

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 20140411872-01**

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

**RE:** Tradition Asiel Securities, Inc., Respondent  
Broker-Dealer  
CRD No. 28269

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Tradition Asiel Securities, Inc., (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 September 16, 1991 and its registration remains in effect.

**RELEVANT DISCIPLINARY HISTORY**

The firm has the following relevant disciplinary history:

In matter 20110283407 the firm agreed to an AWC accepted by FINRA on July 8, 2013, in which the firm was censured and fined \$7,500 for violations of FINRA Rule 6730(a), and a pattern and practice of late reporting without exceptional circumstances in violation of FINRA Rule 2010, during the review period of January 1, 2011 through March 31, 2011. Specifically, the firm failed to timely report 360 S1 transactions (5% of all S1 transactions reported) to the Trade Reporting and Compliance Engine ("TRACE") during that review period.

In matter 20120345556 the firm agreed to an AWC accepted by FINRA on March 19, 2014 which involved the resolution of three Fixed Income matters with a total fine of \$36,000. Included in this AWC was matter 20130367888, which cited the firm for TRACE violations related to the reporting of TRACE-eligible Securitized

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Products during the review period of January 1, 2013 through March 31, 2013. In that matter, the firm agreed to a fine of \$16,000 for violations of FINRA Rule 6730(c)(8) and SEC Rule 17a-3.

### **SUMMARY**

In connection with matter 20140411872, the TRACE staff of the Department of Market Regulation (the "staff") conducted a review of the firm with applicable TRACE requirements during the review period of January 1, 2014 through March 31, 2014 (the "first review period").

In connection with matter 20140430706, the TRACE staff conducted a review of the firm with applicable TRACE requirements during the review period of July 1, 2014 through September 30, 2014 (the "second review period").

### **FACTS AND VIOLATIVE CONDUCT**

In connection with matter 20140411872, the staff concluded:

1. During the first review period, the firm failed to report to TRACE 1,629 SI transactions in TRACE eligible Corporate Debt Securities within 15 minutes of the time of execution (comprising 11.62% of the 14,022 total reports). The staff concluded this conduct constituted separate and distinct violations of FINRA Rule 6730(a), and a pattern and practice of late reporting without exceptional circumstances during the review period, in violation of FINRA Rule 2010

In connection with matter 20140430706, the staff concluded:

2. During the second review period, the firm failed to report to TRACE the correct time of trade execution for 121 transactions in TRACE-eligible Securitized Products. These 121 inaccurate reports constituted 8.18% of the 1,480 matched Inter-dealer reports that the firm submitted to TRACE during the second review period. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730(c)(8).
3. During the second review period, the firm failed to show the correct time of execution on the memorandum of 81 brokerage orders. 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 fine of \$20,000 comprised of a fine of \$15,000 for the TRACE reporting violations and a fine of \$5,000 for the order memoranda related violations.

**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 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 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.

2/24/16  
Date

Respondent  
Tradition Asiel Securities, Inc.

By: Eric M. Eganhardt

Name: Eric M. Eganhardt

Title: Chief Compliance Officer

Reviewed by:

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Attorney Name  
Counsel for Respondent  
Tradition Asiel Securities, Inc.

Accepted by FINRA:

3-10-16  
Date

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

Justin Chretien

Justin Chretien  
Chief Counsel  
FINRA Department of Market Regulation