FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022073419001

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

RE: Beta Capital Securities LLC d/b/a Creand Securities (Respondent)
Member Firm
CRD No. 38964

Pursuant to FINRA Rule 9216, Respondent Beta Capital Securities LLC (Beta Capital) 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

Beta Capital, doing business as Creand Securities, a FINRA member since November 1995, is a self-clearing broker-dealer that offers retail trading in equities and corporate bonds to both domestic and international customers. Beta Capital is headquartered in Miami, Florida and employs approximately 25 registered representatives in a single branch office.[1]

OVERVIEW

From October 2019 to July 2023, Beta Capital failed to establish and implement an anti-money laundering (AML) program that was reasonably designed to detect and cause the reporting of suspicious transactions. During the same period, the firm's AML program also failed to include appropriate risk-based procedures for conducting ongoing customer due diligence. For these violations of FINRA Rules 3310(a), 3310(f), and 2010, Beta Capital is censured and fined $145,000.

[1] Beta Capital Securities LLC began doing business as Creand Securities in December 2021. For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's cycle examination of Beta Capital.

Beta Capital failed to develop and implement a reasonably designed AML compliance program.

FINRA Rule 3310 requires that each member firm develop and implement a written AML program reasonably designed to achieve and monitor the member's compliance with the requirements of the Bank Secrecy Act and its implementing regulations promulgated by the U.S. Department of the Treasury. FINRA Rule 3310(a) requires that each member firm establish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. §5318(g) and its implementing regulations. Under the implementing regulation, 31 C.F.R. § 1023.320, broker-dealers are required, in specified circumstances, to file with the Financial Crimes Enforcement Network (FinCEN) a report of any suspicious transaction relevant to a possible violation of law or regulation. FINRA Rule 3310(f) requires that each firm's AML compliance program include appropriate risk-based procedures for conducting ongoing customer due diligence, including (i) understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile and (ii) conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information.

A violation of FINRA Rule 3310 also is a violation of FINRA Rule 2010, which requires member firms to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

In May 2019, FINRA issued Regulatory Notice 19-18, which provided guidance to member firms about their obligation to monitor for and report suspicious transactions. The Notice also provided a non-exhaustive list of red flags suggestive of suspicious activity, including when:

- "Wire transfers are made to or from financial secrecy havens, tax havens, high risk geographic locations or conflict zones, including those with an established presence of terrorism";

- "There is wire transfer activity that is unexplained, repetitive, unusually large, shows unusual patterns or has no apparent business purpose";

- "Wire transfer activity, when viewed over a period of time, reveals suspicious or unusual patterns, which could include round dollar, repetitive transactions or circuitous money movements"; or

- "The securities account is used for payments or outgoing wire transfers with little or no securities activities (i.e., account appears to be used as a depository account or a conduit for transfers, which may be purported to be for business operating needs)."

Regulatory Notice 19-18 further explained that "[u]pon detection of red flags through monitoring, firms should consider whether additional investigation, customer due diligence measures or a SAR [suspicious activity report] filing may be warranted."

Beta Capital is a broker-dealer with a geographically diverse customer base spanning Latin America, the Caribbean, Europe, and North America, including customers domiciled or doing business in jurisdictions with elevated money laundering risk. These included countries on the Financial Action Task Force (FATF) grey list for increased monitoring, as well as jurisdictions known as financial secrecy havens or offshore financial centers. Beta Capital transitioned to self-clearing in October 2019. At that time, the firm failed to develop a reasonably designed surveillance system to replace the automated AML surveillance reports it had previously received from its clearing firm.

From October 2019 to July 2023, Beta Capital failed to establish and implement policies and procedures reasonably expected to detect and cause the reporting of suspicious transactions. While the firm's AML procedures identified numerous red flags of suspicious activity, including with respect to wire transfers, the firm did not have policies or procedures that explained how and when to identify and report suspicious transactions in money movements, what activity reports should be reviewed, how patterns of unusual activity were to be detected, or how to investigate unusual activity or red flags.

In practice, the firm failed to implement any surveillance reports beyond one type of a wire activity report that a single AML analyst reviewed manually and on a non-periodic basis—without any documented methodology, risk-based prioritization, automation, or other tools to identify red flags and patterns of suspicious activity. This practice was neither reasonable nor tailored to the firm's business model given its international customer base and the volume of money movements in its customer accounts.

In addition, from October 2019 to July 2023, Beta Capital's AML program did not include appropriate risk-based procedures for conducting ongoing customer due diligence, including to understand the nature and purpose of customer relationships for the purpose of developing customer risk profiles and conduct ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information. In addition, the procedures did not require the firm to capture information about the nature and purpose of customer relationships or, for existing customers, customer activity history. These deficiencies impaired the firm's ability to reasonably determine whether flagged transactions were suspicious and from updating customer risk profiles upon detecting relevant information.

In practice, the firm relied on incomplete risk profiles inherited from its former clearing firm. The firm failed to develop complete customer risk profiles or maintain updated customer profile information based on its ongoing monitoring. As a result, the firm did not maintain sufficient customer information necessary to determine whether transactions that were flagged as potentially suspicious were consistent with the nature and purpose of customer relationships or to update customer information upon detecting information relevant to customer risk profiles.

From October 2019 through July 2023, multiple firm customers engaged in wire transfers without the firm conducting reasonable reviews to detect potential suspicious activity and determine whether suspicious activity reporting was required, despite the presence of red flags, including repetitive wire activity in unusual patterns; securities accounts used for payments and outgoing wire transfers with little or no securities activity; and wire transfers from high-risk geographic locations and financial secrecy havens.[2]

Therefore, Beta Capital violated FINRA Rules 3310(a), 3310(f), and 2010.

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

- a censure and
- a $145,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. FINRA's Finance Department will contact Respondent regarding payment. 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 become 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.

[2] Starting in August 2023, the firm took steps to remediate and enhance its AML compliance program.

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.

06/26/2026
____
Date

____
Beta Capital Securities LLC
Respondent

Print Name: Noelia Povedano

Title: CEO

Reviewed by:

Scott Kimpel, Esq.
____
Scott Kimpel, Esq.
Counsel for Respondent
Hunton Andrews Kurth LLP
2200 Pennsylvania Avenue, NW
Washington, DC 20037

Accepted by FINRA:

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

06/29/2026

John R. Fallon

Date

John R. Fallon
Counsel
FINRA
Department of Enforcement
1700 K Street, NW
Washington, DC 20006