

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023077080601

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

RE: ACP Securities, LLC (Respondent)
Member Firm
CRD No. 139049

Pursuant to FINRA Rule 9216, Respondent ACP Securities, LLC 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

ACP Securities became a FINRA member in 2006. The firm, which is headquartered in Miami, Florida, has three branch offices and 35 registered representatives. The firm conducts a general securities business.¹

OVERVIEW

From July 2021 to January 2024, ACP Securities did not disclose on the firm's customer relationship summary (Form CRS) that one of its associated persons had disciplinary history. As a result, ACP Securities willfully violated Section 17(a)(1) of the Securities Exchange Act of 1934, Exchange Act Rule 17a-14, and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's 2023 examination of ACP Securities.

On June 5, 2019, the Securities and Exchange Commission (SEC) adopted Form CRS and rules creating new requirements—which include requirements to prepare, file and deliver the Form CRS—for SEC-registered broker-dealers offering services to a retail investor. The compliance date for Form CRS was June 30, 2020.

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

Form CRS provides customers with information about the types of services the firm offers; the fees, costs, conflicts of interest, and required standard of conduct associated with those services; whether the firm and its investment professionals have reportable legal or disciplinary history; and how to get more information about the firm. Form CRS also includes required “conversation starters” to help customers begin a discussion with a broker-dealer about their relationship, including the firm’s services, fees, costs, conflicts, and disciplinary information.

Section 17(a)(1) of the Exchange Act requires registered broker-dealers to make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission deems “necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of” the Exchange Act. Exchange Act Rule 17a-14—titled “Form CRS, for preparation, filing and delivery of Form CRS”—requires broker-dealers offering services to a retail investor to prepare a Form CRS in accordance with the instructions in Form CRS, and to comply with requirements related to filing, amending, delivering, and posting the Form CRS to the firm’s public website.

Rule 17a-14 also requires broker-dealers to update Form CRS and file it within 30 days whenever any information in the Form CRS becomes materially inaccurate. The filing must include an exhibit highlighting changes. The updated Form CRS, with changes highlighted, or another disclosure that communicates the changes, must be delivered to retail investors who are existing customers within 60 days after the updates are required to be made and without charge.

A violation of Exchange Act § 17(a)(1) and Exchange Act Rule 17a-14 is also 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.

Form CRS contains the heading, “Do you or your financial professionals have legal or disciplinary history?” The instructions to Form CRS state that a firm must respond “Yes” if it or any of its financial professionals disclose, or are required to disclose, legal or disciplinary history on specified regulatory disclosure forms, such as Forms BD, U4, U5, and U6. Legal or disciplinary history that is required to be disclosed on those forms includes criminal history, regulatory actions, civil judicial actions, and specified events (e.g., bankruptcies, judgments, and liens).

An individual who became associated with ACP Securities in June 2021 had disciplinary history, including for using a non-firm-approved communications platform to communicate with a customer regarding firm business. Information concerning the associated person’s disciplinary history was available to the firm through FINRA’s Central Registration Depository (CRD) and in BrokerCheck®. Nevertheless, ACP Securities did not update its Form CRS filed in June 2020 to respond “yes” to the question “Do you or your financial professionals have legal or disciplinary history” with

respect to its financial professionals by July 2021. ACP also did not respond “yes” to this question with respect to its financial professionals on the Form CRS the firm filed on May 13, 2022, and on December 5, 2023.

On a Form CRS filed on January 4, 2024, ACP Securities amended its Form CRS to state “[o]ur financial professionals do have legal or disciplinary history.”

By not disclosing the reportable history of an associated person, ACP Securities willfully violated Exchange Act §17(a)(1) and Exchange Act Rule 17a-14, and FINRA Rule 2010.

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

- a censure; and
- a \$20,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. 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.

Respondent understands that this settlement includes a finding that it willfully violated Section 17(a)(1) of the Securities Exchange Act of 1934 and Rule 17a-14 thereunder, and that under Article III, Section 4 of FINRA’s By-Laws, this makes Respondent subject to a statutory disqualification with respect to membership.

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 prejudice 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.

10/25/2024
Date

ESTEBAN ENDERS
ACP Securities, LLC
Respondent

Print Name: ESTEBAN ENDERS

Title: CEO

Reviewed by:

Michael A. Gross
Michael A. Gross
Counsel for Respondent
UB Greensfelder
2255 Glades Road
Suite 324A
Boca Raton, FL 33431-8571

Accepted by FINRA:

November 15, 2024

Date

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

Bruce M. Sabados

Bruce M. Sabados
Senior Counsel
FINRA
Department of Enforcement
200 Liberty Street
New York, NY 10281-1003