

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020068891501**

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

RE: Aegis Capital Corp. (Respondent)
Member Firm
CRD No. 15007

Pursuant to FINRA Rule 9216, Respondent Aegis Capital Corp. 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 in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Aegis has been a member of FINRA since 1984. The firm is headquartered in New York, New York and has approximately 240 registered representatives in 20 branch offices. Aegis's business includes investment banking, retail brokerage, and fixed income trading.¹

OVERVIEW

Since 2019, Aegis has paid several million dollars to its corporate parent and recorded those payments as expenses, rather than properly accounting for those payments in net capital computations and FOCUS filings as distributions. As a result, Aegis kept inaccurate books and records in violation of Securities Exchange Act of 1934 § 17(a) and Rules 17a-3 and 17a-5, and FINRA Rules 4511 and 2010. Aegis also failed to reasonably supervise the preparation of its books and records in violation of FINRA Rules 3110 and 2010.

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

Separately, from at least 2014 to July 2025, Aegis allowed an unregistered person to perform jobs that required registration as an Operations Professional. Thus, Aegis violated FINRA Rules 1210 and 2010 and NASD Rule 1031.²

For these violations, Aegis consents to a censure, a fine of \$275,000, and an undertaking to correct its supervision of books and records.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's examination of Aegis.

Aegis's inaccurate books and records

FINRA Rule 4511(a) requires members to make books and records as required under FINRA rules, the Exchange Act, and applicable Exchange Act rules. Exchange Act § 17(a) requires broker-dealers to make such records that the SEC prescribes by rule. Exchange Act Rule 17a-3(a)(2) requires a broker-dealer to keep a ledger reflecting its expenses, Rule 17a-3(a)(11) requires a broker-dealer to make records of its net capital, and Rule 17a-5(a)(1) requires a broker-dealer to file monthly and quarterly FOCUS reports. Inherent in the obligation to make and preserve books and records is the requirement that they be accurate. Violations of FINRA Rule 4511, the Exchange Act, and Exchange Act rules also constitute violations of FINRA Rule 2010, which requires a member, in the conduct of its business, to observe high standards of commercial honor and just and equitable principles of trade.

Since 2019, Aegis has paid several million dollars to its corporate parent. Aegis recorded the payments in its general ledger as expenses for management services. Although Aegis had a written agreement with its corporate parent, the agreement did not adequately specify the management services to be provided. As a result, Aegis was required to account for the payments as capital withdrawals, but did not do so in more than a dozen net capital computations—albeit without any change to Aegis's net capital—and FOCUS filings. By maintaining inaccurate general ledgers, net capital computations, and FOCUS filings, Aegis violated Exchange Act § 17(a) and Rules 17a-3 and 17a-5, along with FINRA Rules 4511 and 2010.

Aegis's failure to supervise recordkeeping of payments to its parent

FINRA Rule 3110 requires broker-dealers to establish and maintain a supervisory system, including written supervisory procedures, that is reasonably designed to achieve compliance with applicable securities laws, regulations, and rules. A violation of FINRA Rule 3110 is also a violation of FINRA Rule 2010.

Since 2019, Aegis's system, including written procedures, for supervising the preparation of its general ledger, net capital computations, and FOCUS filings was not reasonably designed. Aegis did not have any system or procedures for determining whether

² FINRA Rule 1210 superseded NASD Rule 1031 on October 1, 2018.

payments to its corporate parent should be characterized as distributions, rather than expenses. Aegis also did not have any system for determining how payments to its corporate parent affected Aegis's net capital computations and FOCUS filings. Therefore, Aegis violated FINRA Rule 3110 and 2010.

Aegis's failure to register an operations professional

FINRA Rule 1210 and its predecessor, NASD Rule 1031, require persons who are engaged in a member's investment banking or securities business to register with FINRA in each category of registration that is appropriate to their functions and responsibilities. FINRA Rule 1220 requires a person to register as an Operations Professional if that person supervises or otherwise approves work, or has authority to materially commit a member's capital, in direct furtherance of specified functions, which include bank and firm account management and reconciliation; financial control, including general ledger and treasury; preparation and filing of financial regulatory reports; and posting entries to a member's books and records in connection with those specified functions.³ Violations of FINRA Rule 1210 and NASD Rule 1031 are also violations of FINRA Rule 2010.

From at least 2014 to July 2025, Aegis allowed an unregistered person to have a supervisory role in its accounting department. She was not registered as an Operations Professional even though she had authority to sign checks and withdraw funds from the firm's bank accounts, and she supervised and approved most entries in Aegis's general ledger. Therefore, Aegis violated FINRA Rules 1210 and 2010 and NASD Rule 1031.

Since July 2025, a person registered as an Operations Professional has performed the functions noted above.

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

- a censure;
- a \$275,000 fine; and
- an undertaking that, within 90 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has implemented a supervisory system, including written supervisory procedures, that is reasonably designed to achieve compliance with FINRA Rules 3110 and 2010 regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may require further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Jennifer Romeo, Principal Counsel, 581 Main Street, 7th Floor, Woodbridge, New Jersey 07095, and Jennifer.Romeo@finra.org, with a copy to

³ FINRA Rule 1220 was numbered Rule 1230 prior to October 1, 2018.

EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent 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 an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

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 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, 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 its acceptance or rejection.

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 Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's 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 Respondent 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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

10/6/2025
Date

Robert Feinman
Aegis Capital Corp.
Respondent

Print Name: Robert Feinman

Title: Chief Compliance Officer

Reviewed by:

Sameer Rastogi

Sameer Rastogi
Counsel for Respondent
Sichenzia Ross Ference Carmel LLP
1185 Avenue of the Americas, 31st Floor
New York, NY 10036

Accepted by FINRA:

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

10/17/2025
Date

Jennifer Romeo
Jennifer Romeo
Principal Counsel
FINRA
Department of Enforcement
581 Main St., 7th Floor
Woodbridge, NJ 07095