

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150462297 01**

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

RE: Enclave Capital LLC, Respondent
Member Firm
BD No. 22732

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Enclave Capital LLC ("Enclave" 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent Enclave 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

Enclave has been a FINRA member since May 1990. The Firm's business includes acting as an intermediating U.S. broker on behalf of its foreign broker-dealer clients under Securities and Exchange Act Rule 15a-6, retail sales of corporate securities and private placements of securities. The Firm employs approximately 20 registered representatives. Its principal place of business is in New York, New York.

RELEVANT DISCIPLINARY HISTORY

Enclave has no formal disciplinary history.

OVERVIEW

Enclave conducted a securities business while failing to maintain its required minimum net capital during various time periods between July 2014 and July 2015 and, relatedly, maintained inaccurate financial books and records in 2014.

FACTS AND VIOLATIVE CONDUCT

Books and Records Violations

Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Exchange Act Rule 17a-3 require, among other things, that broker-dealers maintain accurate books and records, including general ledgers and net capital calculations. Exchange Act Rule 17a-5 requires, among other things, that member firms submit Financial and Operational Combined Uniform Single ("FOCUS") Reports containing certain accounting and financial information. FINRA Rule 4511 requires its members to make and preserve accurate books and records as required under the Exchange Act and applicable Exchange Act Rules.

During the period from May 2014 through September 2014, the Firm failed to accrue certain business related expenses. As a result, the Firm maintained an inaccurate general ledger and its FOCUS Reports were inaccurate for five consecutive months between May 2014 and September 2014.

By virtue of the foregoing, Enclave violated 17(a) of the Exchange Act and Rules 17a-3 and 17a-5 promulgated thereunder, and FINRA Rules 4511 and 2010.

Net Capital Violations

Section 15(c) of the Exchange Act and Exchange Act Rule 15c3-1 require broker-dealers to have and maintain a minimum level of net capital. Throughout 2014 and 2015, the Firm's required minimum net capital was \$250,000.

The Firm conducted a securities business between July 31, 2014 and September 30, 2014, notwithstanding that it had net capital deficiencies ranging from (\$20,870) to (\$81,604). The deficiencies were caused by the Firm's failure to accrue certain business related expenses. In addition, the Firm also conducted a securities business between April 1, 2015 and July 23, 2015 while experiencing net capital deficiencies ranging from (\$12,799) to (\$44,411). The net capital deficiencies the Firm experienced in 2015 were attributable to the Firm's repayment of a loan, a delay in the collection of non-allowable receivables and a monthly operating loss in June.

By virtue of the foregoing, Enclave violated 15(c) of the Exchange Act and Rule 15c3-1 promulgated thereunder, and FINRA Rule 2010.

B. Enclave consents to the imposition of the following sanctions:

- Censure; and
- Fine of \$30,000.

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

Enclave 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

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

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

Enclave 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

Enclave 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 Enclave's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 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. Enclave 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. Enclave 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 Enclave'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. Enclave may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Enclave 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 Enclave 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.

8/29/17

Date (mm/dd/yyyy)

Enclave Capital LLC, Respondent

By: 

Name: Robert Mazzeo

Title: CEO

Accepted by FINRA:

September 25, 2017

Date

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



Matthew Minerva
Principal Regional Counsel
FINRA Department of Enforcement
200 Liberty Street
New York, New York 10281
Tel: (212) 416-1756
Fax: (301) 527-4738