

EDGA EXCHANGE, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120309897-01

TO: EDGA Exchange, Inc.
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Legend Securities, Inc., Respondent
Broker-Dealer
CRD No. 44952

Pursuant to Rule 8.3 of the Rules of EDGA Exchange, Inc. ("EDGA"), Legend Securities, Inc. (the "Firm" or "SPCS") 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, EDGA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The Firm 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 EDGA, or to which EDGA 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 EDGA:

BACKGROUND

The Firm became a member of EDGA on May 26, 2010, and subsequently terminated its registration with EDGA effective as of December 31, 2013. The Firm has also been a FINRA member since November 19, 1998, and its registration remains in effect. The Firm has no relevant disciplinary history.

SUMMARY

In connection with this matter, the Trading and Market Making Surveillance Section ("TMMS") of the Department of Market Regulation of FINRA, on behalf of EDGA, reviewed the items listed on Exhibit 1, attached, to determine SPCS's compliance with various EDGA rules, among others, during the period between January 9, 2012 and January 20, 2012 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the Firm failed in 20 instances to enter the correct sale indicator into the EDGA Exchange System. Specifically, the Firm incorrectly entered short sell orders as long. The conduct described in this paragraph constitutes separate and distinct violations of EDGA Rule 11.15.
 2. During the review period, the Firm sent 189 short sale orders for execution and failed to properly mark the orders as short. The conduct described in this paragraph constitutes separate and distinct violations of the Securities Exchange Act of 1934 ("SEA") Rule 200(g) of Regulation SHO.
- B. The Firm also consents to the imposition of the following sanctions:

A censure and a fine totaling \$7,500

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

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under EDGA Rules:

- A. To have a Statement of Charges issued specifying the allegations against the firm;
- B. To be notified of the Statement of Charges 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 Appeals Committee of EDGA's Board of Directors and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the Firm specifically and voluntarily waives any right to claim bias or prejudice of the Chief Regulatory Officer ("CRO"), in connection with his or her participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The Firm further specifically and voluntarily waives any right to claim that a person violated the

ex parte prohibitions of EDGA Rule 8.16, 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

The firm 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 CRO, pursuant to EDGA Rule 8.3;
- 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 the Firm's permanent disciplinary record and may be considered in any future actions brought by EDGA or any other regulator against the firm;
 - 2. this AWC will be published on a website maintained by EDGA in accordance with EDGA Rule 8.11, *Interpretations and Policies .01*. In addition, this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record; and
 - 3. The Firm 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 EDGA, or to which EDGA 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 EDGA is not a party.
- D. The Firm 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 EDGA, nor does it reflect the views of EDGA 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 it 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

9-25-2014
Date

Respondent
Legend Securities, Inc.

By: 

Name: SAVATORE C. CAMISO

Title: PRESIDENT & CEO


Reviewed by:



Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

General Counsel

10/13/2014
Date


Tamara Schademann
Chief Regulatory Officer
EDGA Exchange, Inc.