

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150483128-01**

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

RE: Israel A. Englander & Co., LLC, Respondent
Broker-Dealer
CRD No. 33725

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Israel A. Englander & Co., LLC (the "Firm", "Englander" 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 Respondent 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

Englander became a FINRA member on December 3, 2003, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

On May 28, 2013, FINRA accepted an AWC in connection with Matter No. 20110279601, in which Englander was censured and fined \$12,500 for failing to transmit to the Order Audit Trail System ("OATS") 209,858 Reportable Order Events ("ROEs"), which constituted 17% of ROEs that the firm was required to transmit to OATS, on 94 business days during the period between January 1, 2011 and June 30, 2011.

SUMMARY

In connection with Matter Nos. 20150483128 and 20160523153, the staff of the OATS Compliance Section of FINRA's Department of Market Regulation ("Market Regulation") conducted reviews of the Firm's compliance with FINRA Rule 7450 during the periods between November 1, 2014 and March 31, 2016 ("Review Period I"), and between April 1, 2016 and March 31, 2017 ("Review Period II"). The staff found that the Firm had failed to report, and had inaccurately reported, ROEs to OATS during Review Periods I and II, in violation of FINRA

Rule 7450(a). The Firm also violated FINRA Rules 2010 and 3110 (for the period on and after December 1, 2014), and NASD Rule 3010 (for the period on and prior to November 30, 2014).

FACTS AND VIOLATIVE CONDUCT

During Review Period I, in connection with Matter No. 20150483128:

1. The Firm failed to transmit 14,458 ROEs to OATS, which constituted 37.39% of all (38,670) ROEs that the Firm was required to transmit to OATS, on 359 business days. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).
2. The Firm transmitted 14,458 ROEs to OATS that contained an incorrect Firm Market Participant Identifier ("MPID"). The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).

During Review Period II, in connection with Matter No. 20160523153:

3. The Firm failed to transmit 11,317 ROEs, which constituted 38.12% of all (29,484) ROEs the Firm was required to transmit to OATS, on 253 business days. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).
4. The Firm transmitted 6,430 ROEs to OATS that contained an incorrect Firm MPID. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450(a).
5. During Review Periods I and II and through September 7, 2017, the Firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with FINRA Rule 7450. Specifically, the Firm failed to enforce adherence to the provision of its written supervisory procedures that required the Firm to review a sample of OATS submissions made by its OATS reporting agent to ensure that the information submitted to OATS matched the Firm's order records. This conduct violated NASD Rule 3010 (for the period on and prior to November 30, 2014), FINRA Rule 3110 (for the period on and after December 1, 2014), and FINRA Rule 2010.

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

1. a censure; and
2. a fine of \$25,000 (\$17,500 for OATS violations and \$7,500 for supervision violations).

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 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:

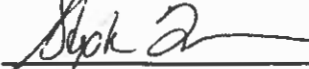
1. this AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Firm;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may 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. Respondent 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.

12/12/17
Date

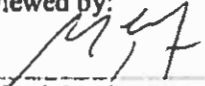
Respondent
Israel A. Englander & Co., LLC

By: 

Name: Stephen Tobrus

Title: President

Reviewed by:


Michael Fruchter
Chief Financial Officer
Israel A. Englander & Co., LLC
666 Fifth Avenue – 14th Floor
New York, New York 10103
(212) 207-3470

Accepted by FINRA:

1/11/2018
Date

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


Eric S. Brown
Chief Counsel
FINRA Department of Enforcement