	N/A
10	10	8/7/2013	NW	FELT	10:52:04		SL	500	ADHD	SC	XT/0044/13219UHTTN	10:52:46	0:00:00	0:00:42	Yes	\$120.00
11	11	8/12/2013	NW	FELT	11:34:09		SL	1,000	TEAR	SC	XT/0053/13224HLWCP	11:36:04	0:00:00	0:01:55	Yes	\$10.00
12	12	8/14/2013	NW	FELT	09:52:21		SL	374	H5KA	SC	XT/0018/13226W4WZ	09:54:54	0:00:00	0:02:32	Yes	N/A
13	13	8/14/2013	NW	FELT	10:04:17		B	100	CSII	NNH	XT/0032/132167LJX	10:05:22	0:00:00	0:01:05	Yes	N/A
14	14	8/14/2013	NW	FELT	14:57:53		SL	1,000	XGTW	SC	XT/0102/13226S00MT	14:59:24	0:00:00	0:01:30	Yes	N/A
15	15	8/15/2013	NW	FELT	15:21:07		B	300	CGIX	SC	XT/0109/13226THRCP	15:31:56	0:00:00	0:00:49	Yes	N/A
16	16	8/15/2013	NW	FELT	12:01:56		SL	500	EXAS	SC	XT/0059/13227H8XHF	12:11:45	0:00:00	0:00:48	Yes	\$4.97
17	17	8/15/2013	NW	FELT	12:04:54		SL	1,000	XGTI	SC	XT/0061/13227H1GPF	12:11:45	0:00:00	0:00:50	Yes	N/A
18	18	8/15/2013	NW	FELT	12:09:26		SL	500	XGTW	SC	XT/0063/13227H0V3W	12:11:50	0:00:00	0:00:24	Yes	N/A
19	19	8/16/2013	NW	FELT	09:40:43		SL	3,000	XGTI	SC	XT/0012/13228JULWH	09:42:09	0:00:00	0:01:26	Yes	\$336.39
20	20	8/16/2013	NW	FELT	13:46:32		B	284	CGIX	SC	XT/0065/13228Q3W3C	13:47:02	0:00:00	0:00:30	Yes	N/A
21	27	9/24/2013	NW	FELT	12:37:53	12:38:00	B	1,000	ISIG	SC	XV/0129/D1M/095444/13267H9PYH	12:39:33	0:00:00	0:01:33	Yes	\$12.00
22	28	9/24/2013	NW	FELT	13:46:39	13:46:48	B	110	ECZH	NNH	XV/0152/D1M/013735/13267Q300F	14:09:24	0:00:00	0:02:36	Yes	\$5.50
23	29	9/25/2013	NW	FELT	11:52:18	11:52:21	B	2,000	EVOK	SC	XV/0138/D1M/091855/13268H20DK	12:01:31	0:00:00	0:00:10	Yes	\$46.00
24	30	9/25/2013	NW	FELT	12:01:10	12:01:14	B	190	LNDC	NNH	XV/0143/D1P/020974/13268H8BOK	12:01:48	0:00:00	0:00:34	Yes	N/A
25	31	9/25/2013	NW	FELT	12:12:28	12:12:39	SL	1,000	LNDC	NNH	XV/0157/D1M/025666/13268H189P	12:21:49	0:00:00	0:00:10	Yes	\$31.00
26	32	9/25/2013	NW	FELT	12:30:00	12:30:03	B	1,000	XGTI	SC	XV/0171/F3X/000930/13268H26HH	12:32:11	0:00:00	0:00:08	Yes	N/A
27	33	9/25/2013	NW	FELT	12:30:45	12:30:49	B	1,000	XGTI	SC	XV/0172/F3X/001968/13268H35JF	12:32:14	0:00:00	0:00:25	Yes	\$40.50
28	34	9/25/2013	NW	FELT	14:00:17	14:00:20	B	1,500	XGTI	SC	XV/0223/F3X/001392/13268H55ZC	14:01:43	0:00:00	0:00:23	Yes	\$143.50
29	35	9/25/2013	NW	FELT	14:48:49	14:48:59	B	1,000	BLOS	NNH	XV/0303/D1P/030202/13268H5RBTW	14:51:46	0:00:00	0:00:47	Yes	N/A
30	36	9/26/2013	NW	FELT	10:12:44	10:12:44	B	110	ECZH	NNH	XV/0034/D1M/015911/13269K59PF	10:13:42	0:00:00	0:00:58	Yes	N/A
31	37	9/26/2013	NW	FELT	11:20:41	11:20:41	SL	300	CGIX	SC	XV/0067/F3X/002078/13269H76MF	11:24:10	0:00:00	0:00:29	Yes	\$2.00
32	38	9/26/2013	NW	FELT	14:34:31	14:34:38	SL	300	CGIX	SC	XV/0151/D1P/050838/13269S5SHZ	14:40:03	0:00:00	0:00:12	Yes	\$3.00
33	39	9/26/2013	NW	FELT	14:39:06	14:39:11	SL	300	CGIX	SC	XV/0152/D1P/050839/13269SHHKN	14:40:05	0:00:00	0:00:54	Yes	\$3.00
34	40	9/26/2013	NW	FELT	14:53:49	14:53:49	SL	3,000	CGIX	SC	XV/0164/D1M/094021/13269S9YTH	14:55:27	0:00:00	0:01:38	Yes	\$68.00
35	41	9/27/2013	NW	FELT	09:31:15	09:31:15	SL	1,000	CGIX	SC	XV/0010/D1P/022194/13270K0CCC	09:32:43	0:00:00	0:01:28	Yes	N/A
															No. of MOT Violations:	35
															Total Restitution:	\$978.06