

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140416211-01**

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

RE: Advisors Asset Management, Inc., Respondent
Broker-Dealer
CRD No. 46727

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Advisors Asset Management, 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 the firm 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

Respondent has been a FINRA member since July 16, 1999, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On January 7, 2013, FINRA accepted an AWC in which the firm was fined a total of \$65,000 for violations of FINRA Rules 6730 and 2010 and MSRB Rules G-8, G-14, G-15, and G-27 during the period March 2008 through October 2010.

SUMMARY

In connection with Review No. 20140416211, the Trade Reporting and Compliance Engine ("TRACE") Agency/Securitized Products Team of the Department of Market Regulation reviewed the firm's compliance with FINRA Rule 6730 and Municipal Securities Rulemaking Board ("MSRB") Rules during the period July 1, 2013 through December 31, 2013 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the firm failed to report information regarding 1,111 purchase and sale transactions effected in municipal securities to the Real-time Transaction Reporting System ("RTRS") in the manner prescribed by Rule G-14 RTRS Procedures and the RTRS Users Manual. Specifically, in transactions with customers, the firm failed to include specific items of information listed for such transactions in the Specifications for Real-Time Reporting of Municipal Securities Transactions, namely (i) the correct time of execution in 46 customer transactions; (ii) the correct time, price, and commission in 33 customer transactions; and (iii) the correct price and commission in 1,032 customer transactions. These transactions constituted 11 percent of the customer transactions that the firm reported to the RTRS during the review period. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
2. During the review period, the firm failed to show the correct time of execution on the memorandum of 40 brokerage orders. The conduct described in this paragraph constitutes separate violations of MSRB Rule G-8.
3. During the review period, the firm failed to disclose the accurate dollar price of the trade and the dollar amount of the commission on the customer confirmation for 20 trades in municipal securities. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-15.

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

A censure and a fine of \$10,000.

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 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. 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. 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.

June 1, 2015
Date

Respondent
Advisors Asset Management, Inc.

By: 

Name: John Webber

Title: CEO

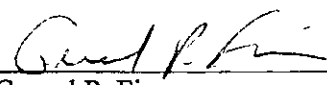
Reviewed by:

Attorney Name
Counsel for Respondent

Accepted by FINRA:

June 11, 2015
Date

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


Gerard P. Finn
Chief Counsel
Department of Market Regulation