

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150465819-01**

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

RE: Comerica Securities, Respondent
Broker-Dealer
CRD No. 17079

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Comerica Securities (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 August 19, 1986, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

In connection with Review No. 20150465819, Department of Market Regulation staff (the "staff") reviewed the firm's compliance with Municipal Securities Rulemaking Board ("MSRB") Rules during the period December 1, 2013 through December 31, 2014 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. MSRB Rule G-15(f)(i) prohibits a broker, dealer, or municipal securities dealer from effecting a customer transaction in municipal securities issued after June 1, 2002 in an amount lower than the minimum denomination of the issue.
2. Issuers set minimum denominations for the purchase or sale of municipal securities and disclose those minimum denominations in Official Statements, which are documents prepared by or on behalf of the issuer of municipal securities in

connection with a primary offering. Minimum denominations generally range from \$5,000 to \$100,000. An issuer may set a minimum denomination at \$100,000 or higher to qualify for one of several exemptions from Securities Exchange Act Rule 15c2-12, which is designed to ensure production of certain disclosure documents in the primary and secondary markets. In addition, an issuer may set high minimum denominations because of a concern that the offered securities may not be appropriate for retail investors who are likely to purchase securities in relatively small amounts.

3. There are two limited exceptions to executing transactions below the minimum denomination. First, under MSRB Rule G-15(f)(ii), a dealer may purchase municipal securities from a customer in an amount below the minimum denomination of the issue if the dealer determines that the customer's position in the issue is already below the minimum denomination and the customer's entire position in the issue would be liquidated by the transaction.
4. Second, under MSRB Rule G-15(f)(iii), a dealer may sell municipal securities to a customer in an amount below the minimum denomination of the issue if the dealer determines that the position being sold resulted from the liquidation of another customer's entire position in the issue which was below the minimum denomination of the issue. Additionally, a dealer selling under MSRB Rule G-15(f)(iii) must, at or before the completion of the transaction, notify the customer that the amount of the transaction is below the minimum denomination of the issue and that this may adversely affect the liquidity of the customer's position.
5. Under MSRB Rule G-15(f), brokers, dealers, and municipal securities dealers may not sell (or buy) municipal securities in amounts below the minimum denomination of an issue to a customer regardless of whether the customer holds or would hold a position in the issue which is equal to or exceeds the minimum denomination of the issue.
6. During the review period, the firm effected 15 customer transactions in a municipal security in an amount lower than the minimum denomination of the issue which were not subject to an exception under the rule. These transactions are detailed in Exhibit A, attached. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-15(f).
7. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the MSRB rules, concerning municipal transactions effected on behalf of a customer below an issue's minimum denomination as stated on relevant offering documents. Specifically, as required by MSRB Rule G-27, the firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures

should be documented. The conduct described in this paragraph constitutes a violation of MSRB Rule G-27.

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

- A censure;
- A fine of \$32,500 (consisting of \$25,000 for the minimum denomination violations and \$7,500 for the supervision violations); and
- Rescission must be offered to the customers who executed the transactions listed on Exhibit A hereto at either the original purchase price or the current fair market value, whichever is higher. The offer of rescission shall remain open with the affected customer for a period of 60 days. A registered principal on behalf of the firm shall submit satisfactory proof of offer of the rescission, or of reasonable and documented efforts undertaken to effect rescission, including the offered price and a description of how the offered price was determined. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org. This proof shall be provided to FINRA no later than 90 days after acceptance of this AWC.

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:

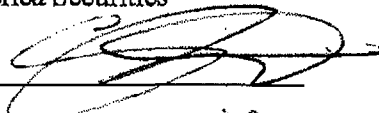
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

5/23/17
Date

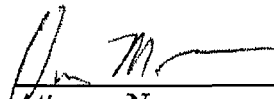
Respondent
Comerica Securities

By: 

Name: C. Scott Dikatz

Title: SVP

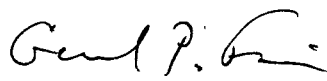
Reviewed by:


Attorney Name
Counsel for Respondent

Accepted by FINRA:

6/14/17
Date

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


Gerard P. Finn, Esq.
Chief Counsel, Legal Section
Department of Market Regulation

Matter No. 20150465819 Review Period: December 1, 2013 through December 31, 2014

Count	Trade Execution Date	Trade Execution Time	CUSIP	Seller	Volume	Price	Buyer
1	12/18/2013	9:29:33	585837ET0	CMCA	50,000	100.919	CUST
2	12/18/2013	9:39:02	585837ET0	CMCA	50,000	100.919	CUST
3	12/18/2013	9:29:25	585837ET0	CMCA	50,000	100.919	CUST
4	12/18/2013	9:29:41	585837ET0	CMCA	50,000	100.919	CUST
5	12/18/2013	9:32:52	585837ET0	CMCA	75,000	100.919	CUST
6	12/18/2013	9:33:01	585837ET0	CMCA	75,000	100.919	CUST
7	12/18/2013	9:39:18	585837ET0	CMCA	25,000	100.919	CUST
8	8/13/2014	11:17:51	966578LQ7	CMCA	50,000	100.496	CUST
9	8/5/2014	11:19:42	966578LQ7	CMCA	50,000	100.496	CUST
10	5/13/2014	16:07:03	87160RAC7	CMCA	50,000	101.601	CUST
11	11/24/2014	11:06:45	585837EU7	CMCA	40,000	100.953	CUST
12	10/30/2014	16:25:19	594698JN3	CMCA	45,000	100	CUST
13	9/2/2014	9:48:36	59469C7V9	CMCA	30,000	100	CUST
14	2/13/2014	11:49:20	594698BY7	CMCA	10,000	100	CUST
15	2/28/2014	13:12:52	594698BY7	CMCA	60,000	100	CUST