

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015043159502**

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

RE: TGP Securities, Inc. (BD No. 159008),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, TGP Securities, Inc. ("TGP" or the "Firm" or "Respondent") 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 the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. TGP 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

TGP has been a member firm since July 2012. The Firm is headquartered in Summit, New Jersey, and has approximately seventeen registered representatives. Its principal activity is the private placement of securities.

RELEVANT DISCIPLINARY HISTORY

In Matter No. 2013035177901, TGP submitted an AWC related to its failure to review and retain incoming and outgoing electronic correspondence, as well as its failure to establish, maintain, and enforce a reasonable supervisory system to comply with FINRA rules governing the review of email correspondence. The Firm was censured and fined \$7,500.

OVERVIEW

TGP failed to adequately supervise two representatives' private securities transactions in violation of NASD Rule 3040, NASD Rule 3010, and FINRA Rules 3110 and 2010.

FACTS AND VIOLATIVE CONDUCT

Pursuant to NASD Rule 3040(c), where a member firm permits an associated person to engage in a private securities transaction for selling compensation, the firm is required to record the transaction "on the books and records of the member and the member shall supervise the person's participation in the transaction as if the transaction were executed on behalf of the member."

NASD Notice to Members 94-44 and NASD Notice to Members 96-33 clarified that member firms must supervise the securities activity of registered representatives who engage in investment advisory activities away from the firm where those representatives participate in the execution of securities transactions on behalf of their investment advisor clients.

More generally, FINRA Rule 3110(b), like its predecessor NASD Rule 3010(b), requires each member to establish, maintain, and enforce written procedures to supervise its business and its associated persons "reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA Rules."

TGP's written supervisory procedure for private securities transactions required TGP to "record [an approved private securities] transaction on the Firm's books and records" and to "supervise the individual's participation in the transaction as if it was executed on behalf of the Firm."

From November 2014 through March 2015, Firm registered representative BK executed transactions on behalf of his investment advisory customers through another brokerage firm. Separately, from December 2013 to February 2015, Firm registered representative RL solicited investments in private securities offerings through his own investment advisory firm. Both BK and RL received compensation for these activities. Both BK and RL disclosed these outside activities to TGP. Nevertheless, TGP, contrary to the Firm's procedures, did not record the transactions on the Firm's books and records, and TGP did not supervise BK's and RL's participation in the transactions as if the transactions were executed on behalf of the Firm.

Accordingly, TGP violated NASD Rule 3040, NASD Rule 3010 (for its conduct on or before November 30, 2014), FINRA Rule 3110 (for its conduct on or after December 1, 2014), and FINRA Rule 2010.

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

- a censure, and

- a \$10,000 fine.¹

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

TGP specifically and voluntarily waives any right to claim that the Firm is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

TGP 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, TGP 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 acceptance or rejection of this AWC.

TGP 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.

¹ Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the Firm's revenues and financial resources. See Notice to Members 06-55.

III.

OTHER MATTERS

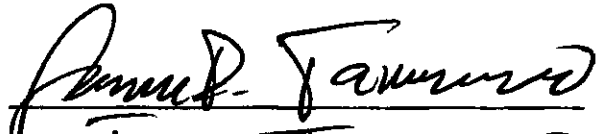
TGP understands that:

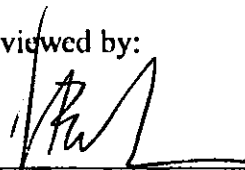
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Firm; and
- C. If accepted:
 - 1. this AWC will become part of TGP'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. TGP 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. The Firm 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. TGP 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 the Firm has 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 the Firm to submit it.

TGP Securities, Inc. (BD No. 159008),
Respondent

3/01/2017
Date

By: 
Name: James Jaramero
Title: President

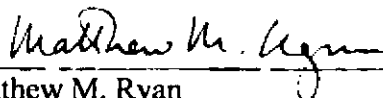
Reviewed by:


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Accepted by FINRA:

March 23, 2017
Date

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


Matthew M. Ryan
Principal Regional Counsel
FINRA Department of Enforcement
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