

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130384509-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: StockCross Financial Services, Inc., Respondent
Broker-Dealer
CRD No. 6670

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, StockCross Financial Services, Inc. (the "firm" or "Respondent") submit 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 herein.

I.

ACCEPTANCE AND CONSENT

A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm became a member of FINRA on May 5, 1972, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has the following disciplinary history:

- On February 8, 2012, the firm finalized an AWC for various violations of FINRA/NASD Rules, including NASD Rule 2111(a), for conduct which occurred during the periods of December 7 2009, through December 11, 2009, and January 1, 2010 through March 31, 2010. The firm was censured and fined \$22,500, of which \$5,000 was for violations of NASD Rules 2111(a) and 2320, and FINRA Rule 2010.
- On February 3, 2012, the firm finalized an AWC for various violations of FINRA/NASD Rules, including NASD Rule 2111(a), for conduct which occurred during the periods of December 28, 2007 through March 31, 2008, April 1, 2008

through June 30, 2008, and January 1, 2009 through March 31, 2009. The firm was censured, fined \$65,000, of which \$15,000 was for violations of NASD Rules 2111(a), 2320 and 2110, and FINRA Rule 2010. The firm also was required to pay restitution in the amount of \$19,134.34, plus interest.

FACTS AND VIOLATIVE CONDUCT

In Matter No. 20130384509, the Customer Issues Team of the Department of Market Regulation of FINRA (the “staff”) reviewed the firm’s compliance with FINRA Rule 5320 during the period of April 1, 2013 through June 30, 2013 (the “review period”) and found that:

1. In seven instances during the review period, the firm accepted and held seven customer market orders, traded for its own account at prices that would have satisfied the customer market orders, and failed to immediately thereafter execute the customer market orders at the same price at which it traded for its own account or at a better price. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 5320 and 2010.
2. In two instances during the review period, the firm accepted and held two customer market orders, traded for its own account at prices that would have satisfied the customer market orders, and failed to immediately thereafter execute the customer market orders up to the size at which it traded for its own account or at a better price. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 5320 and 2010.

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

1. A censure;
2. A fine of \$7,500; and
3. Restitution is ordered to be paid to the customer(s) listed on Exhibit A hereto in the amount of \$251.65, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council. A registered principal on behalf of the Respondent firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to **MarketRegulationComp@finra.org**. This proof shall be provided to FINRA no later than 120 days after acceptance of this AWC. If for any reason, Respondent cannot locate any customer identified in Exhibit A after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by FINRA staff in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-

property or abandoned-property fund for the state in which the customer is known to have last resided. Respondent shall provide satisfactory proof of such action to FINRA in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It 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 that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 the firm;
- 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 acceptance or rejection of this AWC.

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 the firm’s permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 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 the subject matter thereof 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 the firm’s: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its 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 it 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

FEB 26TH 2015

Date

Respondent

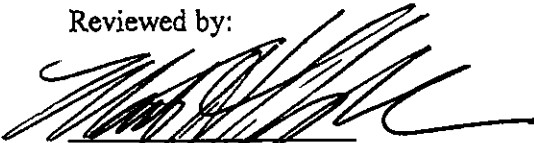
StockCross Financial Services, Inc.

By: 

Name: EDMOND SANTE'S

Title: CCO

Reviewed by:



Attorney Name:

Counsel for Respondent:

Firm Name:

Address:

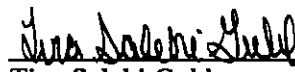
City/State/Zip:

Phone Number:

Accepted by FINRA:

3/17/15
Date

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



Tina Salehi Gubb

Chief Counsel

FINRA Department of Market Regulation

StockCross Financial Services, Inc. ("STXG")
2nd Quarter 2013 Order Protection Review - OTC Securities

Part I: Triggering Transactions														Part II: Order Details																																																	
Exception #	Original Exception #	Trade Report Date	Trade Report Time	Execution Time	Firm	Firm ID Type	Capacity	Side	Trade Vol	Issue Symbol	Trade Price	Counterparty Firm ID	Counterparty Capacity	Market Center	Branch Sequence ID / Exchange Order ID	Trade Information Barrier ID	Order Letter	Original Order Letter	Event Type	Order Received Date	Order Received Time	Desk Received Time	MPID	Order to Buy/Sell	Quantity	Issue Symbol	Order Type	Limit Price	Firm Order ID	Account Type Code	Routing Firm MPID	Routed Order ID	TIF	Special Handling Code	Canceled Time	Order Information Barrier ID	Restitution																										
1	1	4/3/2013	15:00:58	15:00:58	STXG	M	P	S	10,000	LHHMQ	0.12		P	u	92002002		A	A	OE	4/3/2013	14:59:37		STXG	SL	580	LHHMQ	M		4D025DE8	U		YY3507						\$23.20																									
2	4	4/25/2013	11:45:23	11:45:23	STXG	M	P	S	406	TAMO	0.187		P	u	10015081		B	E	OE	4/25/2013	11:43:07		STXG	SL	406	TAMO	M		HOU504	U		HOU504						N/A																									
3	7	4/25/2013	11:34:11	11:34:11	STXG	M	P	S	1,782	UBLI	0.15		P	u	14001092		C	H	OE	4/25/2013	11:27:12		STXG	SL	594	UBLI	M		HOU246	U		HOU246						N/A																									
																	D	I	OE	4/25/2013	11:27:14		STXG	SL	594	UBLI	M		HOU247	U		HOU247						N/A																									
																	E	J	OE	4/25/2013	11:27:24		STXG	SL	594	UBLI	M		HOU253	U		HOU253						N/A																									
4	18	5/16/2013	11:20:49	11:20:49	STXG	M	P	B	5,000	CPSMP	24.95		P	u	35001080		F	N	DE	5/16/2013	11:20:19		STXG	B	2,508	CPSMP	L	25.00	4F927D28	U		ABE6315	DAY					\$125.40																									
5	41	5/28/2013	10:48:38	10:48:38	STXG	M	P	S	1,000	TACIF	3.6345		A	u	47000977																							\$14.50																									
6	42	5/28/2013	10:48:38	10:48:38	STXG	M	P	S	200	TACIF	3.6345		A	u	47000978																							\$2.90																									
7	43	5/28/2013	10:48:38	10:48:38	STXG	M	P	S	700	TACIF	3.6345		A	u	47000976		G	Q	OE	5/28/2013	10:47:34		STXG	SL	10,000	TACIF	M		XXC58	U		XXC58							\$10.15																								
8	44	5/28/2013	10:48:38	10:48:38	STXG	M	P	S	100	TACIF	3.625		A	u	47000979																							\$0.50																									
9	47	6/13/2013	12:30:59	12:30:59	STXG	M	P	S	5,000	LEHLQ	0.30		P	u	63001197		H	S	OE	6/13/2013	12:28:55		STXG	SL	1,500	LEHLQ	M		513D8C5B	U		ABH2401							\$75.00																								
Total Restitution:																																																															\$251.65