

BrokerCheck Report

VECTORGLOBAL WMG

CRD# 32396

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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:

- o 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
- o 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.

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)



VECTORGLOBAL WMG

CRD# 32396

SEC# 8-45715

Main Office Location

1001 BRICKELL BAY DRIVE
SUITE 1900
MIAMI, FL 33131
Regulated by FINRA Florida Office

Mailing Address

1001 BRICKELL BAY DRIVE
SUITE 1900
MIAMI, FL 33131

Business Telephone Number

305-350-3350

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 Delaware on 01/14/1993.

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
- 1 Self-Regulatory Organization
- 20 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 Delaware on 01/14/1993.

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.

VECTORGLOBAL WMG, INC.

Doing business as VECTORGLOBAL WMG

CRD# 32396

SEC# 8-45715

Main Office Location

1001 BRICKELL BAY DRIVE
SUITE 1900
MIAMI, FL 33131

Regulated by FINRA Florida Office

Mailing Address

1001 BRICKELL BAY DRIVE
SUITE 1900
MIAMI, FL 33131

Business Telephone Number

305-350-3350



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):	VECTORMEX INTERNATIONAL, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SOLE SHAREHOLDER
Position Start Date	07/1993
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):	GADALA-MARIA, CARLOS ENRIQUE 4437613
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, CEO, DIRECTOR, GSP
Position Start Date	07/2007
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):	OSORIO, JUAN LUIS 6948278
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO
Position Start Date	03/2020

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? No

Is this a public reporting company? No

Legal Name & CRD# (if any): SANTOS, SANTIAGO JR.
1568982

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 03/2015

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



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	VECTOR CASA DE BOLSA, S.A. DE C.V.
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	VECTORMEX INTERNATIONAL, INC.
Relationship to Direct Owner	SOLE SHAREHOLDER
Relationship Established	07/1993
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
<hr/>	
Legal Name & CRD# (if any):	GARZA LAGUERA DE ROMO, CONSUELO LOURDES 7167064
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	VECTOR CASA DE BOLSA SA
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	08/2019
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
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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, 1 SRO and 20 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	06/25/1993

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	09/03/1993

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective
California	Approved	10/29/1993
Colorado	Approved	05/19/2014
Connecticut	Approved	11/13/2017
Delaware	Approved	01/03/2001
Florida	Approved	10/19/2000
Illinois	Approved	04/23/2015
Iowa	Approved	01/18/2017
Maryland	Approved	07/21/2015
Massachusetts	Approved	11/26/1993
Michigan	Approved	02/03/2017
Nevada	Approved	01/10/2017
New Jersey	Approved	09/22/1993
New York	Approved	07/14/1993
North Carolina	Approved	06/13/2008
Ohio	Approved	07/29/2013
Oklahoma	Approved	04/29/2014
Puerto Rico	Approved	02/14/2013
Texas	Approved	01/03/1994
Washington	Approved	04/01/2020
Wyoming	Approved	04/07/2020



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
- Underwriter or selling group participant (corporate securities other than mutual funds)
- Mutual fund retailer
- U S. government securities broker
- Municipal securities dealer
- 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
- Private placements of securities

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.
This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

This firm does not 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: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 08/07/2008

Description: VECTORGLOBAL WMG, INC. HAS ENGAGED PERSHING LLC FOR THE PURPOSE OF ESTABLISHING A DUAL CLEARING ARRANGEMENT, ALTHOUGH THE FIRM SIGNED THE CLEARING AGREEMENT ON AUGUST 7, 2008, THE AGREEMENT DID NOT BECOME EFFECTIVE UNTIL THE CLEARING DEPOSIT WAS MADE ON SEPTEMBER 24, 2008.

Firm Operations

Industry Arrangements



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

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 08/07/2008
Description: VECTORGLOBAL WMG, INC. HAS ENGAGED PERSHING LLC FOR THE PURPOSE OF ESTABLISHING A DUAL CLEARING ARRANGEMENT, ALTHOUGH THE FIRM SIGNED THE CLEARING AGREEMENT ON AUGUST 7, 2008, THE AGREEMENT DID NOT BECOME EFFECTIVE UNTIL THE CLEARING DEPOSIT WAS MADE ON SEPTEMBER 24, 2008.

This firm does have accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 08/07/2008
Description: VECTORGLOBAL WMG, INC. HAS ENGAGED PERSHING LLC FOR THE PURPOSE OF ESTABLISHING A DUAL CLEARING ARRANGEMENT, ALTHOUGH THE FIRM SIGNED THE CLEARING AGREEMENT ON AUGUST 7, 2008, THE AGREEMENT DID NOT BECOME EFFECTIVE UNTIL THE CLEARING DEPOSIT WAS MADE ON SEPTEMBER 24, 2008.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 08/07/2008
Description: VECTORGLOBAL WMG, INC. HAS ENGAGED PERSHING LLC FOR THE PURPOSE OF ESTABLISHING A DUAL CLEARING ARRANGEMENT, ALTHOUGH THE FIRM SIGNED THE CLEARING AGREEMENT ON AUGUST 7, 2008, THE AGREEMENT DID NOT BECOME EFFECTIVE UNTIL THE CLEARING DEPOSIT WAS MADE ON SEPTEMBER 24, 2008.

Firm Operations



Industry Arrangements (continued)

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.

VECTOR SUISSE S.A. is under common control with the firm.

Business Address:	RUE NEUVE-DU-MOLARD 5 1204 GENEVA, SWITZERLAND
Effective Date:	08/13/2018
Foreign Entity:	Yes
Country:	SWITZERLAND
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	VECTOR SUISSE SA IS WHOLLY OWNED SUBSIDIARY OF VECTOR CASA DE BOLSA. CARLOS GADALA-MARIA IS PRESIDENT.

VECTORGLOBAL IAG, INC. is under common control with the firm.

CRD #:	147129
Business Address:	1001 BRICKELL BAY DRIVE, SUITE 1900 MIAMI, FL 33131
Effective Date:	09/24/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	INVESTMENT ADVISOR, VECTORGLOBAL IAG, INC. AND BROKER DEALER VECTORGLOBAL WMG, INC. IS OWNED BY THE SAME PARENT.

VECTOR CASA DE BOLSA, S.A. DE C.V. controls the firm.

Firm Operations



Organization Affiliates (continued)

Business Address:	AVENIDA ROBLE 565 OTE., GARZA GARCIA, NL, MEXICO 66265
Effective Date:	01/14/1993
Foreign Entity:	Yes
Country:	MEXICO
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	VECTOR CASA DE BOLSA, S.A. DE C.V. IS A SECURITIES BROKER AND DEALER HEADQUARTERED IN MONTERREY, MEXICO THAT WHOLLY OWNS VECTORMEX INTERNATIONAL, INC., A DELAWARE HOLDING COMPANY, THAT WHOLLY OWNS VECTORGLOBAL WMG, INC.

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:**
 - o 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:**
 - o 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:**
 - o 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.
 - o 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 REPORTED CUSTOMER TRANSACTIONS TO TRACE AS AGENT WHEN THOSE TRANSACTIONS SHOULD HAVE BEEN REPORTED AS PRINCIPAL. THE FINDINGS STATED THAT THESE VIOLATIONS WERE THE RESULT OF THE FIRM'S BELIEF THAT IT WAS ACTING AS AGENT BETWEEN COUNTERPARTIES DESPITE EXECUTING THE TRANSACTIONS THROUGH ITS PRINCIPAL ACCOUNT. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PROVIDE THE CORRECT CAPACITY ON CUSTOMER CONFIRMATIONS. THE FIRM BELIEVED THAT IT WAS ACTING IN THE CAPACITY OF AGENT, AND THEREFORE DISCLOSED A CAPACITY OF AGENT ON ITS CUSTOMER CONFIRMATIONS. THESE TRADES INVOLVED SALES (PURCHASES) FROM (INTO) THE FIRM'S PRINCIPAL ACCOUNT. THE FIRM'S CUSTOMER CONFIRMATIONS THEREFORE SHOULD HAVE REFLECTED A CAPACITY OF PRINCIPAL.

Initiated By: FINRA

Date Initiated: 05/15/2020

Docket/Case Number: [2015046182402](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/15/2020

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 \$17,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$17,500. FINES PAID IN FULL ON MAY 19, 2020.



Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM INCORRECTLY TRACED CORPORATE DEBT BONDS AS AGENCY WHEN SHOULD HAVE BEEN PRINCIPLE
Initiated By:	FINRA
Date Initiated:	05/15/2020
Docket/Case Number:	CASE NO. 2015046182402
Principal Product Type:	Other
Other Product Type(s):	TRACE VIOLATION
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE \$17,500
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/15/2020
Sanctions Ordered:	Censure Monetary/Fine \$17,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	THE FIRM WAS FINED \$17,500 AND CENSURED DUE TO THE VIOLATION OF INCORRECT CAPACITY ON TRACE OF CORPORATE DEBT BONDS. THE FIRM USED AGENCY INSTEAD OF PRINCIPLE ON TRANSACTIONS AND THEREFORE CUSTOMER CONFIRMATIONS WERE INCORRECTLY DISCLOSED. THE FIRM SETTLED AND THE FINE WAS PAID ON 5/18/2020
Firm Statement	THE FIRM INCORRECTLY TRACED CORPORATE DEBT BONDS AS AGENCY WHEN SHOULD HAVE BEEN PRINCIPLE. BOTH SIDES OF THE TRADE SHOULD HAVE HAD THE SAME CAPACITY AND THE CUSTOMER CONFIRMATION SHOULD HAVE REFLECTED THE CORRECT SIDE OF THE TRADE.

Disclosure 2 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4, FINRA RULES



2010, 3310(A), 3310(B), NASD RULES 3010(D)(3), 3011(A), 3011(B), 3110(A): THE FIRM MAINTAINED AN AML MANUAL AND WRITTEN SUPERVISORY PROCEDURES (WSPS) MANUAL RELEVANT TO ITS AML PROGRAM, BUT THE FIRM FAILED TO ACCOUNT FOR THE RISKS POSED BY ITS FOREIGN BASED CLIENTELE WHO FACILITATED TRADES IN LOW-PRICED SECURITIES THROUGH POTENTIALLY MANIPULATIVE TRADING ACTIVITIES. THE DOCUMENTS FOCUSED ON ISSUES RELATED TO ACCOUNT OPENINGS, REPORTING OF SUSPICIOUS ACTIVITY, ENHANCED DUE DILIGENCE REQUIREMENTS FOR CERTAIN TYPES OF ACCOUNTS AND TRAINING. NEITHER THE AML MANUAL NOR THE WSPS IDENTIFIED SECURITIES TRANSACTION-BASED REVIEWS AS PART OF THE AML PROGRAM. WHILE THEY DISCUSSED RISK FACTORS AND THE NEED TO MONITOR FOR RISK, THEY FAILED TO IDENTIFY RED FLAGS OF POTENTIALLY SUSPICIOUS TRADING ACTIVITY AND DID NOT ADDRESS HOW SUCH SUSPICIOUS TRADING ACTIVITY WOULD BE MITIGATED THROUGH THE FIRM'S SUSPICIOUS ACTIVITY MONITORING PROGRAM. THE FIRM THEREBY FAILED TO ENSURE THAT IT HAD ESTABLISHED AND IMPLEMENTED POLICIES AND PROCEDURES REASONABLY EXPECTED TO DETECT AND CAUSE THE FILING AND REPORTING OF SUSPICIOUS ACTIVITY TRANSACTIONS REQUIRED UNDER 31 U.S.C. 5318(G) AND THE IMPLEMENTING REGULATIONS THEREUNDER. THE FIRM FAILED TO COMPLY WITH THE IMPLEMENTING REQUIREMENTS OF 31 C.F.R.103.176 (A) OF THE ANTI-MONEY LAUNDERING COMPLIANCE PROGRAMS (AMLCP). THE FIRM DID NOT CONDUCT THE REQUIRED DUE DILIGENCE REGARDING A CORRESPONDENT ACCOUNT IT MAINTAINED FOR A SWISS BANK. SPECIFICALLY, THE FIRM FAILED TO DOCUMENT THE FOLLOWING INFORMATION RELATED TO ITS OBLIGATIONS TO CONDUCT DUE DILIGENCE ON CORRESPONDENT ACCOUNTS FOR FOREIGN FINANCIAL INSTITUTIONS: THE NATURE OF THE SWISS BANK'S BUSINESS AND THE MARKET IT SERVES; THE TYPE, PURPOSE AND ANTICIPATED ACTIVITY OF SUCH CORRESPONDENT ACCOUNT; THE AML AND SUPERVISORY REGIME OF THE JURISDICTION THAT ISSUED THE SWISS BANK'S CHARTER/LICENSE; AND INFORMATION KNOWN OR REASONABLY AVAILABLE TO THE FIRM ABOUT THE SWISS BANK'S AML RECORD. THE FIRM FAILED TO PRESERVE BLOOMBERG CHATS SENT AND RECEIVED BY CERTAIN OF ITS EMPLOYEES. SOME OF THE FIRM'S EMPLOYEES COMMUNICATED WITH CLIENTS AND TRADERS BY BLOOMBERG CHATS, AND THE BROKER THAT EXECUTED THE TRANSACTIONS THAT RAISED THE RED FLAGS COMMUNICATED FREQUENTLY WITH CLIENTS AND TRADERS THROUGH BLOOMBERG CHATS. HOWEVER, THE FIRM IS UNABLE TO PROVIDE FINRA WITH COPIES OF THESE CHATS. CONSEQUENTLY, THE FIRM DID NOT RETAIN ALL ELECTRONIC COMMUNICATIONS RELATING TO ITS BUSINESS AS REQUIRED BY THE APPLICABLE RULES.

Initiated By: FINRA



Date Initiated: 01/30/2014

Docket/Case Number: [2011029215701](#)

Principal Product Type: Penny Stock(s)

Other Product Type(s): SHARES OF COMPANY COMMON STOCK

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/30/2014

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 \$125,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$125,000. FINE PAID IN FULL ON DECEMBER 18, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING OF THE FINDING, FINRA STATED THAT FROM NOVEMBER 2009 THROUGH DECEMBER 2010 (THE "RELEVANT PERIOD"), VECTORGLOBAL WMG, INC. FAILED TO ENSURE THAT THE FIRM'S ANTI-MONEY LAUNDERING PROGRAM WAS REASONABLE DESIGNED TO DETECT, MONITOR, AND REPORT, WHERE APPROPRIATE, SUSPICIOUS ACTIVITY CONCERNING POTENTIAL MANIPULATIVE TRADING INCLUDING, BUT NOT LIMITED TO WASH TRADING AND PRE-ARRANGED TRADING, IN VIOLATION OF NASD RULE 3011(A) AND FINRA RULES 3310(A) AND 2010. ADDITIONALLY, THE FIRM FAILED TO CONDUCT ITS DUE DILIGENCE REQUIREMENTS WITH RESPECT TO A CORRESPONDENT ACCOUNT FOR A FOREIGN FINANCIAL INSTITUTION I VIOLATION OF NASD



RULE 3011(B) AND FINRA RULES 3310(B) AND 2010. DURING THE RELEVANT PERIOD, THE FIRM ALSO FAILED TO MAINTAIN AND PRESERVE BLOOMBERG CHATS SENT AND RECEIVED BY CERTAIN OF ITS EMPLOYEES IN VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER, NASD RULES 3110 AND 3010(D)(3) AND FINRA RULE 2010.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

Date Initiated: 01/30/2014

Docket/Case Number: [2011029215701](#)

Principal Product Type: Penny Stock(s)

Other Product Type(s): SHARES OF COMPANY COMMON STOCK

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/30/2014

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBE SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$125,000

Disclosure 3 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 6730 - VECTORGLOBAL WMG EXECUTED TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE BOND TRANSACTIONS IN WHICH IT INACCURATELY REPORTED INFORMATION TO TRACE: TRANSACTIONS WERE IDENTIFIED AS PURCHASES INSTEAD OF SALES OR AS SALES INSTEAD OF PURCHASES; TRANSACTIONS WERE REPORTED LATE AND HAD INCORRECT EXECUTION TIMES; TRANSACTIONS IDENTIFIED THE INCORRECT CAPACITY; TRANSACTIONS IDENTIFIED AN INCORRECT COMMITTEE ON UNIFORM SECURITIES IDENTIFICATION PROCEDURES (CUSIP); TRANSACTIONS IDENTIFIED AN INCORRECT PRICE;



TRANSACTIONS IDENTIFIED AN INCORRECT VOLUME; TRANSACTIONS WERE REPORTED TWICE; TRANSACTIONS WERE REPORTED THAT SHOULD NOT HAVE BEEN REPORTED; AND ONE TRANSACTION WAS NOT REPORTED THAT SHOULD HAVE BEEN REPORTED.

Initiated By: FINRA

Date Initiated: 02/10/2012

Docket/Case Number: 2011025319701

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE BOND TRANSACTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/10/2012

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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000. FINE PAID IN FULL FEBRUARY 17, 2012.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULE 6730 - VECTORGLOBAL WMG EXECUTED TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE TRANSACTIONS IN WHICH IT INACCURATELY REPORTED INFORMATION TO TRACE: TRANSACTIONS WERE IDENTIFIED AS PURCHASES INSTEAD OF SALES OR AS SALES INSTEAD OF PURCHASES; TRANSACTIONS WERE REPORTED LATE AND HAD INCORRECT EXECUTION TIMES; TRANSACTIONS IDENTIFIED THE



INCORRECT CAPACITY; TRANSACTIONS IDENTIFIED AN INCORRECT COMMITTEE ON UNIFORM SECURITIES IDENTIFICATION PROCEDURES (CUSIP); TRANSACTIONS IDENTIFIED AN INCORRECT PRICE; TRANSACTIONS IDENTIFIED AN INCORRECT VOLUME; TRANSACTIONS WERE REPORTED TWICE; TRANSACTIONS WERE REPORTED THAT SHOULD NOT HAVE BEEN REPORTED;

Initiated By: FINRA

Date Initiated: 02/10/2012

Docket/Case Number: 2011025319701

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE BOND TRANSACTIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/10/2012

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

End of Report



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