

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016047671801**

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

RE: Cross Point Capital LLC, Respondent
CRD No. 136223

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

I.

ACCEPTANCE AND CONSENT

- A. Cross Point 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

Cross Point has been a FINRA member since November 2005. The Firm is an institutional broker dealer that, among other things, executes riskless principal transactions in fixed income products.

RELEVANT DISCIPLINARY HISTORY

Cross Point does not have any relevant disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

From January 1, 2014 through December 31, 2015 (the "Relevant Period"), Cross Point inaccurately reported 45 municipal securities transactions to the Municipal Securities Rulemaking Board's ("MSRB") Real-Time Transaction Reporting System ("RTRS"), in violation of MSRB Rule G-14. Also during the Relevant Period, the Firm violated MSRB Rule G-27 by failing to perform a periodic

review of the Firm's reporting to the RTRS, as required by the Firm's written supervisory procedures .

FACTS AND VIOLATIVE CONDUCT

MSRB Rule G-14 provides that municipal securities dealers have an ongoing obligation to report to the RTRS information about each purchase and sale transaction effected in municipal securities promptly, accurately, and completely. During the Relevant Period, Cross Point inaccurately reported 45 municipal securities transactions. For each transaction, Cross Point incorrectly reported that it had executed the transactions in an agency rather than a principal capacity. As a result, Cross Point violated MSRB Rule G-14.

MSRB Rule G-27(c) requires brokers, dealers and municipal securities dealers to adopt, maintain and enforce written supervisory procedures reasonably designed to ensure that the conduct of the municipal securities activities of the dealer and its associated persons comply with MSRB rules. During the Relevant Period, Cross Point's written supervisory procedures required a "periodic review of real time trade reporting" but Cross Point did not conduct any such review. As a result, Cross Point violated MSRB Rule G-27(c).

B. Cross Point consents to the imposition of the following sanctions:

- a censure; and
- a fine in the amount of \$10,000 (all of which pertains to the violations of the above-listed MSRB Rules).

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

Cross Point 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

Cross Point 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, Cross Point 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.

Cross Point 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

Cross Point 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 Cross Point; and
- C. If accepted:
 - 1. this AWC will become part of Cross Point'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. Cross Point 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. Cross Point 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 Cross Point'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. Cross Point may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Cross Point 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 Cross Point, certifies that a person duly authorized to act 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 Cross Point 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 Cross Point to submit it.

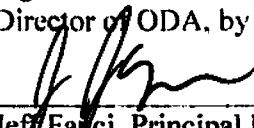
Nov 17, 2016
Date


For Cross Point Capital LLC

Accepted by FINRA:

Nov. 30 2016
Date

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


Jeff Farci, Principal Regional Counsel
FINRA Department of Enforcement
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CROSS POINT CAPITAL

November 17, 2016

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

RE: Cross Point Capital LLC, Respondent
CRD No. 136223

This Statement of Corrective Action is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

Cross Point Capital wishes to make a Statement of Corrective Action in regards to having 45 Municipal transactions being misclassified as Agency rather than Principle. We have made the following changes to our supervision of the MSRB reporting process. We have replaced our existing Compliance consultant with a new Compliance Consulting team that has extensive knowledge of the MSRB requirements, with a particular emphasis on the reporting of our Municipal transactions to MSRB. CPC, along with its Compliance Consulting team will monitor trade reporting in real time, as well as monitor available MSRB and Clearing Firm reports on a monthly basis to ensure that reporting occurs accurately and timely.

John Frontero

John Frontero
President
Cross Point Capital

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