

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015043667001**

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

RE: Spartan Securities Group, Ltd., Respondent
FINRA Member Firm
BD No. 104478

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Spartan Securities Group, Ltd. ("Spartan" or the "Firm") 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 Spartan alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Spartan 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

Spartan has been a FINRA member firm since July 25, 2001. Spartan is headquartered in Clearwater, Florida and has approximately 8 registered representatives that are located in its main office and three branch offices. Spartan derives virtually all of its revenues from proprietary trading activities.

RELEVANT DISCIPLINARY HISTORY

FINRA Matter No. 2010021595901

In May 2014, Spartan consented to an AWC, which imposed a sanction consisting of a censure and \$25,000 fine and an undertaking to revise its Written Supervisory Procedures ("WSPs") for entering orders that contained an incorrect capacity into the NASDAQ Market Center and entered orders in the NASDAQ Market Center that failed to correctly indicate whether the orders were a buy, short sale or long sale, in violation of NASDAQ Rules 4611 and 4755 and NASD Conduct Rules 2110 and 3010.

FINRA Matter No. 2010021595902

In May 2014, Spartan consented to an AWC, which imposed a sanction consisting of a censure and \$95,000 fine and ordered to pay \$1,172.75, plus interest in restitution to customers and was required to revise its WSPs for failing to contemporaneously or partially execute customer limit

orders in securities after it traded each subject securities for its own market-making account at a price that would have satisfied each customer's limit order and failed to pass along a price improvement to a customer limit order, in violation of NASD Conduct Rules 2320, 3010, NASD IM-2110-2, FINRA Rules 2010, 6380A or 6622, 7230A or 7330, 7440 and 7450, Securities Exchange Act of 1934 ("Exchange Act") Regulation NMS Rules 605 and 611 and Exchange Act Rules 10b-10 and 17a-3.

OVERVIEW

During the period from October 2013 through March 2015 ("Relevant Period") Spartan failed to establish and maintain a supervisory system that was reasonably designed to ensure compliance with Regulation NMS. In view of the foregoing, Spartan violated Securities Exchange Act of 1934 ("Exchange Act") Regulation NMS Rule 611(a), NASD Conduct Rule 3010(a) (for the period up to December 1, 2014) and FINRA Rules 3110(a) (for the period commencing on December 1, 2014) and 2010.

FACTS AND VIOLATIVE CONDUCT

Background

Regulation NMS Rule 611(a) provides that a trading center shall establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent trade-throughs on that trading center of protected quotations in NMS stocks that do not fall within an exception set forth in paragraph (b) of Regulation NMS Rule 611 and, if relying on such an exception, that are reasonably designed to assure compliance with the terms of the exception.

Spartan Failed to Establish and Maintain a Supervisory System Reasonably Designed to Prevent Trade-Throughs

During the Relevant Period, Spartan failed to establish and maintain a supervisory system that was reasonably designed to achieve compliance with the applicable securities laws and regulations, and FINRA Rules, concerning Regulation NMS Rule 611(a). Specifically, Spartan permitted 197 trade-throughs of protected quotations in Regulation NMS securities without any applicable exception, or if relying on an exception, failed to ensure that the transaction complied with the terms of the exception.

By virtue of the foregoing, Spartan violated Exchange Act Regulation NMS Rule 611(a), NASD Conduct Rule 3010(a) (for the period up to December 1, 2014) and FINRA Rules 3110(a) (for the period commencing on December 1, 2014) and 2010.

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

- Censure;
- \$30,000 fine; and
- An undertaking requiring Spartan to address the Regulation NMS Rule 611(a) deficiencies described above to ensure that the Firm has implemented procedures that are reasonably designed to achieve compliance with the rules and regulations cited herein.

The Firm shall submit to FINRA's Department of Enforcement, located at One Securities Centre, Suite 500, 3490 Piedmont Road, N.E., Atlanta, Georgia 30305, no later than 30 days after the AWC becomes final, a signed dated letter, or an e-mail from a work-related

account of the registered principal to brice.lahue@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the Firm has revised its supervisory systems to address the deficiencies described above; and (3) the dates that this was completed.

Spartan agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Spartan has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Spartan 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

Spartan specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Spartan;
- 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, Spartan 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.

Spartan 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

Spartan 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 Spartan; and
- C. If accepted:
1. This AWC will become part of Spartan's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Spartan;
 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. Spartan 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. Spartan 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 Spartan'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. Spartan may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Spartan 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.

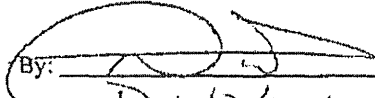
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read" and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Spartan has agreed to its provisions voluntarily; and that no offer, 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 the Firm to submit it.

Spartan Securities Group, Ltd.

1/5/2018
Date

Reviewed by:

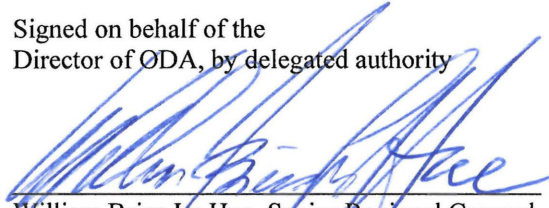
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By: 
David Lopez
CCO

Accepted by FINRA:

1/9/2018
Date

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



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