

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046182402**

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

RE: VectorGlobal WMG, Respondent
Broker-Dealer
CRD No. 32396

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, VectorGlobal WMG (the "firm" or "VectorGlobal") 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. The firm 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

VectorGlobal became a FINRA member on September 3, 1993. VectorGlobal is headquartered in Miami, Florida and employs approximately 100 registered representatives, which provide brokerage services to institutional customers.

RELEVANT DISCIPLINARY HISTORY

VectorGlobal does not have any relevant disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

From January 1, 2015 to December 31, 2018 (the "Review Period"), VectorGlobal reported 323 customer transactions to the Trade Reporting and Compliance Engine ("TRACE") with an inaccurate capacity in violation of FINRA Rules 6730(c)(7) and

6730(a)(5). VectorGlobal also failed to provide the correct capacity on 206 customer confirmations in violation of SEC Rule 10b-10 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

TRACE Reporting Violations

1. FINRA Rule 6730(c)(7) requires each trade report for a TRACE-reportable transaction to reflect the capacity in which the firm acted in executing the transaction. Pursuant to FINRA Rule 6730(a)(5), the capacity for each trade must be reported accurately. FINRA has issued guidance to member firms on how to report transactions to TRACE, including guidance on how to properly report trade capacity. TRACE Frequently Asked Question (“FAQ”) 3.1.32 notes that any trade that “ever moves through a proprietary account . . . is considered a principal trade by FINRA” and should therefore be reported with a principal capacity.¹
2. During the Review Period, VectorGlobal reported 323 customer transactions to TRACE as agent when those transactions should have been reported as principal. These violations were the result of the firm’s belief that it was acting as agent between two counterparties despite executing the transactions through its principal account. Because these transactions went through the firm’s principal account, the firm should have reported these transactions to TRACE with a capacity of principal. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 6730.

Customer Confirmations Violations

3. SEC Rule 10b-10 requires member firms to provide written notification to customers disclosing, among other information, whether the firm is acting in an agency or principal capacity.
4. VectorGlobal recorded the incorrect capacity on 206 customer confirmations. The firm believed that it was acting in the capacity of agent, and therefore disclosed a capacity of agent on its customer confirmations. These trades involved sales (purchases) from (into) the firm’s principal account. The firm’s customer confirmations therefore should have reflected a capacity of principal. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 10b-10 and FINRA Rule 2010.

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

A censure and a fine of \$17,500.

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

¹ TRACE FAQ <https://www.finra.org/filing-reporting/trace/faq#GeneralReporting>.

The firm 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

The firm 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, the firm 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.

The firm 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

The firm understands that:

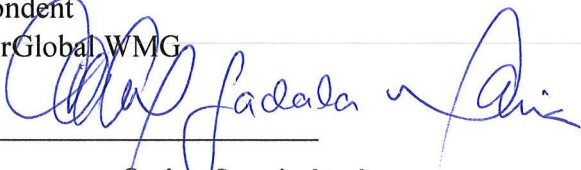
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of

- the allegations against the firm; 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. The firm 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. The firm 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.

5/6/2020
Date

Respondent
VectorGlobal WMG

By: 

Name: Carlos Gadala-Maria

Title: CEO

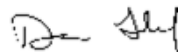
Reviewed by:

Counsel for Respondent

Accepted by FINRA:

May 15, 2020
Date

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



Dean A. Floyd
Senior Counsel
Department of Enforcement