

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140399422-01

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

RE: SunGard Brokerage & Securities Services LLC, Respondent
Broker-Dealer
CRD No. 104162

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, SunGard Brokerage & Securities Services LLC, (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 FINRA member since October 12, 2000 and its registration remains in effect. The firm has the following relevant disciplinary history:

On September 12, 2013, FINRA accepted an AWC in which ANDV was censured and fined a total of \$30,000, including a \$22,500 fine for Order Audit Trail System ("OATS") reporting violations identified during the firm's 2011 Trading and Market Making Surveillance ("TMMS") examination for trade dates March 30 and 31, 2011.

On October 12, 2012, FINRA accepted an AWC in which ANDV was censured and fined \$10,000 for OATS reporting violations identified during the period from September 1, 2010 through December 31, 2010.

On February 17, 2011, FINRA accepted an AWC in which ANDV was censured and fined a total of \$37,500 including a \$10,000 fine for OATS reporting violations identified during the firm's 2010 TMMS examination for trade dates February 22 through 26, 2010.

On September 24, 2010, FINRA accepted an AWC in which ANDV was censured and fined a total of \$65,000 including a \$5,000 fine for OATS reporting violations identified during the firm's 2009 TMMS examination for trade dates March 24 and 25, 2009.

SUMMARY

In connection with the 2014 Trading and Financial Compliance Examination ("TFCE"), 20140399422, the staff reviewed the firm's trading activity primarily for trade date March 25, 2014 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the firm transmitted to OATS 49 Reportable Order Events ("ROEs") that contained inaccurate, incomplete, or improperly formatted data. Specifically, the firm: (a) failed to include the special handling code NH in 29 instances; (b) failed to report the correct order receipt times in 14 instances; (c) incorrectly reported the DIR special handling code in three instances; and (d) failed to submit cancellation reports for three cancelled orders. These inaccurate and/or incomplete reports represented 45 percent of the sample (107) reports the staff reviewed. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450.
2. During the review period, the firm failed to record the following information on the memorandum of brokerage orders: (a) the NH special handling code for 29 orders; (b) incorrectly designated three non-directed orders as directed orders; (c) failed to record the order receipt time for 14 orders; and (d) recorded the incorrect order entry time for one order. These inaccurate and/or incomplete brokerage orders represented 32 percent of the sample (147) brokerage orders the staff reviewed. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and FINRA Rule 4511.

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

A censure and a \$17,500.¹

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.

¹ One fine is being imposed because the SEC Rule 17a-3 and FINRA Rule 4511 violations stemmed from the same system issues that caused the FINRA Rule 7450 violations.

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 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.

December 7, 2015

Date

Respondent

SunGard Brokerage & Securities Services
LLC

By: Robert Scutella

Name: Robert Scutella

Title: Chief Executive Officer

Reviewed by:

Andrew B. Donnell, Jr.

Counsel for Respondent

December 7, 2015

Accepted by FINRA:

December 30, 2015

Date

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

Justin Chretien

Justin Chretien

Chief Counsel

FINRA Department of Market Regulation