

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039217501**

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

RE: Corporate Investments Group, Inc., Respondent
CRD No. 38690

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, 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 it 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

Corporate Investments Group, Inc. ("CIG") became a member of FINRA and registered with the Securities and Exchange Commission on January 16, 1996. The firm has 3 non-registered branch locations and approximately 10 registered representatives. It derives the majority of its revenue from its retail equity and options business. CIG's membership with FINRA and registration with the SEC remain currently in effect.

OVERVIEW

Corporate Investments Group, Inc. (CIG) prepared an inaccurate general ledger, trial balance, and net capital computation in its FOCUS report for the period ending March 31, 2014, in violation of SEC Exchange Act Rules 17a-3 and 17a-5 and FINRA Rule 4511. It failed to evidence an adequate review of disclosed outside business activities for two registered representatives in 2014, in violation of FINRA Rule 3270; failed to evidence supervision of representative websites from October to December 2013, in violation of NASD Rule 3010(b); and prepared deficient written branch inspection reports in 2013, in violation of NASD Rule 3010(c).

FACTS AND VIOLATIVE CONDUCT

SEC Rule 17a-3(a)(2), SEC Rule 17a-3(a)(11), and SEC Rule 17a-5(a)(2) - Financial Record-Keeping.

SEC Exchange Act Rules 17a-3, 17a-5, and 17a-11 required CIG to prepare an accurate general ledger, trial balance, and net capital computation.

CIG failed to prepare an accurate General Ledger, Trial Balance, and net capital computation for the period ending March 31, 2014. To that end, the firm overstated its net capital by:

- Including, as allowable assets, \$3,919 in unsecured receivables from employees;
- Including, as an allowable asset, an unreturned \$24,939 clearing deposit with its former clearing firm, despite that deposit having being unreturned for more than 31 days;
- Failing to include a \$10,052.20 liability to its former clearing firm, in its computation of net capital because it was disputing the charges;
- Failing to include \$8,452.21 in its settlement account as an allowable receivable; and
- Failing to include \$5,694.61 in miscellaneous expenses that should have been accrued as a liability in March 2014.

By virtue of the foregoing, CIG violated SEC Rule 17a-3(a)(2), SEC Rule 17a-3(a)(11), and SEC Rule 17a-5(a)(2); and FINRA Rules 4511 and 2010.

FINRA Rule 3270 - Outside Business Activity Review.

FINRA Rule 3270 requires each member firm receiving notice of an outside business activity to consider whether the activity would interfere with the registered person's responsibilities or be viewed as part of the member's business. Rule 3270 further directs each member to evaluate the advisability of imposing specific conditions or limitations on a registered person's outside business activity and to evaluate the proposed activity to determine whether the activity should be treated as an outside securities activity. Finally, Rule 3270 requires each member to keep a record of its compliance with the foregoing obligations

CIG failed to evidence an adequate investigation into its registered representatives' outside business activities (OBAs) pursuant to FINRA Rule 3270 and its own written supervisory procedures.

CIG's written supervisory procedures (WSPs) state that OBA review will be evidenced by notation on the firm's Outside Business Activity Questionnaire. On or around January 2, 2014, and February 11, 2014, respectively, AS and MM submitted "Registered Individual Personal Activity Questionnaires." On or around June 16 and 18, 2014, respectively, AS and MM submitted additional questionnaires. Neither set of OBA questionnaires contained notations evidencing review of the outside business activity.

By virtue of the foregoing, CIG violated FINRA Rules 3270 and 2010.

NASD Rule 3010 – Supervision of Registered Representatives.

At all times relevant to this AWC, NASD Rule 3010 provided that firms must maintain and enforce procedures for review of their registered representatives' correspondence, which includes any websites those representatives maintain.

CIG's WSPs state that the firm will review firm and registered representative websites monthly, and that the review will be evidenced in the firm's Supervisory Journal. In October 2013, November 2013, and December 2013, the firm's Supervisory Journals failed to contain documentation of any review of firm or registered representative websites.

By virtue of the foregoing, CIG violated NASD Rule 3010 and FINRA Rule 2010.

NASD Rule 3010(c) - Branch Office Inspection Reports.

At all times relevant to this AWC, NASD Rule 3010(c)(2) required that firm branch office inspection reports include, without limitation, the testing and verification of the member's policies and procedures, including supervisory policies and procedures regarding supervision of customer accounts serviced by branch office managers. In addition, NASD Rule 3010(c)(3) prohibited a person sharing supervisory responsibility over a branch from conducting the branch office inspection, unless the inspection report documented the firm's determination (including the factors relied on) that the firm was so limited in size and resources that it had no other alternative than to comply in this manner.

The firm's 2013 OSJ branch inspection report did not contain the testing and verification of the firm's policies and procedures in the area of supervision of customer accounts serviced by branch office managers. In addition, the branch inspection report was conducted by a person who shared supervisory responsibility over the branch, and CIG failed to document the basis for its reliance on the Limited Size and Resource Exception.

By virtue of the foregoing, CIG violated NASD Rule 3010(c) and FINRA Rule 2010.

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

1. A censure; and
2. A \$12,500 fine.¹

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

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. 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(s) imposed in this matter.

¹ Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the firm's revenues and financial resources. See Notice to Members 06-55.

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 it;
- 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 it; and

C. If accepted:

1. this AWC will become part of its 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 Respondent's 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 Respondent 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 Respondent to submit it.

9/10/2016
Date (mm/dd/yyyy)

Corporate Investments Group, Inc.
Respondent

CORPORATE INVESTMENTS GROUP, INC.

By: Andy Lamm
Its: CEO

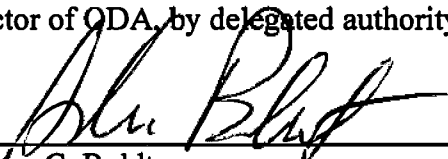
Reviewed by:

Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

10-5-16
Date

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



Andrew C. Boldt
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