

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022076186101**

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

RE: ViewTrade Securities, Inc. (Respondent)
Member Firm
CRD No. 46987

Pursuant to FINRA Rule 9216, Respondent ViewTrade Securities, Inc. 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

ViewTrade has been a FINRA member since 1999, with headquarters located in Boca Raton, Florida. The firm has 26 registered representatives in four branch offices. ViewTrade conducts a general securities business, which includes primarily self-directed retail and institutional customers. At all relevant times, the firm was authorized to provide investment banking services to corporate clients, including acting as an underwriter in initial public offerings.

In August 2022, ViewTrade entered into an AWC in which it agreed to a censure, a \$250,000 fine, and an undertaking to retain an independent consultant for violating FINRA Rules 3310(a) and 2010 by failing to establish and implement a written anti-money laundering (AML) program reasonably expected to detect and cause the reporting of suspicious transactions. The firm also violated Section 15(c)(3) of the Securities Exchange Act of 1934, Exchange Act Rule 15c3-5, and FINRA Rules 3110 and 2010 by failing to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks presented by its provision of market access to customers.¹

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

OVERVIEW

Between at least January 2020 and the present, ViewTrade failed to establish, maintain, and enforce a supervisory system, including written procedures, reasonably designed to supervise the outside brokerage accounts disclosed by its registered representatives pursuant to FINRA Rule 3210. As a result, ViewTrade violated FINRA Rules 3110 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA examination of ViewTrade.

FINRA Rule 3110(a) requires each member to “establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA Rules.” FINRA Rule 3110(b) requires each member to “establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.”

FINRA Rule 3110(d) requires each member to “include in its supervisory procedures a process for the review of securities transactions that are reasonably designed to identify trades that may violate the provisions of the Exchange Act, the rules thereunder, or FINRA rules prohibiting insider trading and manipulative and deceptive devices that are effected for the . . . accounts of a person associated with the member that are disclosed to the member pursuant to [FINRA] Rule 3210.” Rule 3110(d) further requires each member to “conduct promptly an internal investigation into any such trade to determine whether a violation of those laws or rules has occurred.”

A violation of FINRA Rule 3110 also constitutes a violation 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.

FINRA Rule 3210 requires associated persons to obtain the prior written consent of their employer firm before opening or establishing an account at another member. As FINRA explained in Regulatory Notice 16-22, “[s]ound supervisory practices require that a member firm monitor personal accounts opened or established outside of the firm by its associated persons” and “[m]ore broadly . . . members are responsible for establishing and maintaining systems for the supervision of their associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. As such, members’ reviews of the outside transactions of their associated persons could relate to other facets of conduct under FINRA rules, not just FINRA Rule 3110(d).”

From at least January 2020 through the present, ViewTrade’s written procedures required associated persons to obtain prior written consent from the firm before opening outside brokerage accounts with other member firms, and required that the firm request duplicate

statements for all such accounts. The written procedures required the firm's Compliance department to maintain a restricted list and a watch list, and to review duplicate statements as they were received, including for securities appearing on the restricted list, insider trading, and other potential violations. ViewTrade's written procedures failed, however, to identify any steps the firm would take to verify that it actually received and reviewed duplicate statements for each disclosed outside brokerage account. The procedures also failed to provide guidance regarding how the firm would detect and investigate potential securities violations, and did not impose a deadline for reviews to be completed.

In practice, ViewTrade did not have a reasonably designed process to ensure that the firm timely received and reviewed duplicate statements for all disclosed outside accounts. With respect to the receipt of account statements, the firm maintained a tracking spreadsheet, but certain statements were not recorded as having been received, and the firm did not timely follow-up on the missing statements. As a result, the firm failed to timely obtain account statements for certain outside brokerage accounts disclosed by the firm's associated persons. The firm also failed to timely review certain account statements that it received, including some statements that were not reviewed for more than six months after they were received by the firm.

Additionally, the firm's system to review duplicate statements was not reasonably designed. The firm's manual review of duplicate statements was performed by a single supervisor, which was unreasonable given the volume of monthly statements subject to review between January 2020 and June 2022. Further, the manual review did not facilitate identification of patterns of activity over time or across accounts. The firm's review of account statements was also unreasonable because it did not review for certain potential securities violations such as brokers trading ahead of customer orders or front running.

Through this conduct, the firm violated FINRA Rules 3110 and 2010.

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

- a censure;
- a \$40,000 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 remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with FINRA Rules 3110(a), (b), and (d) 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 request further evidence of Respondent's remediation and implementation, and Respondent

agrees to provide such evidence. Respondent shall submit the certification to Katherine Wyman, Principal Counsel, katherine.wyman@finra.org, with a copy to 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.

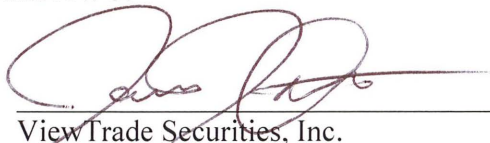
OTHER MATTERS

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.

10/1/24
Date


ViewTrade Securities, Inc.
Respondent

Print Name: JAMES STCLAIR

Title: PRESIDENT

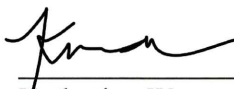
Reviewed by:

Allan M. Lerner
Allan Lerner
Counsel for Respondent
Law Offices of Allan M. Lerner, P.A.
2925 N.E. 15th Terrace
Fort Lauderdale, FL 33334

Accepted by FINRA:

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

October 23, 2024
Date


Katherine Wyman
Principal Counsel
FINRA
Department of Enforcement
200 Liberty Street, 11th Floor
New York, NY 10281