

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2023077098201**

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

RE: Dinosaur Financial Group, LLC (Respondent)  
Member Firm  
CRD No. 104446

Pursuant to FINRA Rule 9216, Respondent Dinosaur Financial Group, 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**

Dinosaur Financial has been a FINRA member since March 2001. It is headquartered in New York, New York, maintains 17 active branches, and has 44 registered representatives. The firm provides full-service retail and institutional brokerage services and primarily derives revenue from serving as an agent to and referring brokerage transactions to its international affiliate.<sup>1</sup>

**OVERVIEW**

From April 2022 to November 2023, Dinosaur Financial guaranteed its parent company's 10-year commercial real estate lease totaling \$4.3 million. The firm failed to provide written notice to FINRA before entering into this guarantee. The firm also failed to include this guarantee in the firm's net capital computations, causing it to operate a securities business while below its minimum net capital requirement for 19 of those 20 months. During the same period, the firm maintained inaccurate books and records, including inaccurate net capital computations, filed 20 inaccurate Financial and Operational Combined Uniform Single (FOCUS) reports, and failed to timely notify FINRA and the SEC of the firm's net capital deficiencies. As a result, the firm violated

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<sup>1</sup> For more information about the firm, including prior regulatory events, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

Securities Exchange Act of 1934 §§ 15(c)(3) and 17(a), Exchange Act Rules 15c3-1, 17a-3, 17a-5, and 17a-11, and FINRA Rules 4110(b)(1), 4150(a), 4511, and 2010.

For these violations, the firm is censured and fined \$85,000.

### **FACTS AND VIOLATIVE CONDUCT**

This matter originated from a FINRA cycle examination of Dinosaur Financial.

#### **A. Dinosaur Financial failed to provide prior written notice of a lease guarantee arrangement.**

FINRA Rule 4150(a) states that “[p]rior written notice shall be given to FINRA whenever any member guarantees, endorses or assumes, directly or indirectly, the obligations or liabilities of another person.”<sup>2</sup> FINRA Rule 4150 Supplementary Material .01 requires that such written notice “be given to FINRA at least 10 business days prior to entering into such arrangement or relationship with another person” and the notice include, among other things, “the actual and potential effect of the arrangement or relationship on the member’s capital (including net capital) and operations.” FINRA Rule 4150(a) ensures that regulators can assess whether a firm’s proposed guarantee obligations threaten the firm’s financial stability and customer protection. The advance notice requirement also helps firms avoid operating in net capital deficiency, which could put customer assets at risk.

A violation of FINRA Rule 4150 is also a violation of FINRA Rule 2010, which requires firms to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

In April 2022, Dinosaur Financial’s parent company entered into a 10-year commercial real estate lease for office space totaling \$4,383,225, with certain amounts prepaid. That same month, as part of the lease arrangement, Dinosaur Financial entered into a guarantee agreement with the lessor, whereby the firm guaranteed all of the “terms, covenants, conditions, obligations and agreements contained in the” lease, including an “unconditional[] guarantee” of “the rent, additional rent and other charges payable under the” lease. After accounting for lease pre-payments and other aspects of the lease, including eleven months of free rent at the outset of the lease term, the firm and its external auditor valued the lease guarantee between \$2.8 and \$3 million. Dinosaur Financial did not provide FINRA with the required prior written notice of this guarantee and did not disclose its existence until after FINRA initiated a cycle examination in late 2023.

Therefore, the firm violated FINRA Rules 4150(a) and 2010.

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<sup>2</sup> “Person” includes member firms. *See* FINRA Rule 0160(b)(12) (noting that “person” includes “any natural person, partnership, corporation, association, or other legal entity.”)

**B. Dinosaur Financial conducted a securities business while net capital deficient for 19 months and failed to timely file notifications of such deficiencies.**

Exchange Act § 15(c)(3), Exchange Act Rule 15c3-1, and FINRA Rule 4110 ensure that broker-dealers maintain sufficient liquid assets to promptly satisfy their liabilities to customers and other market participants, and provide a financial safeguard against market, credit, and other risks in the event of financial difficulties.

Exchange Act § 15(c)(3) and Exchange Act Rule 15c3-1 require broker-dealers to maintain certain minimum levels of net capital. Exchange Act Rule 15c3-1c(d) requires that “[n]o broker or dealer shall guarantee, endorse or assume directly or indirectly any obligation or liability of a subsidiary or affiliate unless the obligation or liability is reflected in the computation of net capital and/or aggregate indebtedness pursuant to [Rule 15c3-1] . . . .”

A firm that conducts business while net capital deficient places its customers and creditors at increased risk of monetary losses. FINRA Rule 4110(b)(1) requires member firms to suspend all business operations during any period in which they are not in compliance with applicable net capital requirements as set forth in Exchange Act Rule 15c3-1.

Exchange Act § 17(a) and Exchange Act Rule 17a-11(b)(3) require a broker-dealer to provide notice “within 24 hours” to FINRA and the SEC when its net capital is less than 120% of its required minimum net capital. Exchange Act Rule 17a-11(a)(1) requires broker-dealers whose net capital declines below the minimum amount to give “notice of such deficiency that same day” to the SEC and FINRA. These notification requirements are designed to protect a broker-dealer’s customers and provide regulators with adequate early warning of a broker-dealer’s financial or operational problems to enhance regulators’ ability to monitor and prevent unsound business practices.

Violations of Exchange Act §§ 15(c)(3) and 17(a), Exchange Act Rules 15c3-1 and 17a-11, and FINRA Rule 4110(b)(1) also constitute violations of FINRA Rule 2010.

Dinosaur Financial was required to include the April 2022 lease guarantee it provided to its affiliate as a liability when calculating its net capital and aggregate indebtedness. From April 2022 to November 2023, the firm failed to do so. As a result, the firm failed to maintain its required minimum net capital (which ranged between \$274,200 and \$450,000) for 19 of those 20 months. The largest deficiency was \$2,905,172, and the average deficiency was \$1,450,162. During this time, the firm continued to conduct a securities business. In December 2023, Dinosaur Financial’s parent company terminated the existing lease, and Dinosaur Financial executed a new lease that included the parent company as guarantor. The firm maintained its required minimum net capital thereafter.

In addition, Dinosaur Financial failed to file a notification in April 2022 advising FINRA and the SEC that its net capital was less than 120% of its required minimum net capital. The firm also failed to file the required same-day notification to FINRA and the SEC

when it first became net capital deficient in May 2022. The firm did not disclose this deficiency—which lasted from May 2022 to November 2023—until March 2024, several months after becoming aware of it.

Therefore, Dinosaur Financial violated Exchange Act §§ 15(c)(3) and 17(a), Exchange Act Rules 15c3-1 and 17a-11, and FINRA Rules 4110(b)(1) and 2010.

**C. Dinosaur Financial failed to make and preserve accurate books and records and filed inaccurate FOCUS reports.**

FINRA Rule 4511(a) requires each FINRA member to make and preserve books and records as required under FINRA rules and the Exchange Act and applicable Exchange Act rules. Inherent in the obligation to make and preserve books and records is the requirement that they be accurate.

Exchange Act § 17(a) and Exchange Act Rule 17a-3(a) require broker-dealers to make and keep current certain books and records relating to their business. Exchange Act Rule 17a-3(a)(11) requires broker-dealers to make and maintain a record of the proof of money balances of all ledger accounts in the form of trial balances and a record of the computation of aggregate indebtedness and net capital. Recordkeeping requirements are integral to investor protection because a firm's books and records are the primary means of monitoring its compliance with applicable securities laws.

Exchange Act § 17(a) and Exchange Act Rule 17a-5(a) require member firms to prepare and file monthly or quarterly FOCUS reports containing certain accounting and financial information, including the firm's minimum required net capital, net capital, and excess net capital. FOCUS reporting serves as a primary tool for regulatory financial and operational surveillance of broker-dealers, enabling detection of potential compliance issues and financial weaknesses.

Violations of Exchange Act § 17(a), Exchange Act Rules 17a-3 and 17a-5, and FINRA Rule 4511 also are violations of FINRA Rule 2010.

From April 2022 through November 2023, Dinosaur Financial incorrectly calculated its net capital and aggregate indebtedness by failing to account for the firm's guarantee of its parent company's lease. These errors caused inaccurate books and records, including inaccurate net capital computations, concerning the firm's net capital position and aggregate indebtedness. These erroneous calculations were used in 20 FOCUS reports. As a result, the FOCUS reports were inaccurate and misstated the firm's net capital, excess net capital, and aggregate indebtedness. The firm's recordkeeping errors and inaccurate financial filings hindered regulatory monitoring of the firm's financial condition.

Therefore, Dinosaur Financial violated Exchange Act § 17(a), Exchange Act Rules 17a-3 and 17a-5, and FINRA Rules 4511(a) and 2010.

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

- a censure and
- a \$85,000 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 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 understands and

acknowledges that it is permitted to retain an attorney at its expense to review and provide legal advice regarding the AWC before agreeing to the language and signing the AWC; that FINRA does not represent or advise it and Respondent cannot rely on FINRA for legal advice; 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.

05/15/2026

\_\_\_\_\_  
Date

*Glenn Grossman*

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Dinosaur Financial Group, LLC  
Respondent

Print Name: Glenn Grossman

Title: **CEO**  
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Accepted by FINRA:

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

05/19/2026

\_\_\_\_\_  
Date



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Christopher Miles  
Principal Counsel  
FINRA  
Department of Enforcement  
200 Liberty St., Fl. 11  
New York, NY 10281