

Rule Infraction (Firm)	2021	2022 (Small Firm)	2022 (Mid and Large Sized Firms)
I. Activity Away From Member Firm			
Outside Business Activity	\$2,500-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Selling Away	\$5,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Transactions for or By Associated Person	\$2,500-\$77,000	NA	NA
II. Anti-Money Laundering			
AML-Failure to Monitor	NA	\$10,000-\$310,000	\$50,000-Unlimited
AML-Deficient Program	NA	\$10,000-\$100,000	\$20,000-\$310,000
AML-Testing, Identification of Principal, Training	NA	\$5,000-\$50,000	\$20,000-\$200,000
III. Distribution of Securities			
Corporate Financing Rule - Failure to Comply	\$2,500-\$39,000	\$5,000-\$39,000	\$10,000-\$100,000
Corporate Financing Rule - Unfair or Unreasonable Comp	\$5,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
SEC Rule 15c2-4 Violations	\$1,000-\$16,000	\$5,000-\$16,000	\$10,000-\$40,000
SEC Rule 10b9 Violations	\$5,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Initial Equity Public Offerings Violations	\$1,000-\$23,000	NA	NA
Sale of Unregistered Securities	\$2,500-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Sale of Unregistered Securities (High Volume)	\$5,000-\$155,000	\$10,000-\$155,000	\$50,000-Unlimited
IV. Financial and Operational Practices			
Customer Confirmation Failures	\$1,000-\$155,000	\$5,000-\$155,000	\$10,000-\$310,000
Customer Protection Rule - FINRA 2010, SEC 15c3-3	\$1,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Net Capital Violations	\$1,000-\$77,000	\$5,000-\$77,000	\$10,000-\$250,000
Record Keeping Violations	\$1,000-\$155,000	\$5,000-\$155,000	\$10,000-\$310,000
Reg T & Margin Requirements	\$1,000-\$77,000	NA	NA
V. Impeding Regulatory Investigations			
Settlement - Preclude Cooperation with Regulator	\$2,500-\$77,000	NA	NA
Failure to Adequately Respond To Regulator	\$2,500-\$77,000	\$5,000-\$310,000	\$10,000-Unlimited
VI. Improper Use of Funds/Forgery			
Conversion	\$0.00-Standard Bar	\$0.00-Expulsion Expulsion	\$0.00-Standard Expulsion
Improper Use of Funds	\$2,500-\$77,000	\$5,000-\$77,000	\$10,000-\$310,000

Forgery	\$5,000-\$155,000	NA	NA
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VII. Qualification and Membership

Branch Office - Failure to Register	\$1,000-\$7,000	\$2,500-\$7,000	\$5,000-\$15,000
Allowing Disqualified Person to Associate	\$5,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Member Agreement Violations	\$2,500-\$77,000	NA	NA
Registration Violations	\$2,500-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Unapproved Changes in Ownership, Cotrol, Ops	NA	\$5,000-\$77,000	\$10,000-\$200,000

VIII. Quality of Markets

Extended Hours Trading Risk Disclosure	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Anti-Intimidation/Coordination	\$5,000-\$155,000	NA	NA
Backing Away	\$5,000-\$155,000	NA	NA
Best Execution	\$5,000-\$310,000	\$10,000-\$310,000	\$50,000-Unlimited
Consolidated Audit Trail System Violations	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Display Rules	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$310,000
Locking or Crossing Market	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Marking the Open/Close	\$25,000-\$310,000	\$25,000-\$310,000	\$50,000-Unlimited
Options Exercise and Position Limits	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Options Position Reporting Violations	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
OATs Violations	\$5,000-\$155,000	NA	NA
Passive Market Making Violations	\$5,000-\$155,000	NA	NA
Trading Halt Violations	\$5,000-\$77,000		
Reports of Execution Quality and Order Routing	\$10,000-\$155,000	\$10,000-\$155,000	\$20,000-\$200,000
Short Interest Reporting	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Short Sale Violations	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Trace Reporting Violations	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$200,000
Trading Ahead	NA	\$5,000-\$155,000	\$10,000-\$310,000

IX. Reporting/Provision of Information

Focus Report Violations	\$1,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
U4/U5 Violations	\$2,500-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
MSRB Rule G-37 Reporting Violations	\$5,000-\$155,000	NA	NA
Regulation M Reporting Violations	\$1,000-\$155,000	\$5,000-\$16,000	\$10,000-\$40,000
Rule 4530 Violations	\$5,000-\$155,000	\$5,000-\$155,000	\$10,000-\$310,000
Request for Automated Submission of Trading Data	\$100.00-\$500.00/Per Day	\$10,000-\$155,000	\$20,000-\$310,000

X. Sales Practices

Churning, Excessive Trading, or Switching	\$5,000-\$116,000	\$5,000-\$310,000	\$50,000-Unlimited
Communications with Public	\$1,000-\$155,000	\$5,000-\$155,000	\$10,000-\$310,000
Customer Account Transfer Contracts	\$1,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Day Trading	\$1,000-\$155,000	NA	NA
Discretion Violations	\$2,500-\$16,000	NA	NA
Guaranteeing Against Customer Loss	\$2,500-\$39,000	NA	NA
Fraud, Misrepresentations, and Omissions	\$2,500-\$155,000	\$5,000-\$310,000	\$20,000-Unlimited
Penny Stock Rule Violations	\$5,000-\$155,000 (or \$5,000/Trans)	NA	NA
Excessive Commisions and Mark Ups/Downs	\$5,000-\$310,000	\$5,000-\$310,000	\$50,000-Unlimited
Research Analysts and Research Report Violations	\$5,000-\$310,000	\$5,000-\$310,000	\$10,000-Unlimited
Suitability - Unsuitable Recommendations	\$2,500-\$16,000	\$5,000-\$116,000	\$10,000-\$310,000
Telemarketing Violations	\$5,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Trading Ahead of Research Reports	\$5,000-\$155,000	NA	NA
Unathorized Trading/Failures to Execute	\$5,000-\$116,000	\$5,000-\$116,000	\$10,000-\$250,000

XI. Supervision

Failure to Discharge Supervision - Disqualified Persons	\$10,000-\$155,000	NA	NA
Supervision - Failure to Comply with Taping Rule	\$5,000-\$116,000	NA	NA
Failure to Supervise	\$5,000-\$77,000	\$5,000-\$77,000	\$10,000-\$200,000
Systemic Supervisory Failures	\$10,000-\$310,000	\$10,000-\$310,000	\$50,000-Unlimited
Deficient Supervisory Procedures	\$1,000-\$39,000	\$5,000-\$39,000	\$10,000-\$80,000

Rule Infractiuon (Individuals)	2021 Monetary Sanction	2022 Monetary Sanction
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I. Activity Away From Member Firm

Accounts at Other BDs and Financial Institutions	Distinction Not Clear	\$2,500-\$20,000
Outside Business Activities	Distinction Not Clear	\$2,500-\$20,000
Selling Away	\$5,000-\$77,000	\$5,000-\$40,000

II. Anti-Money Laundering

AML - Failure to Monitor or Report	NA	\$5,000-\$50,000
AML -Deficient Compliance Program	NA	\$5,000-\$40,000
AML - Failure to Designate Principal, Test and Train	NA	\$5,000-\$30,000

III. Distribution of Securities

Initial Equity Public Offerings Violations	Distinction Not Clear	\$2,500-\$20,000
Sale of Unregistered Securities	Distinction Not Clear	\$2,500-\$20,000
Sale of Unregistered Securities (High Volume)	Distinction Not Clear	\$5,000-\$40,000

IV. Financial and Operational Practices

Net Capital Violations	Distinction Not Clear	\$2,500-\$20,000
Record Keeping Violations	Distinction Not Clear	\$2,500-\$40,000

V. Impeding Regulatory Investigations

Failure to Adequately Respond To Regulator	Distinction Not Clear	\$2,500-\$50,000
Settling Complaint Away From Firm	Distinction Not Clear	\$2,500-\$20,000

VI. Improper Use of Funds/Forgery

Conversion	Distinction Not Clear	\$0.00 - Standard Bar
Improper Use of Funds/Securities	Distinction Not Clear	\$5,000-\$40,000
Forgery/Falsification	Distinction Not Clear	\$5,000-\$40,000

VII. Qualification and Membership

Cheating	\$0.00-Standard Bar	\$0.00-Standard Bar
Violation of Rules in Qualification Exams	\$1,000-\$7,000	\$5,000-\$40,000 (not cheating)
Continuing Education Violations	\$1,000-\$7,000	\$2,500-\$20,000 (not cheating)
Disqualified Person Associating With Firm	\$5,000-\$77,000	\$5,000-\$20,000
Registration Violations	\$2,500-\$77,000	\$2,500-\$20,000
Unapproved Change in Ownership/Control/Business	Distinction Not Clear	\$2,500-\$20,000

VIII. Quality of Markets

Best Execution	Distinction Not Clear	\$5,000-\$50,000
Marking Open/Close	Distinction Not Clear	\$10,000-\$100,000

IX. Reporting/Provision of Information

FOCUS Report Violations	Distinction Not Clear	\$5,000-\$40,000
U4/U5 Reporting Violations	\$2,500-\$39,000	\$5,000-\$20,000

X. Sales Practices

Failure to Honor Arbitration Award	Distinction Not Clear	\$2,500-\$20,000
Customer Borrowing/Lending	Distinction Not Clear	\$5,000-\$50,000

Churning/Excessive Trading/Switching	Distinction Not Clear	\$5,000-\$50,000
Communications with the Public	Distinction Not Clear	\$5,000-\$40,000
Discretion	Distinction Not Clear	\$2,500-\$10,000
Fraud/Misrepresentation/Omissions	Distinction Not Clear	\$5,000-\$100,000
Pricing - Excessive Commissions and Mark Ups/Downs	Distinction Not Clear	\$5,000-\$100,000
Research Analysts and Research Reports	Distinction Not Clear	\$5,000-\$77,000
Suitability - Unsuitable Recommendations	Distinction Not Clear	\$2,500-\$40,000
Unauthorized Transactions/Failures to Execute	Distinction Not Clear	\$5,000-\$30,000

XI. Supervision

Failure to Supervise	Distinction Not Clear	\$5,000-\$30,000
Systemic Supervisory Failures	Distinction Not Clear	\$10,000-\$50,000
Deficient Supervisory Procedures	Distinction Not Clear	\$5,000-\$20,000