

BrokerCheck Report

TRADEUP SECURITIES, INC.

CRD# 18483

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



TRADEUP SECURITIES, INC.

CRD# 18483

SEC# 8-36754

Main Office Location

437 MADISON AVE
27TH FLOOR
NEW YORK, NY 10022
Regulated by FINRA New York Office

Mailing Address

437 MADISON AVE
27TH FLOOR
NEW YORK, NY 10022

Business Telephone Number

973-228-2886

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 09/03/1986.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 5 Self-Regulatory Organizations
- 52 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 10 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3



Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 09/03/1986.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

TRADEUP SECURITIES, INC.

Doing business as TRADEUP SECURITIES, INC.

CRD# 18483

SEC# 8-36754

Main Office Location

437 MADISON AVE
27TH FLOOR
NEW YORK, NY 10022

Regulated by FINRA New York Office

Mailing Address

437 MADISON AVE
27TH FLOOR
NEW YORK, NY 10022

Business Telephone Number

973-228-2886



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): TIGER FINTECH HOLDINGS INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position DOMESTIC ENTITY

Position Start Date 07/2019

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): HUANG, LEI

5248191

Is this a domestic or foreign entity or an individual? Individual

Position BOARD OF DIRECTOR

Position Start Date 07/2019

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): HUANG, LEI

5248191

Is this a domestic or foreign entity or an individual? Individual

Position CEO

Position Start Date 12/2021

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): LIANG, CE
7554601

Is this a domestic or foreign entity or an individual? Individual

Position HEAD OF FINANCE/ PFO

Position Start Date 07/2022

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): LIU, YOUQING
5893930

Is this a domestic or foreign entity or an individual? Individual

Position FINOP/POO/CFO

Position Start Date 12/2021

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): LUPO, VINCENT JR.

Firm Profile



Direct Owners and Executive Officers (continued)

	1478037
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF OPERATIONS OFFICER
Position Start Date	04/2021
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any): MIRRO, DANA
6930752

Is this a domestic or foreign entity or an individual?	Individual
Position	AMLCO
Position Start Date	09/2023
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any): YE, GUANWU
5985247

Is this a domestic or foreign entity or an individual?	Individual
Position	CCO
Position Start Date	05/2021
Percentage of Ownership	Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	UP FINTECH GLOBAL HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	TIGER FINTECH HOLDINGS INC.
Relationship to Direct Owner	SOLE SHAREHOLDER
Relationship Established	07/2018
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	UP FINTECH HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	UP FINTECH GLOBAL HOLDINGS LIMITED
Relationship to Direct Owner	SOLE SHAREHOLDER
Relationship Established	06/2018
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 5 SROs and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/30/1986

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	11/17/1986
Cboe EDGX Exchange, Inc.	Approved	02/06/2023
NYSE American LLC	Approved	09/13/2022
NYSE Arca, Inc.	Approved	09/13/2022
New York Stock Exchange	Approved	09/13/2022



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	08/11/2003
Alaska	Approved	02/23/2007
Arizona	Approved	03/23/2006
Arkansas	Approved	05/11/2006
California	Approved	01/15/1998
Colorado	Approved	01/30/1998
Connecticut	Approved	05/06/1998
Delaware	Approved	11/21/2002
District of Columbia	Approved	02/08/2006
Florida	Approved	08/07/1998
Georgia	Approved	02/16/1998
Hawaii	Approved	02/09/2006
Idaho	Approved	07/13/1999
Illinois	Approved	07/16/2003
Indiana	Approved	10/27/2005
Iowa	Approved	01/27/2006
Kansas	Approved	01/27/2006
Kentucky	Approved	02/21/2006
Louisiana	Approved	02/23/1998
Maine	Approved	11/04/2005
Maryland	Approved	01/12/1998
Massachusetts	Approved	09/20/1999
Michigan	Approved	10/08/1998
Minnesota	Approved	05/01/2006
Mississippi	Approved	11/11/2005
Missouri	Approved	07/31/1998
Montana	Approved	05/07/2007
Nebraska	Approved	02/13/2006
Nevada	Approved	09/28/2005
New Hampshire	Approved	06/19/2006
New Jersey	Approved	11/06/1986
New Mexico	Approved	02/17/1999
New York	Approved	10/06/1988

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	09/26/2005
Ohio	Approved	09/02/1999
Oklahoma	Approved	05/10/2006
Oregon	Approved	08/25/2003
Pennsylvania	Approved	01/28/1998
Puerto Rico	Approved	05/16/2007
Rhode Island	Approved	10/12/2005
South Carolina	Approved	09/24/2001
South Dakota	Approved	02/09/2007
Tennessee	Approved	06/22/2006
Texas	Approved	07/23/2003
Utah	Approved	03/01/2007
Vermont	Approved	06/05/2007
Virgin Islands	Approved	05/17/2007
Virginia	Approved	09/23/2005
Washington	Approved	11/14/2005
West Virginia	Approved	06/29/1999
Wisconsin	Approved	10/14/2005
Wyoming	Approved	05/14/2007



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 10 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Other - THE FIRM PROVIDES SECURITIES CLEARING AND CARRYING ON A SELF CLEARING, CORRESPONDENT CLEARING, AND OMNIBUS ARRANGEMENT.

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: THE FIRM IS REGISTERED WITH THE NATIONAL FUTURES ASSOCIATION (NFA) AS AN INTRODUCING BROKER.

Firm Operations



Clearing Arrangements

This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	INTERACTIVE BROKERS LLC
CRD #:	36418
Business Address:	PICKWICK PLAZA GREENWICH, CT 06830
Effective Date:	05/01/2020
Description:	INTERACTIVE BROKERS CLEARS CERTAIN TRADEUP SECURITIES, INC. ACCOUNTS ON A FULLY DISCLOSED BASIS
<hr/>	
Name:	US TIGER SECURITIES, INC.
CRD #:	120583
Business Address:	437 MADISON AVE 27TH FLOOR NEW YORK, NY 10022
Effective Date:	12/12/2019
Description:	THE FIRM HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH US TIGER SECURITIES, INC.
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Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name:	BROADRIDGE FINANCIAL SOLUTIONS SIS
Business Address:	4725 INDEPENDENCE ST. WHEAT RIDGE, CO 80033
Effective Date:	08/05/2005
Description:	BROADRIDGE/SIS PROVIDES SOFTWARE FOR BOOK AND RECORDS, ALONG WITH ORDER MANAGEMENT.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

US TIGER (HONG KONG) LIMITED is under common control with the firm.

Business Address:	9/F., MW TOWER, NO.111 BONHAM STRAND SHEUNG WAN, HONG KONG, HONG KONG
Effective Date:	07/08/2020
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	100% OWNED BY US TIGER SECURITIES, THEREFORE UNDER COMMON CONTROL WITH APPLICANT

TIGER BROKERS (SINGAPORE) PTE. LTD. is under common control with the firm.

Business Address:	1 RAFFLES PLACE 35-61 TOWER, #2 SINGAPORE, SINGAPORE 048616
Effective Date:	07/19/2019
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	100% OWNED BY UP FINTECH HOLDINGS LIMITED, THEREFORE UNDER COMMON CONTROL WITH APPLICANT

Firm Operations



Organization Affiliates (continued)

TIGER BROKERS (HK) GLOBAL LIMITED is under common control with the firm.

Business Address:	1/F, FWD FINANCIAL CENTRE 308 DES VOEUX ROAD CENTRAL HONG KONG, HONG KONG
Effective Date:	10/29/2021
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	100% OWNED BY UP FINTECH HOLDINGS LIMITED, THEREFORE UNDER COMMON CONTROL WITH APPLICANT

TIGER BROKERS (AU) PTY LTD is under common control with the firm.

Business Address:	2801/25 BLIGH STREET SYDNEY, NSW, AUSTRALIA 2000
Effective Date:	09/13/2021
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	100% OWNED BY UP FINTECH HOLDINGS LIMITED, THEREFORE UNDER COMMON CONTROL WITH APPLICANT

TIGER FINTECH (NZ) LIMITED is under common control with the firm.

Business Address:	LEVEL 16, 191 QUEEN STREET AUCKLAND CENTRAL, AUCKLAND, NEW ZEALAND 1010
Effective Date:	07/08/2021
Foreign Entity:	Yes
Country:	NEW ZEALAND
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	100% OWNED BY UP FINTECH HOLDINGS LIMITED, THEREFORE UNDER COMMON CONTROL WITH APPLICANT

UP FINTECH ASSET MANAGEMENT is under common control with the firm.

CRD #:	285915
Business Address:	3532 MUIRWOOD DRIVE NEWTOWN SQUARE, PA 19073
Effective Date:	07/12/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	100% OWNED BY TIGER FINTECH HOLDINGS INC., THEREFORE UNDER COMMON CONTROL WITH APPLICANT

TIGER BROKERS (NZ) LIMITED is under common control with the firm.

Business Address:	LEVEL 27 151 QUEEN STREET AUCKLAND CENTRAL, AUCKLAND, NEW ZEALAND 1010
Effective Date:	07/12/2019
Foreign Entity:	Yes
Country:	NEW ZEALAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	100% OWNED BY UP FINTECH HOLDINGS LIMITED, THEREFORE UNDER COMMON CONTROL WITH APPLICANT

US TIGER SECURITIES, INC. is under common control with the firm.

CRD #:	120583
Business Address:	437 MADISON AVE

Firm Operations



Organization Affiliates (continued)

	27TH FLOOR NEW YORK, NY 10022
Effective Date:	07/12/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	100% OWNED BY TIGER FINTECH HOLDINGS INC., THEREFORE UNDER COMMON CONTROL WITH APPLICANT

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source: Regulator

Current Status: Final



Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO FINRA ITS SHORT INTEREST POSITIONS. THE FINDINGS STATED THAT IN JULY 2021, THE FIRM BEGAN TO SELF-CLEAR CUSTOMER SHORT SALES. HOWEVER, THE FIRM DID NOT BEGIN REPORTING THE FIRM'S SHORT INTEREST TO FINRA UNTIL MAY 2023 AFTER RECEIVING AN INQUIRY FROM FINRA. THE FIRM HAS BEEN UNDER THE MISTAKEN BELIEF THAT ITS THIRD-PARTY BACK-OFFICE VENDOR WAS REPORTING ITS SHORT INTEREST TO FINRA ON THE FIRM'S BEHALF. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS SHORT INTEREST REPORTING OBLIGATIONS. THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO CONFIRM THAT ITS SHORT INTEREST DATA WAS REPORTED TO FINRA. IN ADDITION, THE FIRM'S WSPS DID NOT ADDRESS ITS OBLIGATION TO REPORT SHORT POSITION DATA TO FINRA UNDER FINRA RULE 4560. ULTIMATELY, THE FIRM IMPLEMENTED PROCEDURES DESIGNED TO ENSURE THE ACCURACY AND TIMELY SUBMISSION OF SHORT INTEREST REPORTING TO FINRA AND AMENDED ITS WSPS TO ADDRESS ITS SHORT INTEREST REPORTING REQUIREMENTS.
Initiated By:	FINRA
Date Initiated:	09/18/2024
Docket/Case Number:	2023077924101
Principal Product Type:	Other
Other Product Type(s):	SHORT INTEREST POSITIONS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/18/2024
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$300,000.00

**Other Sanctions Ordered:**

Sanction Details: THE FIRM WAS CENSURED AND FINED \$300,000. FINE PAID IN FULL ON OCTOBER 9, 2024.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO FINRA ITS SHORT INTEREST POSITIONS. THE FINDINGS STATED THAT IN JULY 2021, THE FIRM BEGAN TO SELF-CLEAR CUSTOMER SHORT SALES. HOWEVER, THE FIRM DID NOT BEGIN REPORTING THE FIRM'S SHORT INTEREST TO FINRA UNTIL MAY 2023 AFTER RECEIVING AN INQUIRY FROM FINRA. THE FIRM HAS BEEN UNDER THE MISTAKEN BELIEF THAT ITS THIRD-PARTY BACK-OFFICE VENDOR WAS REPORTING ITS SHORT INTEREST TO FINRA ON THE FIRM'S BEHALF. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS SHORT INTEREST REPORTING OBLIGATIONS. THE FIRM DID NOT HAVE ANY PROCEDURES IN PLACE TO CONFIRM THAT ITS SHORT INTEREST DATA WAS REPORTED TO FINRA. IN ADDITION, THE FIRM'S WSPS DID NOT ADDRESS ITS OBLIGATION TO REPORT SHORT POSITION DATA TO FINRA UNDER FINRA RULE 4560. ULTIMATELY, THE FIRM IMPLEMENTED PROCEDURES DESIGNED TO ENSURE THE ACCURACY AND TIMELY SUBMISSION OF SHORT INTEREST REPORTING TO FINRA AND AMENDED ITS WSPS TO ADDRESS ITS SHORT INTEREST REPORTING REQUIREMENTS.

Initiated By: FINRA

Date Initiated: 09/18/2024

Docket/Case Number: [2023077924101](#)

Principal Product Type: Other

Other Product Type(s): SHORT INTEREST POSITIONS

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/18/2024



Sanctions Ordered: Censure
Monetary/Fine \$300,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$300,000.

Disclosure 2 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: EXCHANGE ACT RULE 17A-4, FINRA RULE 2010, NASD RULES 2110, 3010, 3011(B), 3110, MSRB RULE G-41-MARSCO INVESTMENT, ACTING THROUGH AN INDIVIDUAL, FAILED TO RETAIN ALL BUSINESS-RELATED ELECTRONIC COMMUNICATIONS AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND/OR WRITTEN SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ENSURE THAT ALL ELECTRONIC COMMUNICATIONS RELATING TO THE FIRM'S BUSINESS WERE RETAINED. IN ADDITION, MARSCO INVESTMENT, ACTING THROUGH AN INDIVIDUAL, FAILED TO IMPLEMENT POLICIES, PROCEDURES AND INTERNAL CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. MARSCO INVESTMENT, ACTING THROUGH AN INDIVIDUAL, FAILED TO IMPLEMENT THE FIRM'S ANTI-MONEY LAUNDERING (AML) PROCEDURES IN THAT IT DID NOT VERIFY CUSTOMER IDENTITIES FOR ACCOUNTS OPENED WITH THE FIRM.

Initiated By: FINRA

Date Initiated: 05/25/2010

Docket/Case Number: [2009016078101](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/25/2010



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$25,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, MARSCO INVESTMENT CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$25,000 AND REQUIRED TO COMPLY WITH THE FOLLOWING UNDERTAKING: WITHIN 90 DAYS OF THE ISSUANCE OF THE AWC, THE CHIEF EXECUTIVE OFFICER OF MARSCO INVESTMENT WILL CERTIFY TO FINRA IN WRITING THAT THE FIRM CURRENTLY HAS IN PLACE SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS, AND RULES CONCERNING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS. THE CERTIFICATION, ALONG WITH THE CURRENT PROCEDURES MUST BE SUBMITTED TO THE DEPARTMENT OF ENFORCEMENT STAFF AT FINRA'S NEW JERSEY DISTRICT OFFICE.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM FAILED TO RETAIN ALL BUSINESS-RELATED ELECTRONIC COMMUNICATIONS AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE THAT ALL ELECTRONIC COMMUNICATIONS RELATING TO THE FIRM'S BUSINESS WERE RETAINED. IN ADDITION, THE FIRM FAILED TO IMPLEMENT PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT. THE FIRM FAILED TO IMPLEMENT THE FIRM'S ANTI-MONEY LAUNDERING(AML)PROCEDURES IN THAT IT DID NOT VERIFY CUSTOMER IDENTITIES FOR ACCOUNTS OPENED WITH THE FIRM.

Initiated By: FINRA

Date Initiated: 05/25/2010

Docket/Case Number: [2009016078101](#)

Principal Product Type: No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/25/2010
Sanctions Ordered:	Censure Monetary/Fine \$35,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS, \$25,000 CENSURE AND FINE AGAINST THE FIRM AND \$10,000 CENSURE AND FINE AGAINST THE CONTROL AFFILIATE (CEO)AND REQUIRED TO COMPLY WITH THE FOLLOWING UNDERTAKING: WITHIN 90 DAYS OF THE ISSUANCE OF THE AWC, THE CEO WILL CERTIFY TO FINRA IN WRITING THAT THE FIRM HAS IN PLACE SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULES AND REGULATIONS CONCERNING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS. THE CERTIFICATION, ALONG WITH THE CURRENT PROCEDURES MUST BE SUBMITTED TO THE DEPARTMENT OF ENFORCEMENT STAFF AT FINRA'S NJ DISTRICT OFFICE.
Firm Statement	DURING A MARCH 2009 FINRA AUDIT, IT WAS BROUGHT TO OUR ATTENTION THAT (1)CERTAIN EMAIL CORRESPONDENCE FOR 2007, ALTHOUGH PRIMARILY ADMINISTRATIVE IN NATURE, WAS NOT RETAINED, AND (2)NEW ACCOUNTS OPENED ONLINE REQUIRED ADDITIONAL DOCUMENTARY EVIDENCE IN ORDER TO FURTHER ASCERTAIN THE CUSTOMER'S IDENTITY. THE FIRM HAS TAKEN STEPS TO COMPLY WITH THESE ITEMS.

Disclosure 3 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD CONDUCT RULES 2110, 3010 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT ACTING THROUGH ANOTHER INDIVIDUAL FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE SO AS TO PREVENT VIOLATIONS OF THE SECURITIES LAWS AND REGULATIONS AND WITH THE RULES OF THE ASSOCIATION. THE REGISTERED REPRESENTATIVE RECOMMENDED AND EFFECTED NUMEROUS



UNSUITABLE MUTUAL FUND TRANSACTIONS IN CUSTOMER ACCOUNTS INVOLVING APPROXIMATELY SIX MILLION DOLLARS IN CLASS B MUTUAL FUND SHARES. THESE TRANSACTIONS WERE UNSUITABLE SINCE CLASS A SHARES SHOULD HAVE BEEN RECOMMENDED.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 01/15/2003

Docket/Case Number: C9B030001

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/15/2003

Sanctions Ordered: Monetary/Fine \$10,000.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING

Sanction Details: FINED \$10,000.00 JOINTLY AND SEVERALLY, WHICH INCLUDES DISGORGEMENT OF \$4,793.40; AND WITHIN THIRTY (30) BUSINESS DAYS OF THE ACCEPTANCE OF THIS AWC, MARSCO WILL UNDERTAKE TO OFFER TO THE CUSTOMERS WHO PURCHASED CLASS B SHARES RATHER THAN CLASS A SHARES THE OPPORTUNITY TO EXCHANGE THE CLASS B SHARES THEY HOLD FOR CLASS A SHARES AT THE PRICE AT WHICH THE CLASS A SHARES COULD HAVE BEEN PURCHASED AT THE TIME THE CUSTOMERS PURCHASED THE CLASS B SHARES. MARSCO WILL INCUR ALL CHARGES RELATING TO THE EXCHANGE BY ANY OF THE CUSTOMERS. SATISFACTORY PROOF OF SUCH OFFER SHALL BE PROVIDED TO NASD STAFF NO LATER THAN NINETY (90) DAYS AFTER ACCEPTANCE OF THIS AWC.

Reporting Source: Firm

Current Status: Final

Allegations: NASD ALLEDGED THAT DURING 2000, FIRM FAILED TO REASONABLY SUPERVISE A REGISTERED REP WHO RECOMMENDED CLASS B MUTUAL FUND SHARES, AS OPPOSED TO CLASS A MUTUAL FUND SHARES, FOR 5



CUSTOMERS ACCOUNTS. HAD CLASS A SHARES BEEN RECOMMENDED CUSTOMERS WOULD HAVE BEEN ELIGIBLE FOR BREAKPOINTS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 01/15/2003

Docket/Case Number: C9B030001

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/15/2003

Sanctions Ordered: Monetary/Fine \$10,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: ONE GENERAL SECURITIES PRINCIPAL, THE FIRM SUPERVISOR, WAS SUSPENDED FOR 20 BUSINESS DAYS, FROM 2/18/03 UNTIL 3/17/03. THE TOTAL \$10,000 FINE INCLUDED DISGORGEMENT OF \$4,793.40.

Firm Statement BASED UPON THE GUIDANCE AVAILABLE TO THE FIRM AND SUPERVISOR AT THE TIME OF THE RR'S TRANSACTIONS, FIRM BELIEVED THAT THE TRANSACTIONS WERE APPROPRIATE DUE TO THE EXTRAORDINARY LEVEL OF SERVICES PROVIDED BY THE RR. AS A RESULT OF ADDITIONAL GUIDANCE WHICH BECAME AVAILABLE, THE FIRM MODIFIED THEIR CLASS B MUTUAL FUND PROCEDURES.

End of Report



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