

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 202006609201**

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

RE: G1 Execution Services, LLC (Respondent)  
Member Firm  
CRD No. 111528

Pursuant to FINRA Rule 9216, Respondent G1 Execution Services, LLC (G1X) 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**

G1X has been a FINRA member since June 2001. The firm is headquartered in Chicago, Illinois and has two branches with approximately 50 registered representatives. The firm is a retail market maker and offers execution services to broker-dealers.<sup>1</sup>

**OVERVIEW**

Between January 2020 and February 2021, G1X failed to timely report a total of 1,618,525 transactions in National Market System (NMS) securities to the Nasdaq Trade Reporting Facility and the NYSE Trade Reporting Facility, in violation of FINRA Rules 6380A(a), 6380B(a), and 2010.

Between December 2020 and February 2021, G1X also failed to timely report 125,446 transactions in over-the-counter (OTC) securities to the Over-the-Counter Trade Reporting Facility, in violation of FINRA Rules 6622(a) and 2010.

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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).

## **FACTS AND VIOLATIVE CONDUCT**

### ***Trade Reporting Facilities Reporting Requirements***

FINRA Trade Reporting Facilities (TRFs) provide FINRA members with a mechanism for reporting transactions that are not executed on an exchange. Off exchange trades must be reported to FINRA, by the FINRA member that executed the trade, within ten seconds of execution. FINRA maintains four different TRFs: two operated by Nasdaq for NMS securities (collectively, the Nasdaq TRFs); one by the New York Stock Exchange for NMS securities (NYSE TRF); and one operated by FINRA, called the Over-the-Counter Facility (ORF), for unlisted or OTC securities.

FINRA Rules 6380A(a), 6380B(a), and 6622(a) set forth when and how members are to report transactions to the relevant TRFs: FINRA Rule 6380A(a) applies to NMS equity securities reported to the Nasdaq TRFs; FINRA Rule 6380B(a) applies to trades of NMS equity securities reported to the NYSE TRF; and FINRA Rule 6622(a) applies to trades of OTC equity securities reported to the ORF. Each of these rules requires that reporting facility participants report transactions in equity securities executed during normal market hours "as soon as practicable but no later than 10 seconds after execution." In addition, under these rules a pattern or practice of late reporting without reasonable justification or exceptional circumstances may be considered conduct inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

A violation of FINRA Rules 6380A, 6380B, and 6622 also is a violation of FINRA Rule 2010, which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

### ***G1X failed to timely report transactions in NMS securities to the Nasdaq and NYSE TRFs.***

In late 2019, G1X began experiencing a significant increase in the number of trades the firm executed. Beginning around this time, the firm's order management system (OMS) did not report certain trades within ten seconds during periods of high trading volume. As a result, between January 2020 and February 2021, G1X failed to timely report 1,618,525 transactions in NMS securities to the Nasdaq and NYSE TRFs. G1X's failure to timely report these trades demonstrated a pattern and practice of late trade reporting.

Therefore, G1X violated FINRA Rules 6380A(a), 6380B(a), and 2010.

### ***G1X failed to timely report transactions in OTC securities to the ORF.***

In December 2020, the firm began its transition to a new OMS. Due to a technological issue related to the transition, the firm failed to report certain transactions in OTC securities within ten seconds of execution. Specifically, between December 2020 and February 2021, G1X failed to timely report 125,446 transactions in OTC securities to the ORF. G1X's failure to timely report these trades demonstrated a pattern and practice of late trade reporting.

Therefore, G1X violated FINRA Rules 6622(a) and 2010.

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

- a censure and
- a \$175,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

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 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.

1/24/25  
Date

  
G1 Execution Services, LLC  
Respondent

Print Name: Brian Sopinsky

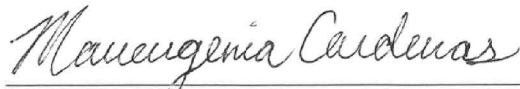
Title: Secretary

Accepted by FINRA:

1/27/2025

Date

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



Marieugenia Cardenas

Counsel

FINRA

Department of Enforcement

Brookfield Place

200 Liberty Street

New York, NY 10281