

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2022073262401**

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

RE: G.research, LLC (Respondent)  
Member Firm  
CRD No. 7353

Pursuant to FINRA Rule 9216, Respondent G.research, 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**

G.research has been a FINRA member since February 1977. The firm, which is located in Rye, New York, has 19 registered representatives. Although G.research's primary business is acting as an agent in transactions of managed accounts directed by an affiliated investment advisory business, it also offers self-directed brokerage accounts to customers of its affiliated investment advisory business.<sup>1</sup>

**OVERVIEW**

From June 30, 2020, to May 1, 2023, G.research failed to disclose its own and its control affiliates' disciplinary history in the firm's customer relationship summary (Form CRS). By filing and delivering to customers a Form CRS that omitted required information, G.research willfully violated Section 17(a)(1) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-14, and violated FINRA Rule 2010.

From June 30, 2020, to the present, G.research has failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with Exchange Act § 17(a)(1) and Exchange Act Rule 17a-14, in violation of FINRA Rules 3110 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**

This matter originated from the 2022 examination of G.research.

### **A. G.research provided an inaccurate response to the Form CRS question concerning legal or disciplinary history.**

On June 5, 2019, the Securities and Exchange Commission (SEC) adopted Form CRS and rules creating new requirements—which include requirements to prepare and deliver the Form CRS—for SEC-registered broker-dealers offering services to a retail investor. The compliance date for Form CRS was June 30, 2020.

Form CRS provides customers with information about the types of services the firm offers; the fees, costs, conflicts of interest, and required standard of conduct associated with those services; whether the firm and its investment professionals have reportable legal or disciplinary history; and how to get more information about the firm.

Form CRS also includes required “conversation starters” to help begin a discussion with a broker-dealer about the relationship, including their services, fees, costs, conflicts, and disciplinary information.

Section 17(a)(1) of the Exchange Act requires registered broker-dealers to make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission deems “necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of” the Exchange Act. Exchange Act Rule 17a-14—titled “Form CRS, for preparation, filing and delivery of Form CRS”—requires broker-dealers offering services to a retail investor to prepare a Form CRS in accordance with the instructions in Form CRS, and to comply with requirements related to filing, amending, delivering, and posting the Form CRS to the firm’s public website.

A violation of Exchange Act § 17(a)(1) and Exchange Act Rule 17a-14 also is a violation of FINRA Rule 2010, which requires member firms to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

Form CRS contains the heading, “Do you or your financial professionals have legal or disciplinary history?” Item 4 of the instructions to Form CRS state that a firm must respond “Yes” if it or any of its financial professionals disclose, or is required to disclose, legal or disciplinary history on specified regulatory disclosure forms, such as Form BD.<sup>2</sup>

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<sup>2</sup> These forms are submitted to the Central Registration Depository by member firms or regulators. Broker-dealers file Form BD (Uniform Application for Broker-Dealer Regulation) to become registered with the U.S. Securities and Exchange Commission, FINRA, other self-regulatory organizations, and jurisdictions (*e.g.*, U.S. states and territories).

Because a firm must disclose on Form BD its own legal or disciplinary history as well as that of its “control affiliates,”<sup>3</sup> a firm must respond “Yes” to the Form CRS question concerning legal or disciplinary history if any of its control affiliates has legal or disciplinary history. Item 4 also requires a firm to direct retail investors to Investor.gov/CRS for a free and simple search tool to research the firm and its financial professionals.

G.research and four of its control affiliates had prior reportable legal or disciplinary history. However, G.research did not respond “Yes” or direct retail investors to Investor.gov/CRS in response to the question concerning legal or disciplinary history on the Form CRS it filed on June 30, 2020, or on its amended Form CRS filed on April 14, 2022. On May 1, 2023, the firm filed an amended Form CRS that responded “Yes” to the question concerning legal or disciplinary history and directed retail investors to Investor.gov/CRS.

Therefore, from June 30, 2020, to May 1, 2023, G.research willfully violated Exchange Act § 17(a)(1) and Exchange Act Rule 17a-14, and violated FINRA Rule 2010.

**B. G.research has failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with its Form CRS obligations.**

FINRA Rule 3110 requires member firms to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with applicable securities laws, regulations, and FINRA rules. A violation of FINRA Rule 3110 also is a violation of FINRA Rule 2010.

Since June 30, 2020, G.research has failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Form CRS requirements. Until July 2021, the firm’s WSPs contained no provisions relating to Form CRS. In July 2021, the firm updated its WSPs to provide guidance regarding Form CRS. The firm’s WSPs, even after this update, fail to identify any individual or individuals responsible for compliance with Form CRS requirements, and the updated WSPs do not prescribe procedures for supervising how the firm should review its Form CRS to determine whether updates are required or whether its Form CRS includes all required information.

Therefore, G.research violated FINRA Rules 3110 and 2010.

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

- a censure;
- a \$30,000 fine; and

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<sup>3</sup> According to Form BD, a “control affiliate” includes any individual or organization that directly or indirectly controls, is under common control with, or is controlled by, a firm.

- an undertaking that, within 60 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has implemented reasonably designed written supervisory procedures regarding its compliance with Form CRS requirements. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Jennifer Cullinane, Counsel, FINRA Department of Enforcement electronically to Jennifer.Cullinane@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

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.

Respondent understands that this settlement includes a finding that it willfully violated Section 17(a)(1) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-14 and that under Article III, Section 4 of FINRA's By-Laws, this makes Respondent subject to a statutory disqualification with respect to membership.

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 prejudice 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.

10/28/2024  
Date


  
G.research, LLC  
Respondent

Print Name: VINCENT-AMABILE  
Title: PRESIDENT

Accepted by FINRA:

November 11, 2024  
Date

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

  
Jennifer Cullinane  
Counsel  
FINRA  
Department of Enforcement  
99 High Street, 9th Floor  
Boston, MA 02110