

**THE NASDAQ STOCK MARKET LLC
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: R.W. Pressprich & Co.
Mr. Timothy L. Burns
Senior Managing Director and Co-Chief Compliance Officer
452 Fifth Avenue
New York, NY 10018**

**FROM: The NASDAQ Stock Market LLC ("Nasdaq")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Enforcement
9509 Key West Avenue
Rockville, MD 20850**

DATE: May 21, 2018

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20160511443-01

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **May 21, 2018** by the Nasdaq Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by NASDAQ's Finance Department regarding the payment of any fine if a fine has been imposed.

R.W. Pressprich & Co.
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If you have any questions concerning this matter, please contact me at (240) 386-5314.



Robert A. Gomez
Principal Counsel
Department of Enforcement, FINRA

Signed on behalf of NASDAQ

Enclosure

FINRA District 10 – New York
Michael Solomon
Senior Vice President and Regional Director
(Via email)

Bob E. Lehman
Lehman & Eilen LLP
50 Charles Lindbergh Blvd.
Suite 505
Uniondale, New York 11553

THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20160511443-01

TO: The Nasdaq Stock Market LLC
c/o Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: R.W. Pressprich & Co., Respondent
Broker-Dealer
CRD No. 26460

Pursuant to Rule 9216 of The Nasdaq Stock Market LLC ("Nasdaq") Code of Procedure, R.W. Pressprich & Co. (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, Nasdaq will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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 Nasdaq, or to which Nasdaq 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 Nasdaq:

BACKGROUND

The firm became a member of FINRA on August 8, 1990 and of Nasdaq on February 9, 2009. The firm's registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

The staff of the Market Analysis Section of the Department of Market Regulation at FINRA (the "Staff") conducted a review of the firm's compliance with Nasdaq Rule 4613(a) during the period from January 1, 2015 through September 30, 2015 (the "review period"). Based on its review, the Staff determined that the firm violated Nasdaq Rules 4613(a), 3010 and 2010A, as set forth below.

FACTS AND VIOLATIVE CONDUCT

Market Maker Quoting Obligations

1. Pursuant to Nasdaq Rule 4613(a), for each National Market System (NMS) security in which a Nasdaq member is registered as a market maker, the member is required

to maintain a continuous two-sided trading interest, during regular market hours, at prices within certain parameters expressed as a percentage referenced from the National Best Bid or Offer (“NBBO”).

2. During the review period, the firm, in 90 instances,¹ failed to maintain a continuous two-sided trading interest, during regular market hours, at prices within certain percentages away from the NBBO. The violations occurred because the firm failed to take a necessary step when it was adding new securities to its vendor’s market maker per order (“MMPO”) quoting product. The firm’s failure to take this step resulted in the vendor not maintaining quotes by the firm in the securities in which it was registered as a market maker. The issue that caused the violations predates the review period. The conduct described in this paragraph constitutes separate and distinct violations of Nasdaq Rule 4613(a).

Supervision

3. Nasdaq Rule 3010(a) provides, “Each member shall establish and maintain a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations with applicable Nasdaq rules.”
4. Nasdaq Rule 2010A provides, “A member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”
5. During the review period, the firm’s supervisory system did not provide for reasonably designed supervision to achieve compliance with respect to Nasdaq Rule 4613(a). Specifically, although the firm maintained a policy to compare the lists of securities in which it made a market to equivalent lists in the MMPO and market maker peg ranking (MMPR), as well as from Nasdaq, the firm did not maintain a procedure that verified that it was quoting in the securities in which it was registered as a market maker. Accordingly, the firm’s written supervisory procedures did not contain provisions to ensure that the firm maintained a continuous two-sided quotation for each security in which it was registered as a market maker with Nasdaq. In addition, the firm did not maintain written supervisory procedures to ensure that its quotes were priced in compliance with Nasdaq Rule 4613. The conduct described in this paragraph constitutes a violation of Nasdaq Rules 3010 and 2010A.²

¹ This is the number of validated violations based on a sample.

² In view of the steps that the firm has represented that it is taking to enhance its supervisory procedures to ensure compliance with its quoting obligations, an undertaking is not being ordered in this matter.

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

1. A censure; and
2. A fine of \$15,000 (\$10,000 for the market making quoting obligation violations and \$5,000 for the supervision violations).

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. It 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 that it 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

Respondent specifically and voluntarily waives the following rights granted under Nasdaq's Code of Procedure:

- A. To have a formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the formal 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 Nasdaq Review Council 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 Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of Nasdaq Rule 9143 or the separation of functions prohibitions of Nasdaq 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 FINRA's Department of Enforcement and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq 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 the firm's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;
 - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and
 - 3. 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 Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's: (a) testimonial obligations; or (b) right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- D. Respondent 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 Nasdaq, nor does it reflect the views of Nasdaq 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.

5/10/2018

Date

Respondent

R.W. Pressprich & Co.

By: Timothy L. Burns

Name: TIMOTHY L. BURNS

Title: SR MD / Co. COO

Reviewed by:

Bob E. Lehman

Bob E. Lehman
Lehman & Eilen LLP
50 Charles Lindbergh Boulevard
Suite 505
Uniondale, New York 11553-3650
blehman@lehmaneilen.com

Accepted by Nasdaq:

May 21, 2018
Date

Robert A. Gomez

Robert A. Gomez
Principal Counsel
FINRA Department of Enforcement

Signed on behalf of Nasdaq, by delegated authority from the Director of ODA.

ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A firm check or bank check for the full amount; or
 Wire transfer.

Respectfully submitted,
Respondent
R.W. Pressprich & Co.

5/10/2018
Date

By: [Signature]
Name: TIMOTHY L. BURNS
Title: SR MD / Co-CCO

Billing and Payment Contact

Please enter the billing contact information below. Nasdaq MarketWatch will contact you with billing options and payment instructions. **Please DO NOT submit payment until Nasdaq has sent you an invoice.**

Billing Contact Name: WAYNE CHEN
Billing Contact Address: 452 5TH AVENUE 12TH F NYC, NY 10018
Billing Contact Email: WCHEN@PRESSPRICH.COM
Billing Contact Phone Number: 212-832-6026