



MEMORANDUM – 2019-004

TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS




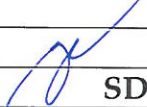
SUBJECT : PUBLICATION OF DISCIPLINARY ACTIONS

DATE : 24 JANUARY 2019

As mandated by Article XII, Section 6 of the Capital Markets Integrity Corporation (“CMIC”) Rules, which states, in part, that CMIC shall publish at its website the sanctions imposed on trading participants (“TPs”), attached is a list of the TPs sanctioned by CMIC, together with details on the securities laws violated and the corresponding penalties. The period covered is from 6 October 2018 to 24 January 2019.

It must be emphasized that the list covers matters recently decided by CMIC, including cases that, after having been resolved by CMIC, are appealed to the Securities and Exchange Commission and/or the courts. Conversely, the list does not include matters that are pending resolution by the Board of Directors of the CMIC (“CMIC Board”) or where the period to appeal to the CMIC Board has not yet lapsed¹.


DAISY P. ARCE
President

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¹ Likewise excluded are cases where notices containing the CMIC Board’s resolutions on requests for reconsideration have not yet been duly received by the concerned TPs.

TRADING PARTICIPANTS	SECURITIES LAWS VIOLATED		TYPES OF SANCTION AND PENALTIES IMPOSED	
A & A Securities, Inc.	Article IV, Section 20 (c) of the Revised Trading Rules, in relation to Article VI, Section 1 (b)(vii)(a) of the CMIC Rules	General Trading Operations (<i>Error Transactions</i>); Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Minor Violation	Written reprimand
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major Violation	Monetary penalty
BDO Nomura Securities, Inc. ²	Article V, Section 1 (a), (e), and (f) of the CMIC Rules, in relation to Article V, Section 2 (a) and (d) of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>General Principles; Relationship of Traders and Salesmen to their Clients</i>)	Major violation	Monetary penalty
	Article VI, Section 1 (a), (b)(i), (b)(ii)(a), (b)(ii)(c), and (b)(iii)(2) of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major violation	Monetary penalty
Equitiworld Securities, Inc.	Article VII, Section 1 (q) of the CMIC Rules	Customer Protection (<i>Identification of Customers' Accounts and Orders through the Use of Code, Symbol, or Account</i>)	Minor violation	Written reprimand

² Appealed the case to the Securities and Exchange Commission *En Banc*.

		<i>Number, and Multiple Accounts)</i>		
Mercantile Securities Corporation	Article VIII (C), Section 2 of the CMIC Rules, in relation to Rule 28.1.2.5.2(b).2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code	Capitalization Requirements of Trading Participants (<i>Minimum Paid-Up Capital Requirement</i>)	Major violation	Monetary penalty
Philstocks Financial, Inc.	Article VII, Section 1 (o) of the CMIC Rules	Customer Protection (<i>Customer Account Information Rule</i>)	Minor violation	Written reprimand
	Article V, Section 2 (c) of the CMIC Rules, in relation to Article VI, Section 1 (b)(iv), items (a), (b), and (e) of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>Relationship of Traders and Salesmen to their Clients</i>); Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major violation	Monetary penalty
Solar Securities, Inc.	Article VII, Section 1 (q) of the CMIC Rules	Customer Protection (<i>Identification of Customers' Accounts and Orders through the Use of Code, Symbol, or Account Number, and Multiple Accounts</i>)	Minor violation	Written reprimand and monetary penalty

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