

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NOS. 2018058595601**

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

RE: StockCross Financial Services, Inc. (acquired by Respondent Muriel Siebert & Co., Inc.
as of December 31, 2019) , (Respondent)
Member Firm
CRD No. 6670

Pursuant to FINRA Rule 9216, Respondent StockCross Financial Services, Inc., which was acquired by Muriel Siebert & Co., Inc. as of December 31, 2019, 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 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

StockCross Financial Services, Inc. became a FINRA member in May 1972. Effective January 1, 2020, after the events at issue, StockCross was merged with and into Muriel Siebert & Co., Inc. During the relevant period, StockCross had thirteen branch offices and approximately fifty registered representatives. StockCross primarily operated as a discount broker, with much of its business consisting of unsolicited, customer-directed, online equity trading.

In February 2009, in AWC No. 2007009467901, StockCross consented to a censure and \$60,000 fine in connection with FINRA's findings that the firm violated NASD Rules 3110(a) and (b) and 2110, Section 17(a) of the Exchange Act, and Rules 17a-3 and 17a-4 thereunder, by failing to preserve all employee emails, demonstrate supervisory review of

employee email and facsimile communications, and maintain complete new account documentation.¹

OVERVIEW

Between July 2009 and December 2019, StockCross had no reasonable surveillance system to review solicited transactions for excessive trading and suitability. StockCross delegated trade surveillance to certain principals but took no steps to determine whether these designated principals were in fact reviewing solicited transactions for suitability and excessive trading, which they were not. Moreover, until 2017, the firm did not provide them with exception reports to assist in identifying potentially excessive trading or churning and in reviewing customer account losses. When instituted, the firm's exception reports were not reasonably designed to identify excessive trading. StockCross' supervision of solicited transactions was not reasonably designed and therefore violated NASD Rule 3010 and FINRA Rules 3110 and 2010.

Because of its inadequate supervisory system, StockCross failed to reasonably supervise Representative 1, a firm broker FINRA subsequently barred for failing to cooperate in a FINRA investigation into his excessive trading of the accounts of two senior customers. As a result, StockCross violated NASD Rule 3010 and FINRA Rules 3110 and 2010.

Furthermore, between July 2009 and June 2017, StockCross permitted an employee to function as a principal and to supervise options transactions without obtaining the necessary securities registrations in violation of NASD Rule 1021(a) and FINRA Rule 2010.

Separately, from June 2017 to July 2019, StockCross failed to comply with the possession-or-control requirements of Exchange Act Rule 15c3-3. During that time, the firm's stock loan business expanded rapidly but the firm failed to adapt to its growing business line, thus resulting in the firm failing to timely cure possession-or-control deficits caused by its securities lending business, including impermissibly using fully-owned customer securities to satisfy an outstanding borrow position of 27,714 shares . The firm also experienced four customer reserve hindsight deficiencies totaling over \$1 million because it misclassified certain customer accounts as non-customer accounts. StockCross additionally did not ensure it included in its customer reserve computations any customer funds in transit from branch offices. As a result, StockCross violated Exchange Act Rule 15c3-3 and FINRA Rule 2010.

Finally, between September 2017 and February 2019, StockCross failed to store over 30,000 emails of sixteen associated persons in an easily accessible place. Consequently, StockCross violated Section 17a of the Exchange Act, Exchange Act Rule 17a-4(b)(4), and FINRA Rules 4511, and 2010.

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

FACTS AND VIOLATIVE CONDUCT

This AWC resolves three separate investigations of StockCross, one originating from a call to FINRA's Senior Helpline by one of Representative 1's customers, one from FINRA's 2018 cycle examination of the firm, and one from FINRA's 2019 cause examination of StockCross.

A. StockCross Failed to Establish and Maintain a Supervisory System Reasonably Designed to Supervise Securities Transactions and Achieve Compliance with FINRA's Suitability Rule.

FINRA Rule 3110(a) (effective December 1, 2014) and its predecessor NASD Rule 3010(a) require member firms 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 FINRA rules. FINRA Rule 3110(b) and NASD Rule 3010(b) require each member firm 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 FINRA rules. A violation of FINRA Rule 3110 or NASD Rule 3010 constitutes a violation of FINRA Rule 2010, which requires member firms in the conduct of their business to observe high standards of commercial honor and just and equitable principles of trade.

FINRA Rule 2111 requires member firms and their associated persons to have a reasonable basis to believe that a recommended securities transaction is suitable based on the customer's investment profile, including age, investment objectives, and risk tolerance. FINRA Rule 2111 also imposes a quantitative suitability obligation that focuses on whether the number of transactions within a given timeframe is suitable in light of the customer's investment profile. FINRA Rule 2111.05(c) states that "[n]o single test defines excessive activity, but factors such as turnover rate, the cost-equity ratio, and the use of in-and-out trading in a customer's account may provide a basis for a finding that a member or associated person has violated the quantitative suitability obligation." Turnover rate represents the number of times that a portfolio of securities is exchanged for another portfolio of securities. A turnover rate of six generally indicates that excessive trading has occurred.

StockCross Failed to Establish, Maintain, and Enforce a Supervisory System Reasonably Designed to Supervise Solicited Trades and Excessive Trading.

From July 2009 through December 2019, StockCross' business largely consisted of unsolicited, customer-directed, online transactions. During that same period, however, forty-seven registered representatives solicited 11,718 equity transactions worth over \$230 million in 1,380 accounts and 5,541 options transactions worth over \$8.7 million in ninety accounts. Although the firm's supervisory systems and written procedures differentiated between solicited and unsolicited trades, in practice StockCross did not conduct any principal review of solicited transactions. Until the third quarter of 2017,

StockCross had no surveillance system or exception reports to review solicited transactions. When implemented, the firm's automated surveillance system was not reasonably designed to detect excessive trading and other violative activity.

The firm's written procedures delegated responsibilities to certain firm principals the responsibility for supervising solicited transactions. StockCross, however, never took any steps to determine whether these designated principals were in fact performing their delegated supervisory responsibilities. For example, the firm's National Sales Manager was delegated the responsibility for reviewing all solicited equity transactions for suitability and excessive trading, but he did not review any solicited transactions from July 2009 through December 2019 because he was unaware he had that responsibility. Similarly, the firm's Registered Options and Securities Futures Principal (ROSFP) from March 2014 to December 2019 was delegated the responsibility for the general supervision of options trading but was unaware he was responsible for reviewing solicited options transactions. By failing to determine that the National Sales Manager and the ROSFP understood the extent of their delegated supervisory responsibilities, StockCross was unaware that neither principal reviewed any solicited equity or options trading during the periods they held those positions.

StockCross also failed to establish and maintain a reasonable supervisory system to review for excessive trading. StockCross supervisors manually reviewed transactions using the firm's daily trade blotter and transaction activity reports, which mirrored the information provided in the trade blotter. Yet neither the trade blotter nor the transaction activity reports contained information such as turnover rate or cost-to-equity ratios in customer accounts that would permit the firm's supervisors to identify and assess trading patterns and losses beyond a single trading day.

StockCross did not provide its supervisors with exception reports identifying excessive trading, suitability, wash transactions, or over-concentrated securities positions, and it never implemented an "active account report" referenced in the 2016 written supervisory procedures. StockCross' procedures otherwise only required supervisors to "make an effort" to identify violative trading with respect to solicited transactions through a manual blotter review. It was not until the third quarter of 2017 that the firm finally implemented a trading exception report, but even that report was limited in scope and utility as it only identified when forty or more trades were made in an account over a thirty-day period, rendering it unreasonably designed as the firm's sole exception report to detect excessive trading.

StockCross Failed to Reasonably Supervise Representative 1 Who Engaged in Unsuitable and Excessive Trading and Unsuitably Used Margin in Senior Customers' Accounts.

As a result of the firm's deficient supervisory system, StockCross failed to reasonably supervise a broker who engaged in unsuitable and excessive equity and options trading in the accounts of two senior customers.

Representative 1 was associated with the firm as a general securities representative in its Beverly Hills branch from July 2009 until May 2018. Representative 1 purported to employ a covered call trading strategy in the accounts of two senior customers, Customer 1 and Customer 2, but in fact engaged in frequent, in-and-out trading of the options and underlying reference securities in a manner that was not suitable for the customers.

In May 2013, Customer 1, then a seventy-five-year-old retiree, opened an account at the firm valued at \$2.7 million. Customer 1's primary investment objectives were income, growth, and protection of principal, and her risk tolerance was moderate. Contrary to Customer 1's investment objectives and risk tolerance, Representative 1 excessively traded the customer's account. Between July 2014 and January 2017, Representative 1 solicited 3,274 trades in Customer 1's account and traded on average sixty-six securities per month generating \$13,528 in average monthly commissions. Over that period, Customer 1 had a rolling monthly turnover rate ranging between 6.12 and 20.86. Further compounding the customer's losses was that Representative 1 persuaded her to use margin to fund her security purchases. Between November 2015 and January 2017, Customer 1's margin balance constituted approximately sixty percent of her account value. By January 2017, Customer 1 had sustained \$543,250 in losses in the accounts. In December 2017, StockCross settled with Customer 1 for \$900,000.

In July 2009, Customer 2 was eighty years old when she opened two accounts at the firm worth a total of \$1.2 million. In December 2013, Customer 2 opened a third account valued at \$323,000. Customer 2's primary investment objectives were income, protection of principal, and growth, and her risk tolerance was moderate. Representative 1 excessively traded two of Customer 2's accounts in a manner that was inconsistent with her investment objectives. Between January 2014 and February 2017, Representative 1 solicited 227 trades, including sixty-four equity transactions and 118 options call contracts. In one account during this time, the monthly turnover rate reached a high of seven. Representative 1 also overly concentrated Customer 2's accounts in two stock positions. Between August and October 2015, Representative 1 recommended purchases of stock XYZ, which constituted nearly ninety percent of one account and over a third of a second account. Representative 1 later liquidated Customer 2's positions in XYZ and replaced it with stock TUV, which between November and December 2015, constituted ninety-two percent of one account and twenty-four percent of a second account. Between 2015 and 2017, Customer 2 sustained \$223,138 in losses in the accounts. In January 2019, StockCross settled with Customer 2 for \$350,000.

Representative 1 was able to engage in unsuitable trading in Customer 1's and Customer 2's accounts without interruption for two-and-a-half years because StockCross failed to provide its supervisors with tools that could have alerted them to his misconduct. StockCross did not track turnover rates, churning, cost-to-equity ratios and over-concentration in customer accounts. Furthermore, the firm's written supervisory procedures failed to provide reasonable guidance to Representative 1's supervisors. StockCross' procedures did not require the ROSFP to perform suitability reviews of options transactions, noting that the firm "does not routinely solicit options business and therefore does not routinely make suitability determinations." For most of the period in

which Representative 1 traded in Customer 1's and Customer 2's accounts, StockCross' written procedures did not require its supervisors to identify instances of churning or to calculate turnover rates. The firm's procedures also did not require any supervisory review of high levels of margin in a customer's account outside of instances involving margin calls or liquidations. The procedures instead were focused on customer eligibility for margin accounts and margin calls, rather than suitability.

As a result of the foregoing, StockCross violated NASD Rule 3010 and FINRA Rules 3110 and 2010.

B. StockCross Allowed an Employee to Function as a Principal Without the Requisite Registrations.

NASD Rule 1021(a) (superseded by FINRA Rule 1200 effective October 1, 2018) provides that every person who functions as a principal is required to register as such with FINRA. Rule 1021(a) also requires principals to be registered "in the category of registration appropriate to the function to be performed as specified in Rule 1022." NASD Rule 1022(f) (superseded by FINRA Rule 1220 effective October 1, 2018) states that any person who is engaged in the management of the day-to-day options activities of a member shall be registered as a ROSFP.

From July 2009 until June 2017, StockCross permitted a broker to function as the firm's trading supervisor even though he did not obtain his general securities principal registration until July 2017. As the firm's trading supervisor, the broker was one of two employees responsible for the daily review of order tickets and trade blotters through which the firm supervised issues related to commissions, markups/markdowns, best execution, churning and wash transactions. Additionally, the firm delegated the broker the responsibility for the daily review of the transaction activity report.

As a result of the foregoing, StockCross violated NASD Rule 1021(a), and FINRA Rule 2010.

C. StockCross Violated the Customer Protection Rule.

Exchange Act Rule 15c3-3, also known as the "Customer Protection Rule," protects customer assets from being improperly used by a broker-dealer for its own purposes and ensures the prompt return of customer securities in the event of broker-dealer insolvency, by requiring broker-dealers to maintain physical possession or control of customers' fully paid and excess margin securities.

StockCross Violated the Possession-or-Control Requirements Ten Times.

Exchange Act Rule 15c3-3(d)(1) states that in connection with stock loans, no later than one business day following the deficit determination date, the broker-dealer must issue instructions to the borrower for the return of the loaned securities and obtain possession or control of the securities within five business days after the issuance of the instructions.

In April 2017, StockCross undertook a rapid expansion of its stock loan business; it became an active lender of stocks and, by the end of the year, had entered into approximately \$500 million worth of stock loan contracts.

Despite the significant growth in its stock loan business, the firm did not update its systems and procedures to adapt to this expanded business line. Its written supervisory procedures addressed only the firm's responsibilities as a borrower, but not as a lender, in a stock loan transaction. The firm's written supervisory procedures also did not address Exchange Act Rule 15c3-3(d)(1)'s requirements to remedy possession-or-control deficits within five business days when the firm acts as a securities lender. Consequently, between June 2017 and July 2019, the firm's stock lending created nine securities deficits for which StockCross did not execute a buy-in of overdue securities within the five-day period required by Exchange Act Rule 15c3-3(d)(1). The delays in which the firm failed to obtain possession or control of these loaned securities ranged from one day to ten days.

Under Exchange Act Rule 15c3-3, the firm could not use fully-owned customer securities to satisfy an outstanding borrow position.² In contravention of that restriction on July 31, 2017, the firm used fully-owned customer securities to satisfy an outstanding borrow position of 27,714 shares. Although the stock loan desk received and reviewed a report identifying excess available shares, StockCross did not have a process in place to determine whether the shares were fully-owned customer securities and thus unavailable for the desk's use for lending.

By failing to maintain possession or control over its customer assets consistent with the Customer Protection Rule, StockCross violated Exchange Act Section 15(c), Rule 15c3-3 thereunder, and FINRA Rule 2010.

StockCross Understated its Customer Reserve Calculations.

Exchange Act Rule 15c3-3 also requires broker-dealers to establish a special reserve bank account for the benefit of customers and to fund that account in accordance with Exhibit A to the Rule, which sets forth in detail the computational formula for calculating the required balance. For purposes of the customer reserve formula, a customer includes any individual from whom, or on whose behalf, the broker-dealer has received or acquired or holds funds or securities, except those individuals specifically excluded as non-customers. Directors or principal officers of the firm are considered non-customers; however, spouses of a broker-dealer's principal officers are considered customers. When a joint account is owned equally by a non-customer and a customer (*e.g.*, a firm officer and spouse), the portion of the debit balance attributable to the non-customer must be

² See Exchange Act Rule 15c3-3(b)(1) ("A broker or dealer shall promptly obtain and shall thereafter maintain the physical possession or control of all fully-paid securities and excess margin securities carried by a broker or dealer for the account of customers."); FINRA Interpretation Rule 15c3-3(b)(2)/03 ("A delivery or removal of securities is prohibited if it would create or increase a deficiency in the quantity of securities by class and issuer required to be in possession or control.").

excluded from the reserve formula unless the broker-dealer can demonstrate that the debit balance is directly related to credit items in the reserve formula.³

On four dates in June and July 2017, StockCross treated four joint accounts held by a principal officer of the firm and his spouse as non-customer accounts when performing the customer reserve calculation. As a result, the firm included debits to which it was not entitled when preparing its customer reserve calculation, thereby understating the amount the firm was required to maintain in its customer reserve in amounts ranging from approximately \$215,000 to nearly \$290,000.

Separately, the firm failed to ensure that it accounted for customer funds in transit from branch offices and not promptly processed to the customer's account when making its customer reserve calculations. As a result, the firm improperly calculated its customer reserve requirement on two occasions, resulting in two separate hindsight deficiencies totaling \$45,000.

As a result of the foregoing, StockCross violated Exchange Act Section 15(c), Exchange Act Rule 15c3-3, and FINRA Rule 2010.

D. StockCross Failed to Preserve Electronic Correspondence in an Easily Accessible Place.

Exchange Act Rule 17a-4(b)(4) requires broker-dealers to preserve originals of all business-related communications it received and sent for a period of not less than three years, the first two years in an easily accessible place. FINRA Rule 4511 provides, in part, that each member "shall make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules" and all "books and records required to be made pursuant to the FINRA rules shall be preserved in a format and media that complies with" Rule 17a-4.

Between September 2017 and February 2019, due to an error that occurred when the firm switched internet domain providers, the firm failed to archive approximately 30,000 outgoing email communications sent by sixteen employees to non-firm email addresses. StockCross never identified the archiving issue until a 2018 examination of the firm by the Securities and Exchange Commission, and the emails in question were not stored in easily accessible place.

As a result, StockCross violated Exchange Act Section 17a, Exchange Act Rule 17a-4(b)(4), and FINRA Rules 4511 and 2010.

³ See FINRA Interpretation Rule 15c3-3(a)(1)/01 (defines a broker dealer's general partner, director or principal officer as non-customers); Interpretation Rule 15c3-3(a)(1)/01, Note E(6) (assets of a person who is considered a customer, that is held in a joint account with a non-customer, must be included in the Reserve Formula).

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

- a censure;
- a \$250,000 fine; and
- an undertaking to retain an independent consultant as described below.

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.

1. Respondent has undertaken to do the following:

- a. Retain at its own expense and within sixty days of the date of the notice of acceptance of this AWC an independent consultant not unacceptable to FINRA to conduct a comprehensive review of the Respondent's compliance with FINRA's suitability rules in connection with solicited equity and options transactions, as well as compliance with the Exchange Act's possession-or-control requirements in connection with the firm's stock loan business, including but not limited to:
 - (i) A review of the firm's written supervisory procedures, and exception reports, concerning its supervision of solicited equity and options transactions and its possession-or-control obligations in connection with the firm's stock loan business to address, among other things, the violations described in this AWC;
- b. Ensure that the independent consultant, any firm with which the independent consultant is affiliated or of which he or she is a member, and any person engaged to assist the independent consultant in performance of his or her duties, shall not have provided consulting, legal, auditing, or other professional services to, or had any affiliation with Respondent during the two years prior to the date of the notice of acceptance of this AWC.
- c. Cooperate with the independent consultant in all respects, including providing the independent consultant with access to Respondent's files, books, records, and personnel, as reasonably requested for the above-mentioned review. Respondent shall require the independent consultant to report to FINRA on its activities as FINRA may request and shall place no restrictions on the independent consultant's communications with FINRA. Further, upon request, Respondent shall make available to FINRA any and

all communications between the independent consultant and Respondent and documents examined by the independent consultant in connection with this review.

- d. Refrain from terminating the relationship with the independent consultant without FINRA's written approval. Respondent shall not be in and shall not have an attorney-client relationship with the independent consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the independent consultant from transmitting any information, reports, or documents to FINRA;
- e. Require the independent consultant to submit an initial written report to Respondent and FINRA at the conclusion of the independent consultant's review, which shall be no more than 120 days after the date of the notice of acceptance of this AWC. The initial report shall, at a minimum,
 - (i) evaluate and address the adequacy of Respondent's compliance with FINRA's suitability rules in connection with solicited equity and options transactions, as well as compliance with the Exchange Act's possession-or-control requirements in connection with the firm's stock loan business;
 - (ii) provide a description of the review performed and the conclusions reached; and (iii) make recommendations as may be needed regarding how Respondent should modify or supplement its processes, controls, policies, systems, procedures, and training to manage its regulatory and other risks in relation to the firm's compliance with FINRA's suitability rules in connection with solicited equity and options transactions, as well as compliance with the Exchange Act's possession-or-control requirements in connection with the firm's stock loan business; and
 - (i) Within 45 days after delivery of the initial report, Respondent shall adopt and implement the recommendations of the independent consultant or, if Respondent considers a recommendation to be, in whole or in part, unduly burdensome or impractical, propose an alternative procedure to the independent consultant designed to achieve the same objective. Respondent shall submit such proposed alternative procedures in writing simultaneously to the independent consultant and FINRA.
 - (ii) Respondent shall require the independent consultant to (A) reasonably evaluate the alternative procedures and determine whether it will achieve the same objective as the independent consultant's original recommendation and (B) provide Respondent and FINRA with a written report reflecting its evaluation and determination within thirty days of submission of any Respondent's proposed alternative procedures. In the event the independent consultant and Respondent are unable to agree, Respondent must abide by the independent consultant's ultimate

determination with respect to any proposed alternative procedure and must adopt and implement all recommendations deemed appropriate by the independent consultant.

- (iii) Within thirty days after the issuance of the later of the independent consultant's initial report or any written report regarding proposed alternative procedures, Respondent shall provide the independent consultant and FINRA with a written implementation report, certified by an officer of Respondent, attesting to, containing documentation of, and setting forth the details of Respondent's implementation of the independent consultant's recommendations. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. FINRA may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence.

- f. Require the independent consultant to enter into a written agreement that, for the duration of the engagement and for a period of two years from the completion of the engagement, the independent consultant shall not enter into any other employment, consultant, attorney-client, auditing, or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the independent consultant is affiliated or of which it is a member, and any person engaged to assist the independent consultant in the performance of its duties pursuant to this AWC, shall not, without FINRA's prior written consent, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Respondent or any of Respondent's present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

- 2. Upon written request showing good cause, FINRA may extend any of the procedural dates set forth above.

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 testimonial obligations or 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. 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.

July 14, 2021

Date

Daniel P. Logue

StockCross Financial Services, Inc. (acquired by
Muriel Siebert & Co., Inc.)
Respondent

Print Name: Daniel P. Logue

Title: Counsel, CCO, AMLCO

Reviewed by:

Mark T. Hiraide

Mark T. Hiraide
Counsel for Respondent
StockCross Financial Services, Inc.

(acquired by Muriel Siebert & Co., Inc.)
Mitchell, Silberberg & Knupp, LLP
2049 Century Park East, 18th Floor
Los Angeles, CA 90067

Accepted by FINRA:

July 14, 2021

Date

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

Kevin Pogue

Kevin E. Pogue, Esq.
Senior Counsel
FINRA
Department of Enforcement
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