FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120349643

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

RE: Cantor Fitzgerald & Co., Respondent
CRD No. 134

Jarred Kessler, Respondent
General Securities Principal
CRD No. 2778868

Joseph Ludovico, Respondent
General Securities Representative
CRD No. 3137825

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondents 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 Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A. Respondents hereby accept and consent, 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

Cantor Fitzgerald & Co. ("CF & Co." or the "Firm") is a full-service broker dealer and has been registered with FINRA since 1945. The Firm's business includes trading by institutional customers in securities. The Firm is headquartered in New York and employs approximately 650 registered persons operating in 29 branch offices.

Jarred Kessler ("Kessler") entered the securities industry in January 2000 as a market maker at a FINRA member firm and was approved as a General Securities Representative in April 2000. Since January 2000, he has been associated with

several member firms and was approved as a General Securities Principal in April 2007. Since February 2011, Kessler has been associated with CF & Co. as the Executive Managing Director of Equity Capital Markets.

Joseph Ludovico ("Ludovico") entered the securities industry in October 1998 when he became associated with CF & Co. and was approved as a General Securities Representative in March 2000 and as an Equity Trader Limited Representative in July 2002. Ludovico continues to be associated with the Firm.

RELEVANT DISCIPLINARY HISTORY

CF & Co. has no previous disciplinary history relevant to these findings.

Neither Kessler nor Ludovico have disciplinary histories with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

From March 2011 through at least September 2012 (the "Relevant Period"), CF & Co. failed to adequately supervise the sales of microcap securities[1] and sold more than 73.6 billion shares of microcap securities without conducting adequate due diligence. These transactions were effected by Ludovico, as the broker of record, without reasonable inquiry into the facts surrounding the transactions. CF & Co. and Ludovico did not identify "red flags" of suspicious activity indicating that the sales might constitute "illegal, unregistered distributions." A portion of the 73.6 billion shares sold were not registered with the Securities and Exchange Commission ("SEC") and those sales were not exempt from registration.[2]

During the Relevant Period, CF & Co.'s supervisory system for microcap securities trading was not reasonably designed to achieve compliance with Section 5 of the Securities Act. The Firm's supervisory system did not: (a) contain adequate procedures requiring the Firm to determine whether the shares sold were restricted or control securities; (b) provide adequate guidance on how to determine whether sales of restricted and control securities were exempt from registration requirements; or (c) provide an adequate way for supervisors to identify red flags that might indicate unlawful distributions of unregistered securities. Kessler, who as Executive Managing Director of Equity Capital Markets ultimately supervised the sale of microcap securities, expanded the

[1] Microcap securities include securities that trade at less than $5 per share and are quoted over-the-counter. *See* SEC, Penny Stock Rules, available at http://www.sec.gov/answers/penny.htm (May 9, 2013).

[2] The 73.6 billion shares were sold at a notional value of approximately $63 million. The total commissions earned by CF & Co. for the unregistered shares were approximately $1.285 million for the 17-month period. CF & Co. voluntarily decided to wind down the business.

microcap securities business at CF & Co. despite indications that the supervisory system was not adequately tailored to the needs of the business.

During the Relevant Period CF & Co. also failed to establish and implement an anti-money laundering ("AML") program that was reasonably designed to detect and cause the reporting of potentially suspicious activity related to the microcap securities business. The Firm's AML policies and procedures were not adequately tailored to identify potentially suspicious microcap securities transactions, and the Firm failed to adequately train its staff on the risks of microcap securities and the red flags most commonly associated with suspicious microcap securities activity.

As a result, CF & Co. and Ludovico, as the broker of record, acted in contravention of Section 5 of the Securities Act of 1933, in violation of FINRA Rule 2010. CF & Co. and Kessler violated NASD Rule 3010 and FINRA Rule 2010. In addition, CF & Co. violated FINRA Rules 3310(a), 3310(e) and 2010.

FACTS AND VIOLATIVE CONDUCT

Section 5 of the Securities Act prohibits the offer or sale of a security in interstate commerce unless a registration statement is in effect or an exemption is available.[3] "The registration requirements are the heart of" the Securities Act,[4] and "protect investors by promoting full disclosure of information thought necessary to informed investment decisions."[5] Broker-dealers play a critical role in securities distribution and are obligated to take all reasonable steps to prevent unlawful distributions of unregistered securities.[6]

A sale of securities could be exempt from the registration requirements if certain conditions are met. For example, Section 4(a)(1) of the Securities Act provides an exemption for routine trading of already-issued securities, but does not exempt sales by an issuer or its control person, among others. Section 4(a)(2) exempts sales by an issuer if they do not involve a public offering. Broker-dealers often rely on Section 4(a)(4) of the Securities Act, which exempts unsolicited brokers' transactions. A broker-dealer may claim the Section 4(a)(4) exemption if, after reasonable inquiry, the broker-dealer is not aware of circumstances indicating that the offer or sale of securities on behalf of its customer would violate Section 5. As described below, while CF & Co. sold a large number of microcap securities during the Relevant Period, it did not conduct a reasonable inquiry into the registration status of those securities.

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[3] *See* 15 U.S.C. §§ 77e(a) and (c).
[4] *Pinter v. Dahl*, 486 U.S. 622, 638 (1988).
[5] *Midas Secs., LLC*, Exchange Act Rel. No. 66200, 2012 SEC LEXIS 199, at *26 (Jan. 20, 2012) (quoting *SEC v. Ralston Purina Co.*, 346 U.S. 119, 124 (1953)).
[6] *See Jacob Wonsover*, 54 S.E.C. 1, 17, 1999 SEC LEXIS 430, at *33 (Mar. 1, 1999), *aff'd sub nom. Wonsover v. SEC*, 205 F.3d 408 (D.C. Cir. 2000).

In March 2011, CF & Co. began servicing a small number of customers who liquidated large volumes of microcap securities. Individuals at the Firm commonly referred to these accounts and their trading as the "Cert Business" because many of these securities were delivered to the Firm in physical certificate form. During the Relevant Period, the Cert Business consisted of accounts for seven customers who deposited or transferred recently-issued microcap securities into their CF & Co. accounts and liquidated the shares shortly thereafter.

Kessler, as Executive Managing Director of Equity Capital Markets, supervised the Firm's equities business at CF & Co. Although he did not directly supervise Ludovico, Kessler was directly involved in expanding the Cert Business. Kessler sought to further expand the Cert Business in December 2011, when he proposed a commission-sharing relationship with another member firm (the "Commission-Sharing Firm"). The Commission-Sharing Firm offered to give CF & Co. 50% of its commissions on certain microcap securities sales if CF & Co. would execute the transactions on a self-clearing basis. Because CF & Co. was a self-clearing firm, the transactions would not be subject to surveillance by any other broker-dealer.

Kessler participated in negotiating the commission-sharing agreement and advocated for the opening of additional accounts under the agreement and later emailed senior management asking for assistance to get additional Cert Business accounts approved.

Given his active role in expanding the Cert Business, Kessler knew that it posed unique challenges. He conducted his own due diligence to determine the additional back office and labor costs associated with the Cert Business introduced through the Commission-Sharing Firm, and asked Operations personnel how many additional people the Firm would need to hire to handle the volume of physical certificates. Despite these indications that the Cert Business differed from CF & Co.'s traditional business model, Kessler did not take adequate steps to ensure that the Firm's existing supervisory structure, which was designed for its traditionally institutional customer base, was reasonably designed to ensure that the Cert Business complied with the securities laws.

As FINRA advised in Regulatory Notice 09-05, "firms that accept delivery of large quantities of low-priced OTC securities, in either certificate form or by electronic transfer, and effect sales in those securities, should have written procedures and controls in place to prevent participation in an illegal unregistered distribution of securities." Standardized procedures should be accompanied by supervisory controls to ensure that the firm conducts a reasonable and meaningful investigation of the surrounding circumstances, and evaluates the information it obtains to identify whether a proposed resale transaction could, according to Regulatory Notice 09-05, amount to "an illegal, unregistered distribution of securities" on behalf of an underwriter, an issuer, or a control person of the issuer.

The Cert Business customers deposited or transferred more than 73.6 billion shares of recently-issued microcap securities to the Firm in physical and book entry form, and subsequently sold them. However, CF & Co.'s supervisory system, including written procedures, was not reasonably designed to ensure that the Firm conducted a reasonable and meaningful inquiry to identify whether the sales were exempt from registration. The Firm's procedures provided insufficient guidance about when or how to investigate whether proposed sales were exempt from registration. The procedures did not include adequate guidance about how to determine affiliate status or what to do if the selling customer was an affiliate of the issuer. Likewise, the Firm's procedures did not adequately set forth how to determine if an exemption was available. The Firm did not provide formal training on the sale of control or restricted securities.

Although executing transactions associated with the Cert Business was not typically within the scope of Ludovico's responsibilities, CF & Co. assigned Ludovico as the broker of record and designated trader for all but one of the Cert Business accounts. For the substantial majority of the Cert Business transactions, CF & Co. and Ludovico, as the broker of record, conducted insufficient due diligence on whether the shares were control or restricted securities or whether the sales qualified for an exemption from the registration requirements. They relied on the facts that the physical certificates did not bear a restricted legend and the book entry shares were DTC-eligible, although the Firm's own procedures accurately stated that these factors were not dispositive.

The Firm and Ludovico, as the broker of record, also failed to identify red flags indicating that certain microcap securities sales might be "illegal, unregistered distributions." The guidance in FINRA's Regulatory Notice 09-05 includes a list of red flags that were present in the Cert Business, including:

- Repeated deliveries of large volumes of recently issued, thinly traded microcap securities followed by the immediate liquidation of the securities and transfer of the proceeds;

- Securities of issuers that:
  - had no filings with the SEC;
  - had filings with the SEC that were not current;
  - had multiple name changes; and/or
  - were the subject of suspicious promotional campaigns;

- Sales that dominated the daily market volume for trading in the security; and

- Sales that constituted more than 10% of the total outstanding shares of a particular security.

The Firm's procedures did not provide sufficient guidance regarding red flags that signal the possibility of an "illegal, unregistered distribution" or provide sufficient guidance about how to identify or report red flags of suspicious microcap securities trading. In addition, the Firm had inadequate systems, reports and reviews in place to enable supervisors to identify these types of red flags.

In spring 2012, the Firm independently cancelled its Commission-Sharing Agreement because of the operational costs associated with it. Around the same time, Compliance staff met with Kessler to discuss the risks associated with the Cert Business, including an increasing number of regulatory inquiries and subpoenas about the Cert Business. Kessler continued to suggest additional ways to expand the Cert Business, offering to set up a due diligence review process and to personally guarantee against liability.

Kessler was not directly responsible for supervising Ludovico. However, he was responsible for the overall supervision of the equity trading business. As Kessler became aware that certain of the Cert Business customers were the subject of government subpoenas and SEC complaints due to suspicious microcap securities activity, Kessler did not adequately inquire into whether the Firm was adequately supervising the Cert Business.

1. <u>CF & Co. and Ludovico Sold Unregistered Shares in Contravention of Section 5 of the Securities Act and in Violation of FINRA Rule 2010</u>

After the Cert Business customers deposited microcap securities in their CF & Co. accounts, they immediately liquidated the securities and wired the proceeds out to accounts away from CF & Co. The liquidations totaled more than 73.6 billion shares of thinly traded microcap securities, at a notional value of approximately $63 million. A portion of the microcap securities that CF & Co. sold on behalf of the Cert Business customers was unregistered, and the sales did not qualify for an exemption from registration (the "Section 5 Sales"). The total commissions earned by CF & Co. from the Section 5 Sales were approximately $1.285 million. CF & Co. and Ludovico, as the broker of record, knew or had reason to know that the shares sold were not acquired in a public sale, yet made inadequate efforts to determine the registration status of the shares sold or whether the transactions were exempt from registration.

Section 5 of the Securities Act of 1933 prohibits the offer or sale of any security unless there is a registration in effect as to that security or there is an exemption available for that securities transaction.[7] CF & Co. and Ludovico acted in contravention of Section 5 of the Securities Act and thus violated FINRA Rule 2010.

[7] *SEC v. Softpoint, Inc.*, 958 F.Supp. 846, 859 (S.D.N.Y. 1997), *aff'd*, 159 F.3d 1348 (2d Cir. 1998).

2. **CF & Co. and Kessler Failed to Establish, Maintain and Enforce a Supervisory System Reasonably Designed to Achieve Compliance with Section 5 of the Securities Act In Violation of NASD Rule 3010 and FINRA Rule 2010.**

NASD Rule 3010(a) requires members to "establish and maintain a system to supervise activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD Rules." Under NASD Rule 3010(b), these systems must be documented in the firm's written supervisory procedures. The procedures also must be tailored to the business lines in which the firm engages. They must set out mechanisms for ensuring compliance and detecting violations, and must not merely set out what conduct is prohibited. A violation of Rule 3010 also constitutes a violation of FINRA Rule 2010.[8]

FINRA Regulatory Notice 09-05 provides guidance to members' obligations to comply with securities laws as they relate to unregistered security distributions. The Notice states that "[a]ll firms must have procedures reasonably designed to avoid becoming participants in the potential unregistered distribution of securities."

During the Relevant Period, CF & Co.'s supervisory system, including written procedures, did not adequately address the sale of control or restricted securities. As discussed above, the Firm's procedures provided insufficient guidance about when or how to inquire into whether a proposed sale would be exempt from registration requirements. The Firm had inadequate exception reports or other methods of trade review by which supervisors could become aware of red flags commonly associated with the sale of large volumes of microcap securities. Finally, the Firm provided inadequate training relating to the sale of control or restricted securities.

As the supervisor of the Firm's equities business, Kessler did not adequately respond to a number of red flags indicating that the firm's existing supervisory system was inadequate for the unique needs of the Cert Business. Kessler delegated his supervisory responsibilities to a central review group and took insufficient steps to inquire into how the microcap securities sales were supervised or to investigate the adequacy of the Firm's supervision after numerous communications with the Firm's Compliance Department regarding the microcap securities business. He did not adequately inquire into the Firm's supervision after he became aware of numerous regulatory inquiries about the microcap securities trading business. Despite his role in the expansion of the Cert Business, Kessler did not create or cause to be created any systems or procedures

[8] *See, e.g., La Jolla Capital Corp.*, 54 S.E.C. 275, Exchange Act Release No. 41755 (Aug. 18, 1999); *Castle Sec. Corp.*, 53 S.E.C. 406, Exchange Act Release No. 39523 (Jan. 7, 1998).

to adequately supervise the business, and he did not receive any assurances that such a system was in place.

As a result, CF & Co. and Kessler violated NASD Rule 3010 and FINRA Rule 2010.

3. **CF & Co.'s AML Program Was Not Adequately Tailored to Reasonably Cause the Detection of Red Flags and Suspicious Activity in the Sale of Microcap Securities; and therefore, CF & Co. Failed to Establish and Implement an Adequate AML Program, including Adequate Written Procedures and Training, In Violation of FINRA Rules 3310(a), 3310(e) and 2010.**

FINRA Rule 3310(a) requires each member to "[e]stablish 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 the implementing regulations promulgated thereunder," including the requirement that all U.S. broker-dealers report suspicious transactions indicative of a possible violation of law or regulation.[9]

In April 2002, Special NASD Notice to Members 02-21 stated that "each financial institution should have the flexibility to tailor its AML program to fit its business." The Notice further stated that "each broker/dealer, in developing an appropriate AML program that complies with the Money Laundering Abatement Act, should consider factors such as its size, location, business activities, the types of accounts it maintains, and the types of transactions in which its customers engage."

In July 2002, the United States Department of the Treasury issued regulations (31 C.F.R. Section 103.19(a)(1))[10] requiring suspicious transaction reporting by broker-dealers. Specifically, broker-dealers should report suspicious transactions involving at least $5,000 and conducted by, at or through the broker-dealer. Treasury's release stated that broker/dealers should determine whether activities and transactions raise suspicions by looking for red flags. NTM 02-47 discussed Treasury's release, set forth the provisions of the final AML rule, and provided various examples of red flags.

CF & Co.'s AML policies, procedures and systems ("AML Program") were not adequately tailored to reasonably cause the detection of red flags and patterns of potentially suspicious activity in the sale of microcap securities. Although the

[9] 31 C.F.R. § 103.19(a)(1), Codified at 31 C.F.R. 1023.320, as of March 1, 2011.

[10] On March 1, 2011, FinCEN transferred its regulations from 31 CFR Part 103 to 31 CFR Chapter X as part of an ongoing effort to increase the efficiency and effectiveness of its regulatory oversight. As part of this transfer, 31 C.F.R. 103.19 was renamed 31 C.F.R. 1023.320.

procedures did identify some red flags of suspicious activity, they did not include adequate guidance on how to monitor for those red flags and what activity should be reported.

The AML Program provided insufficient guidance for supervisors and their delegates to identify trading patterns or events that might reasonably trigger additional due diligence on the microcap securities transactions, the shares sold or the customers selling them. The Firm's trading surveillance consisted primarily of: (1) occasional real-time review of the Firm's automated order system, (2) monthly review of trading activity in accounts the Firm identified as "high risk" due to the customer's location or corporate structure, and (3) exception reports that could not reasonably be expected to identify potentially suspicious activity related to microcap securities. The firm did not have an adequate system for monitoring whether, for example, a customer's sales of a microcap security represented a significant percentage of the day's market volume, or that the shares deposited were in certificate form and recently issued, or that those shares were liquidated promptly after deposit, or that the customer owned more than 20% of the issuer's total outstanding shares.

NASD Conduct Rule 3011(e), effected in April 2002, which was replaced by FINRA Rule 3310(e) on January 1, 2010, mandates that firms "provide ongoing [AML] training for appropriate personnel." NASD Notice to Members 02-21 advised that a broker dealer "should scrutinize its operations to determine if there are certain employees who may need additional or specialized training due to their duties and responsibilities."

Further, CF & Co. did provide some AML training, but did not provide training on the risks and red flags associated with microcap securities to enable its employees to adequately review and detect suspicious activity related to the Cert Business. The Firm's training on suspicious activity in 2011 was limited to a discussion of customer identification and customer due diligence, and in 2012 the Firm's training did not discuss suspicious activity. As a result, CF & Co.'s employees were not properly trained to detect, review and, if appropriate, cause the reporting of suspicious activity related to microcap securities.

Accordingly, CF & Co. violated FINRA Rules 3310(a), 3310(e) and 2010.

B. Respondents also consent to the imposition of the following sanctions:

1. CF & Co.:
   - A censure;
   - A monetary sanction in the amount of $7,285,561 that is comprised of:
     i. a fine in the amount of $6 million; and
     ii. disgorgement of the commissions earned on the Section 5 Sales, which is ordered to be paid to FINRA in the amount of $1,285,561, plus interest at the rate set forth in Section 6621(a)(2) of the Internal

Revenue Code, 26 U.S.C. 6621, from September 30, 2012 until the date this AWC is accepted by the NAC.

2. Kessler:
   - A suspension in all principal capacities for a period of three months; and
   - A fine in the amount of $35,000.
3. Ludovico:
   - A suspension in all capacities for a period of two months; and
   - A fine in the amount of $25,000.

Each Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Each Respondent has submitted an Election of Payment form showing the method by which each Respondent proposes to pay the fine imposed.

Each Respondent specifically and voluntarily waives any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Respondent Kessler understands that if he is barred or suspended from associating with any FINRA member in a principal capacity, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in a principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because he is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

Respondent Ludovico understands that if he is barred or suspended from associating with any FINRA member, he will become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. The suspensions of Respondents Kessler and Ludovico shall commence on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

A. To have a Complaint issued specifying the allegations against Respondents;

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, Respondents specifically and voluntarily waive 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.

Respondents further specifically and voluntarily waive 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

Respondents understand 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 any Respondent; and

C. If accepted:

1. this AWC will become part of each Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against any 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 the subject matter thereof in accordance with FINRA Rule 8313; and

4. Respondents 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. Respondents 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 Respondents': (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. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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 the Firm agrees to its 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.

12/14/15
Date (mm/dd/yyyy)

Cantor Fitzgerald & Co., Respondent

By: _____
Shawn Matthews, Chief Executive Officer

Reviewed by:

Daniel L. Zelenko
Thomas A. Hanusik
Counsel for Respondent Cantor Fitzgerald & Co.
Crowell & Moring LLP
590 Madison Avenue
20th Floor
New York, NY 10022

Accepted by FINRA:

12/21/15
Date

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

Sandra Landron
Senior Counsel
FINRA Department of Enforcement
200 Liberty Street
New York, NY 10281
Phone: (646) 315-7358
Fax: (202) 689-3448
Sandra.landron@finra.org

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its 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 me to submit it.

12/14/2015
Date (mm/dd/yyyy)

Jarred Kessler, Respondent

Reviewed by:

Theodore A. Krebsbach
Counsel for Respondent Jarred Kessler
Murphy & McGonigle
1185 Avenue of the Americas
21st Floor
New York, NY 10036
(212) 880-3975

Accepted by FINRA:

12/21/15
Date

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

Sandra Landron
Senior Counsel
FINRA Department of Enforcement
200 Liberty Street
New York, NY 10281
Phone: (646) 315-7358
Fax: (202) 689-3448
Sandra.landron@finra.org

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12/14/2015
Date (mm/dd/yyyy)

Joseph Ludovico, Respondent

Reviewed by:

Craig Carpenito
Counsel for Respondent Joseph Ludovico
Alston & Bird LLP
90 Park Avenue
15th Floor
New York, NY 10016
(212) 210-9582

Accepted by FINRA:

12/21/15
Date

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

Sandra Landron
Senior Counsel
FINRA Department of Enforcement
200 Liberty Street
New York, NY 10281
Phone: (646) 315-7358
Fax: (202) 689-3448
Sandra.landron@finra.org