

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039129001**

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

RE: Eight Pines Securities LLC, Respondent
Member Firm
CRD No. 153794

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Eight Pines Securities LLC (hereinafter, "Eight Pines" or "Respondent") 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 Eight Pines 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

Eight Pines has been a FINRA-registered firm since May 2012. Eight Pines is a limited purpose broker-dealer who is only approved to engage in private placement of securities. Eight Pines has a minimum net capital requirement of \$5,000, employs nine registered individuals and is registered in four states.

RELEVANT DISCIPLINARY HISTORY

Eight Pines has no formal disciplinary history.

OVERVIEW

Between November 2012 and November 2013, Eight Pines failed to review any of the approximately 157,000 incoming and outgoing emails, in contravention of their written supervisory procedures, in violation of NASD Rule 3010(d)(2).

FACTS AND VIOLATIVE CONDUCT

1. NASD Conduct Rule 3010(d)(2) requires member firms to establish, maintain and enforce written supervisory procedures that are appropriate to its business, size, structure, and customers for the review of incoming and outgoing written and electronic correspondence with the public relating to its securities business.
2. During the period November 2012 through November 2013, Eight Pines' written procedures mandated a review of all correspondence flagged by a lexicon search, and 5% of all other emails. Eight Pines used Smarsh, a system that retains all incoming and outgoing emails and allows for registered users to review these emails.
3. During the same time period, Smarsh retained approximately 157,000 incoming and outgoing emails. Eight Pines did not review any of the retained incoming or outgoing email. Eight Pines therefore failed to enforce its written supervisory procedure for the review of electronic correspondence with the public relating to its securities business.
4. Based on the foregoing, Eight Pines violated NASD Conduct Rule 3010(d)(2) and FINRA Rule 2010 .

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

A censure and a \$7,500 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondent 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 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 waive the following rights granted under FINRA's Code of Procedure:

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

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

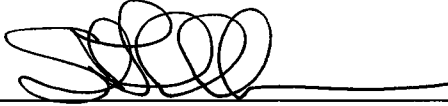
C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
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 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 Respondent, 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 Respondent agrees 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 Respondent to submit it.

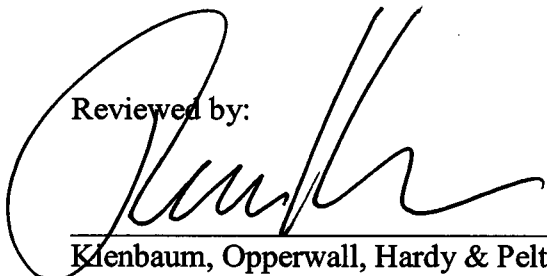
03/31/2015
Date (mm/dd/yyyy)


Eight Pines Securities LLC, Respondent

By: Scott Cockerham

Chief Executive Officer of Variant Capital as of
March 16, 2015

Reviewed by:

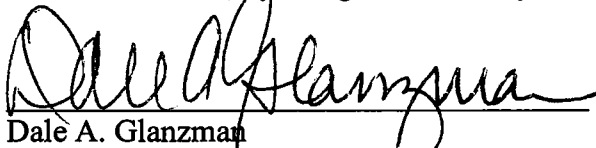


Kienbaum, Oppewall, Hardy & Pelton, P.L.C.
Counsel for Respondent
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(248) 645-0000; (248) 645-1385

Accepted by FINRA:

3-31-15 05/29/2015
Date

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


Dale A. Glanzman
Senior Regional Counsel
FINRA Department of Enforcement
55 West Monroe Street, Suite 2700
Chicago, IL 60613
(312)899-4312; (312)899-4600 (fax)

Attachment: Election of Payment Form