



MEMORANDUM – 2019-021

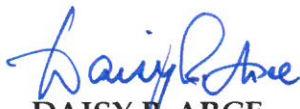
TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS

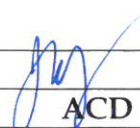

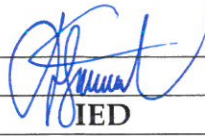
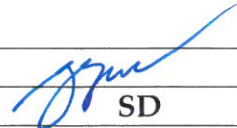
SUBJECT : PUBLICATION OF DISCIPLINARY ACTIONS

DATE : 09 July 2019

As mandated by Article XII, Section 6 of the Capital Markets Integrity Corporation (“CMIC”) Rules, which states, in part, that CMIC shall publish on its website the disciplinary actions 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 15 March 2019 to 08 July 2019.

It must be emphasized that the list may cover 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	
Abacus Securities Corporation	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article XV (3) d and Article XVI (1) of the Implementing Guidelines of the Revised Trading 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	Monetary penalty
	Article V, Section 6 (a) and (c) of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>Prohibited Acts</i>)	Major violation	Monetary penalty
BA Securities, Inc.	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4 (a) of the Revised Trading Rules and Article XVI (1) of the Implementing Guidelines of the Revised Trading 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
Diversified Securities, Inc.	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4 (a) and (c) of the Revised Trading 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
HDI Securities, Inc.	Article VIII (A), Section 2(2.4)(B)(4) of the CMIC Rules, in relation to Rule	Capitalization Requirements of Trading Participants (<i>RBCA Guidelines</i>)	Minor violation	Written reprimand

	49.1(F)(B)(4) of SEC Memorandum Circular No. 16, Series of 2004			
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty
Securities Specialists, Inc.	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4 (a) of the Revised Trading Rules and Article XVI (1) of the Implementing Guidelines of the Revised Trading 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
	Article IV, Section 4 (c) of the Revised Trading Rules, in relation to Rule 34.1.5 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code	General Trading Operations (<i>Aggregation of Client Orders</i>)	Minor violation	Written reprimand and monetary penalty
Standard Securities Corporation	Article XI-B, Section 2, in relation to Article XI-B, Section 8, of the CMIC Rules	Trading Irregularities (<i>Trading-Related Irregularities; Obligation to Report Known or Suspected Violations</i>)	Grave violation	Written reprimand and monetary penalty
Timson Securities, Inc.	Article IV, Section 4 (c) of the Revised Trading Rules, in relation to Rule 34.1.5 of the 2015	General Trading Operations (<i>Aggregation of Client Orders</i>)	Minor Violation	Monetary penalty

	Implementing Rules and Regulations of the Securities Regulation Code			
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty
Tower Securities, Inc.	Article XI-B, Section 1(h) of the CMIC Rules	Trading Irregularities (<i>Trading-Related Irregularities; General Conduct</i>)	Grave violation	Written reprimand and monetary penalty
Value Quest Securities Corporation	Article IV, Section 4 (c) of the Revised Trading Rules, in relation to Rule 34.1.5 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code	General Trading Operations (<i>Aggregation of Client Orders</i>)	Minor violation	Written reprimand and monetary penalty
Vsec.com, Inc.	Rule 30.2.1.2.5.2 of the 2015 SRC Rules	Transactions and Responsibilities of Brokers and Dealers (<i>Information for Clients</i>)	Minor violation	Written reprimand

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