



BrokerCheck Report
FOREXTRADING CORP.

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 5
Firm History	6
Firm Operations	7 - 14
Disclosure Events	15

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.



FOREXTRADING CORP.

Main Office Location

1251 NW BRIARCLIFF PARKWAY
SUITE 700
KANSAS CITY, MO 64116

Mailing Address

1251 NW BRIARCLIFF PARKWAY
SUITE 700
KANSAS CITY, MO 64116

Business Telephone Number

+1 (602) 844-9432

Business Email Address

support@forextradingcorp.com

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 Missouri on 10/12/1999.

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
- 13 Self-Regulatory Organizations
- 1 U.S. state or territory

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 1 type of business.

This firm is affiliated with financial or investment institutions.

This firm does not have 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	6



Firm Profile

This firm is classified as a corporation.

This firm was formed in Missouri on 10/12/1999.

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.

Doing business as FOREXTRADING CORP.

Main Office Location

1251 NW BRIARCLIFF PARKWAY
SUITE 700
KANSAS CITY, MO 64116

Mailing Address

1251 NW BRIARCLIFF PARKWAY
SUITE 700
KANSAS CITY, MO 64116

Business Telephone Number

+1 (602) 844-9432



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): CUMMINGS, DAVID RICHARD
4463351

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

Position CHAIRMAN, PRESIDENT & CEO / BOARD OF DIRECTORS

Position Start Date 09/1999

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): CHAN, BENTON DATSUN
5404721

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 05/2014

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): SCHULTE, ANTHONY J
5624115

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

Position FINOP / TREASURER / BOARD OF DIRECTORS



Firm Profile

Direct Owners and Executive Officers (continued)

Position	Start Date	06/2015
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
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Legal Name & CRD# (if any):	TOMLINSON, JENNIFER ANN 5527368	
Is this a domestic or foreign entity or an individual?	Individual	
Position	CFO & DIRECTOR OF HUMAN RESOURCES / BOARD OF DIRECTORS	
Position Start Date	06/2015	
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	
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Firm Profile

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

Indirect Owners

No information reported.



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, 13 SROs and 1 U.S state or territory.

Federal Regulator	Status	Date Effective
SEC	Approved	11/02/2001

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

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
Cboe BYX Exchange, Inc.	Approved	09/01/2010
Cboe BZX Exchange, Inc.	Approved	08/18/2008
Cboe EDGA Exchange, Inc.	Approved	05/26/2010
Cboe EDGX Exchange, Inc.	Approved	05/27/2010
MEMX LLC	Approved	07/21/2020
NYSE American LLC	Approved	07/16/2010
NYSE Arca, Inc.	Approved	11/02/2001
NYSE Chicago, Inc.	Approved	03/11/2013
NYSE National, Inc.	Approved	05/18/2018
Nasdaq BX, Inc.	Approved	09/22/2009
Nasdaq PHLX LLC	Approved	09/28/2010
Nasdaq Stock Market	Approved	09/21/2009
New York Stock Exchange	Approved	07/16/2010



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Missouri	Approved	11/21/2001



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 1 type of business.

Types of Business

Trading securities for own account



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 not refer or introduce customers to other brokers and dealers.



Industry Arrangements

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

Name: GLOBAL RELAY
Business Address: 220 CAMBIE STREET
 2ND FLOOR
 VANCOUVER, BRITISH COLUMBIA, CANADA V6B 2M9
Effective Date: 07/23/2015
Description: GLOBAL RELAY IS A THIRD PARTY VENDOR RETAINING ELECTRONIC RECORDS IN REGARDS TO THE RECORD RETENTION RULE FOR FOREXTRADE CORP.

Name: IRON MOUNTAIN INFORMATION MANAGEMENT, INC.
Business Address: 745 ATLANTIC AVENUE
 BOSTON, MA 02111
Effective Date: 06/28/2006
Description: IRON MOUNTAIN IS A THIRD PARTY VENDOR RETAINING ELECTRONIC RECORDS IN REGARDS TO THE RECORD RETENTION RULE FOR FOREXTRADE CORP.

Name: WEDBUSH SECURITIES INC.
CRD #: 877
Business Address: 1000 WILSHIRE
 LOS ANGELES, CA 90017
Effective Date: 08/27/2002
Description: FOREXTRADE CORP. HAS AN AGREEMENT WITH WEDBUSH SECURITIES INC. TO CLEAR TRANSACTIONS AND CARRY BOOKS AND RECORDS ON A FULLY DISCLOSED BASIS.

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

Name: THE DEPOSITORY TRUST & CLEARING CORP.
Business Address: 55 WATER STREET
 25TH FLOOR
 NEW YORK, NY 10041
Effective Date: 06/18/2009
Description: FOREXTRADE WILL MAINTAIN DEPOSITS WITH THE DTCC TO FACILITATE SELF-CLEARING OF IT U.S. EQUITY TRANSACTIONS.



Firm Operations

Industry Arrangements (continued)

Name: WEDBUSH SECURITIES INC.
CRD #: 877
Business Address: 1000 WILSHIRE
LOS ANGELES, CA 90017
Effective Date: 08/27/2002
Description: WEDBUSH SECURITIES INC. A REGISTERED BROKER-DEALER WILL CLEAR APPLICANTS TRANSACTIONS AND CARRY APPLICANT'S PRIMARY TRADING ACCOUNT.(NAME CHANGE FROM WEDBUSH MORGAN SECURITIES INC. TO WEDBUSH SECURITIES INC., NOTIFIED 1/3/11)

This firm does not have customer accounts, funds, or securities maintained by a third party.

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.

FOREXTRADE HOLDINGS, LLC is under common control with the firm.

Business Address:	1251 NW BRIARCLIFF PARKWAY SUITE 700 KANSAS CITY, MO 64116
Effective Date:	05/17/2017
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	DAVID CUMMINGS, THE SOLE OWNER OF FOREXTRADE CORP. IS ALSO THE SOLE OWNER OF FOREXTRADE HOLDINGS, LLC

FOREXTRADE VENTURES, INC. is under common control with the firm.

Business Address:	1251 NW BRIARCLIFF PARKWAY SUITE 700 KANSAS CITY, MO 64116
Effective Date:	10/10/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	DAVID CUMMINGS, THE SOLE OWNER OF FOREXTRADE CORP. IS ALSO THE SOLE OWNER OF FOREXTRADE VENTURES, INC.



Organization Affiliates (continued)

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	6	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 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 6

Reporting Source: Regulator
Current Status: Final



Allegations: FOREXTRADE CORP.: FAILED TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE BY USING TEST SYMBOL MESSAGES TO GAIN AN UNDUE ADVANTAGE; FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES REGARDING ITS ASSOCIATED PERSONS' USE OF TEST SYMBOLS.

VIOLATION OF BZX RULES 3.1 AND 5.1.

SANCTION: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$1,000,000.

Initiated By: CBOE BZX EXCHANGE, INC.

Date Initiated: 07/08/2020

Docket/Case Number: STAR NO. 20140402461 / FILE NO. USRI-2577-05

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 07/10/2020

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 \$1,000,000.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$1,000,000.

Reporting Source: Firm

Current Status: Final

Allegations: SUBMITTED TEST MESSAGES FOR PURPOSES OTHER THAN TESTING.



Initiated By:	CBOE BZX EXCHANGE, INC.
Date Initiated:	06/10/2013
Docket/Case Number:	STAR NO. 20140402461, FILE NO. USRI-2577-05
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Consent
Resolution Date:	07/10/2020
Sanctions Ordered:	Censure Monetary/Fine \$1,000,000.00
Other Sanctions Ordered:	
Sanction Details:	WIRE WAS SENT TO CBOE GLOBAL MARKETS, INC FOR THE AMOUNT OF THE FINE (\$1,000,000.00) ON JULY 17, 2020.
Firm Statement	FOREXTRADE CORP. SUBMITTED THE LETTER OF CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS. CBOE BZX EXCHANGE, INC. ISSUED A DECISION ACCEPTING THE LETTER OF CONSENT. PURSUANT TO THE LETTER OF CONSENT, FOREXTRADE AGREED TO A CENSURE AND \$1,000,000 FINE.

Disclosure 2 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>A FINRA HEARING OFFICER CONSIDERED AN OFFER OF SETTLEMENT AND CONSENT ENTERED INTO BETWEEN FINRA ON BEHALF OF NYSE REGULATION, INC. AND THE FIRM.</p> <p>THE FIRM SUBMITTED AN OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO IN THE OFFER OF SETTLEMENT.</p> <p>THE HEARING OFFICER ACCEPTS THE OFFER OF SETTLEMENT AND</p>

CONSENT AND ISSUES THIS DECISION.

THIS MATTER INVOLVES THE FIRM'S COMPLIANCE WITH AVOIDING LOCKING OR CROSSING THE MARKET AS SET FORTH IN NYSE ARCA EQUITIES RULE 7.37. NYSE ARCA EQUITIES RULE 7.37, IN PART, STATES THAT MEMBERS OF THE EXCHANGE SHALL REASONABLY AVOID DISPLAYING, AND SHALL NOT ENGAGE IN A PATTERN OR PRACTICE OF DISPLAYING, ANY QUOTATIONS THAT LOCK OR CROSS THE BEST PROTECTED BID AND THE BEST PROTECTED OFFER (PBBO).

THE FINDINGS STATED THAT THE FIRM FAILED TO REASONABLY AVOID DISPLAYING, AND ENGAGED IN A PATTERN OR PRACTICE OF DISPLAYING, QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION.

THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE APPLICABLE EXCHANGE RULES, CONCERNING PREVENTING LOCKED OR CROSSED MARKETS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S); AND A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Initiated By: NYSE ARCA, INC.

Date Initiated: 12/16/2016

Docket/Case Number: 2014041322202

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent (AWC)

Resolution Date: 12/16/2016



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 \$15,000.00
Other Sanctions Ordered:	AN UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$15,000. WITH AN UNDERTAKING: THE FIRM IS ORDERED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE FIRM'S SUPERVISORY SYSTEM PROVIDING FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE APPLICABLE EXCHANGE RULES, CONCERNING PREVENTING LOCKED OR CROSSED MARKETS.
Regulator Statement	THE FIRM VIOLATED NYSE ARCA EQUITIES RULE 7.37, BY FAILING TO REASONABLY AVOID DISPLAYING, AND ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING, QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION; AND NYSE ARCA EQUITIES RULE 6.18, BY FAILING TO HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE APPLICABLE EXCHANGE RULES, CONCERNING PREVENTING LOCKED OR CROSSED MARKETS.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM WAS ALLEGED TO HAVE VIOLATED NYSE ARCA EQUITIES RULE 7.37, BY FAILING TO REASONABLY AVOID DISPLAYING, AND ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING, QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION. THE FIRM ALSO WAS ALLEGED TO HAVE VIOLATED NYSE ARCA EQUITIES RULE 6.18 BY FAILING TO APPROPRIATELY SUPERVISE RULES CONCERNING PREVENTING LOCKED OR CROSSED MARKETS.
Initiated By:	NYSE ARCA, INC
Date Initiated:	12/16/2016
Docket/Case Number:	FINRA PROCEEDING NO. 20140413222
Principal Product Type:	Equity Listed (Common & Preferred Stock)



Other Product Type(s):	EQUITY-OTC
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE AND UNDERTAKING TO REVISE WSP
Resolution:	Acceptance, Waiver & Consent (AWC)
Resolution Date:	12/16/2016
Sanctions Ordered:	Censure Monetary/Fine \$15,000.00
Other Sanctions Ordered:	UNDERTAKING TO REVISE PROCEDURES
Sanction Details:	WSP WAS REVISED ON DECEMBER 1, 2016. WIRE WAS SENT TO NYSE ARCA, INC. FOR THE AMOUNT OF THE FINE (\$15,000) ON DECEMBER 22, 2016
Firm Statement	FOREXTRADE CORP. SUBMITTED THE OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS. NYSE ARCA, INC. ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT AND CONSENT. PURSUANT TO THE OFFER OF SETTLEMENT AND CONSENT, FOREXTRADE AGREED TO A CENSURE, \$15,000 FINE, AND AN UNDERTAKING TO REVISE ITS PROCEDURES.

Disclosure 3 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REASONABLY AVOID DISPLAYING, AND ENGAGED IN A PATTERN OR PRACTICE OF DISPLAYING, QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION.</p> <p>THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE APPLICABLE EXCHANGE RULES, CONCERNING PREVENTING LOCKED OR CROSSED MARKETS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: (1) A STATEMENT OF THE SUPERVISORY</p>



STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S); AND (2) A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 12/20/2016

Docket/Case Number: 2014041322201

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/20/2016

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 \$15,000.00

Other Sanctions Ordered: AN UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$15,000, AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE SUPERVISORY SYSTEM DEFICIENCIES.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM WAS ALLEGED TO HAVE VIOLATED NASDAQ RULE 4613(E) AND 4755(A), BY FAILING TO REASONABLY AVOID DISPLAYING, AND ENGAGING IN A PATTERN OR PRACTICE OF DISPLAYING, QUOTATIONS THAT LOCKED OR CROSSED A PROTECTED QUOTATION. THE FIRM ALSO WAS ALLEGED TO HAVE VIOLATED NASDAQ RULE 2010A AND 3010 BY FAILING TO APPROPRIATELY SUPERVISE RULES CONCERNING PREVENTING LOCKED OR CROSSED MARKETS.



Initiated By: NASDAQ STOCK MARKET

Date Initiated: 12/20/2016

Docket/Case Number: FINRA PROCEEDING NO. 20140413222

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE AND UNDERTAKING TO REVISE WSP

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/20/2016

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: UNDERTAKING TO REVISE PROCEDURES

Sanction Details: WSPWAS REVISED ON DECEMBER 1, 2016. FINE AMOUNT OF \$15,000 TO BE PAID ONCE INVOICE IS RECEIVED AS PER INSTRUCTIONS BY NASDAQ. AS OF JANUARY 27, 2017, FINE HAS BEEN PAID; PLEASE REFERENCE NASDAQ INVOICE 0117NTS718834.

Firm Statement FOREXTRADE CORP. SUBMITTED THE OFFER OF SETTLEMENT AND CONSENT FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS. NASDAQ ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT AND CONSENT. PURSUANT TO THE OFFER OF SETTLEMENT AND CONSENT, FOREXTRADE AGREED TO A CENSURE, \$15,000 FINE, AND AN UNDERTAKING TO REVISE ITS PROCEDURES.

Disclosure 4 of 6

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM WAS ALLEGED TO BE IN VIOLATION WITH ITS RESPONSIBILITY UNDER NYSE ARCA EQUITIES RULE 7.33 TO MARK ITS ORDERS WITH THE APPROPRIATE PROPRIETARY IDENTIFIER, AND THE FIRM'S RESPONSIBILITIES UNDER NYSE ARCA EQUITIES RULE 6.18(C) TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES TO SUPERVISE THE BUSINESS IT ENGAGES IN TO ASSURE ITS COMPLIANCE



WITH NYSE ARCA EQUITIES RULE 7.33.

Initiated By: NYSE ARCA, INC
Date Initiated: 12/23/2009
Docket/Case Number: NYSE ARCA INVESTIGATION #1741
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s): EQUITY-OTC
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: FINE
Resolution: Consent
Resolution Date: 12/08/2010
Sanctions Ordered: Monetary/Fine \$3,500.00
Other Sanctions Ordered:

Sanction Details: THE CHECK FOR THE AMOUNT OF THE FINE (\$3,500.00) WAS MAILED VIA FIRST CLASS MAIL TO FINRA, INC., P.O. BOX 7777-W9205, PHILADELPHIA, PA 19175-9205.

Firm Statement THE FIRM CONSENTED TO THE MINOR RULE PLAN FINE AND CAUTIONARY ACTION LETTER RECEIVED FROM FINRA DATED 12/01/2010. THE FIRM WAS ALLEGED TO BE IN VIOLATION OF ITS RESPONSIBILITY UNDER NYSE ARCA EQUITIES RULE 7.33 TO MARK ITS ORDERS WITH THE APPROPRIATE PROPRIETARY IDENTIFIER, AND THE FIRM'S RESPONSIBILITIES UNDER NYSE ARCA EQUITIES RULE 6.18(C) TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES TO SUPERVISE THE BUSINESS IT ENGAGES IN TO ASSURE ITS COMPLIANCE WITH NYSE ARCA EQUITIES RULE 7.33 FROM THE PERIOD 12/07/2009 THROUGH 12/15/2009. STIPULATION: \$3,500.00 FINE.

Disclosure 5 of 6

Reporting Source: Regulator
Current Status: Final
Allegations: SEC ADMIN RELEASE 34-73222; ACCOUNTING AND AUDITING ENFORCEMENT RELEASE 3586, SEPTEMBER 25, 2014: THE SEC DEEMS IT APPROPRIATE THAT CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, AGAINST FOREXTRADE CORP. IN

ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS AND IMPOSING A CEASE-AND-DESIST ORDER. FOREXTRADE IS A REGISTERED BROKER-DEALER THAT IS REQUIRED TO FILE ANNUAL REPORTS WITH THE COMMISSION CONTAINING FINANCIAL STATEMENTS AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTANT. FROM 2004 THROUGH 2012, A FIRM SERVED AS FOREXTRADE'S AUDITOR FOR THE FINANCIAL STATEMENTS INCLUDED IN ITS ANNUAL REPORTS FILED WITH THE COMMISSION FOR THOSE YEARS. THE FIRM IS ASSOCIATED WITH A PUBLICLY TRADED COMPANY THROUGH A BUSINESS MODEL REFERRED TO AS AN ALTERNATIVE PRACTICE STRUCTURE (APS). THE PUBLICLY TRADED COMPANY'S APS MODEL WITH THE FIRM UTILIZES AN ADMINISTRATIVE SERVICE AGREEMENT (ASA) WHICH REQUIRES THE FIRM TO LEASE FROM THE PUBLICALLY TRADED COMPANY VIRTUALLY ALL OF THE HUMAN CAPITAL, EQUIPMENT AND OVERHEAD THE FIRM REQUIRES TO PERFORM ITS ATTEST WORK, IN EXCHANGE FOR A MAJORITY OF THE FIRM'S REVENUE. THE PUBLICLY TRADED COMPANY IS AN ASSOCIATED ENTITY OF THE FIRM, AND THE PUBLICLY TRADED COMPANY AND THE FIRM ARE VIEWED AS A SINGLE ENTITY FOR COMMISSION AUDITOR INDEPENDENCE PURPOSES. FROM 2008 TO AT LEAST 2013, FOREXTRADE HAS TRADED IN THE PUBLICLY TRADED COMPANY STOCK, THEREBY IMPAIRING THE FIRM'S INDEPENDENCE WITH RESPECT TO ITS AUDITS OF FOREXTRADE'S FINANCIAL STATEMENTS FOR THE YEARS 2008 THROUGH 2012. AS A RESULT, FOREXTRADE'S ANNUAL REPORTS DO NOT COMPLY WITH RULE 17A- 5 FOR THOSE YEARS. AS A RESULT OF THE CONDUCT, FOREXTRADE VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-5 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 09/25/2014
Docket/Case Number: 3-16170
Principal Product Type: No Product
Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST
Resolution:	Order
Resolution Date:	09/25/2014
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:	Monetary/Fine \$50,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	IT IS ORDERED THAT PURSUANT TO SECTION 21C OF THE EXCHANGE ACT, RESPONDENT FOREXTRADE CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-5 THEREUNDER AND RESPONDENT SHALL, WITHIN 14 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$50,000 TO THE SEC.
Regulator Statement	IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT FOREXTRADE'S OFFER.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM WAS ALLEGED TO HAVE VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-5 THEREUNDER, WHICH REQUIRE FOREXTRADE TO FILE ANNUAL REPORTS WITH THE COMMISSION THAT CONTAINED FINANCIAL STATEMENTS AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTANT.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/25/2014
Docket/Case Number:	3-16170
Principal Product Type:	Equity Listed (Common & Preferred Stock)



Other Product Type(s):	EQUITY-OTC
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	09/30/2014
Sanctions Ordered:	Monetary/Fine \$50,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WIRE WAS SENT FOR THE AMOUNT OF THE FINE (\$50,000) ON SEPTEMBER 30, 2014
Firm Statement	FOREXTRADE'S FORMER OUTSIDE AUDITOR IS ASSOCIATED WITH A PUBLICLY TRADED COMPANY THROUGH A BUSINESS MODEL REFERRED TO AS AN ALTERNATIVE PRACTICE STRUCTURE. THE SEC ALLEGES THAT THE PUBLIC COMPANY AND THE FORMER OUTSIDE AUDITOR SHOULD BE VIEWED AS A SINGLE ENTITY FOR SEC AUDITOR INDEPENDENCE PURPOSES. FROM 2008 TO 2013, FOREXTRADE TRADED IN SMALL AMOUNTS OF THE PUBLIC COMPANY'S STOCK, THEREBY ALLEGEDLY IMPAIRING ITS OUTSIDE AUDITOR'S INDEPENDENCE WITH RESPECT TO ITS AUDITS OF FOREXTRADE. FOR THE SOLE PURPOSE OF SETTLING THIS PROCEEDING WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FOREXTRADE AGREED TO A FINE AND TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-5 THEREUNDER. IN SEPTEMBER 2013, FOREXTRADE TERMINATED THE SERVICES OF ITS FORMER OUTSIDE AUDITOR AND ENGAGED A NEW AUDITOR TO AUDIT FOREXTRADE'S FINANCIAL STATEMENTS.

Disclosure 6 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	**10/09/2009**OFFER OF SETTLEMENT AND CONSENT FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING. CONSENTED TO FINDINGS:FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FOREXTRADE CORP. STIPULATED THAT DURING THE



PERIOD OF 2006 THROUGH JULY 2009, IT: 1.VIOLATED REGULATION SHO
 RULE 200(G) AND NYSE ARCA EQUITIES
 RULE 7.16(B), BY INCORRECTLY MARKING THOUSANDS OF SHORT SALE
 ORDERS AS"LONG."
 2. IOLATED SECTION 10(A) OF THE SECURITIES EXCHANGE ACT OF 1934
 AND RULE 10A-1(A) THEREUNDER, AND NYSE ARCA EQUITIES RULE 7.16(A)
 BY EFFECTING THROUGH THE FACILITIES OF NYSE ARCA CERTAIN SHORT
 SALES OF SECURITIES ON AN IMPROPER TICK. (2006 THROUGH JULY
 2007).
 3. IOLATED NYSE ARCA EQUITIES RULE 6.18 BY FAILING TO ESTABLISH
 APPROPRIATE POLICIES AND PROCEDURES FOR SUPERVISION AND
 CONTROL REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE
 FEDERAL SECURITIES LAWS AND NYSE ARCA EQUITIES RULES AND
 POLICIES PERTAINING TO THE PROPER
 MARKING AND EXECUTION OF SELL SHORT ORDERS.
 STIPULATED SANCTION: CENSURE AND \$125,000 FINE.

Initiated By: NYSE ARCA, INC.
Date Initiated: 10/09/2009
Docket/Case Number: HBD#: 09-ARCA-10
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 10/15/2009
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: **10/15/2009**DECISION NO. 09-ARCA-10 ISSUED BY NYSE
 DECISION:DURING THE PERIOD OF 2006 THROUGH JULY 2009,



FOREXTRADE CORP. VIOLATED REGULATION SHO RULE 200(G) AND NYSE ARCA EQUITIES RULE 7.16(B), BY INCORRECTLY MARKING THOUSANDS OF SHORT SALE ORDERS AS "LONG"; VIOLATED SECTION 10(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10A-1(A) THEREUNDER, AND NYSE ARCA EQUITIES RULE 7.16(A) BY EFFECTING THROUGH THE FACILITIES OF NYSE ARCA CERTAIN SHORT SALES OF SECURITIES ON AN IMPROPER TICK (2006 THROUGH JULY 2007); VIOLATED NYSE ARCA EQUITIES RULE 6.18 BY FAILING TO ESTABLISH APPROPRIATE POLICIES AND PROCEDURES FOR SUPERVISION AND CONTROL REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND NYSE ARCA EQUITIES RULES AND POLICIES PERTAINING TO THE PROPER MARKING AND EXECUTION OF SELL SHORT ORDERS. CONSENTED TO A CENSURE AND A \$125,000 FINE.

Regulator Statement

10/15/2009 THE DECISION IS FINAL.

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE FIRM WAS ALLEGED TO HAVE VIOLATED RULE 200(G) OF REGULATION SHO UNDER THE SECURITIES EXCHANGE ACT OF 1934 ON NUMEROUS OCCASIONS FROM 2006 THROUGH JULY 2009 BY MISMARKING SELL TRANSACTIONS LONG, WHEN SUCH TRANSACTIONS SHOULD HAVE BEEN MARKED SHORT OR SHORT EXEMPT. BECAUSE THE FIRM INCORRECTLY MARKED ITS SELL TRANSACTIONS AS LONG FROM 2006 UNTIL JULY 2007, ON CERTAIN OCCASIONS IT VIOLATED SECTION 10(A) OF THE SECURITIES EXCHANGE ACT AND RULE 10A-1(A) THEREUNDER, AND NYSE ARCA EQUITIES RULE 7.16(A) BY EXECUTING SHORT SELL ORDERS ON A MINUS TICK FOR SECURITIES IN WHICH THE FIRM HELD A SHORT POSITION. THE FIRM ALSO VIOLATED NYSE ARCA EQUITIES RULE 6.18 BY FAILING TO APPROPRIATELY SUPERVISE ITS SHORT SALES.

Initiated By:

NYSE ARCA, INC.

Date Initiated:

10/09/2009

Docket/Case Number:

HBD#: 09-ARCA-10

Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Type(s):

EQUITY-OTC

Principal Sanction(s)/Relief Sought:

Censure



Other Sanction(s)/Relief Sought:

FINE

Resolution:

Consent

Resolution Date:

10/15/2009

Sanctions Ordered:

Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details:

THE CHECK FOR THE AMOUNT OF THE FINE (\$125,000.00) WAS DELIVERD ON OCTOBER 27 ,2009 AT 8:47 AM CST TO NYSE ARCA EQUITIES, INC., 100 S. WACKER DR. SUITE 1500, CHICAGO, ILLINOIS 60606, TO THE ATTENTION OF MR. JIM DRADDY. THE PACKAGE WAS SIGNED FOR BY E. KASPARRO (FRONT DESK). FEDEX #797045935154

Firm Statement

OFFER OF SETTLEMENT AND CONSENT FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT. CONSENTED TO FINDINGS:FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, FOREXTRADE CORP. STIPULATES THAT DURING THE PERIOD OF 2006 THROUGH JULY 2009, IT: 1.VIOLATED REGULATION SHO RULE 200(G) AND NYSE ARCA EQUITIES RULE 7.16(B), BY INCORRECTLY MARKING THOUSANDS OF SHORT SALE ORDERS AS"LONG." 2.VIOLATED SECTION 10(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10A-1(A) THEREUNDER, AND NYSE ARCA EQUITIES RULE 7.16(A) BY EFFECTING THROUGH THE FACILITIES OF NYSE ARCA CERTAIN SHORT SALES OF SECURITIES ON AN IMPROPER TICK. (2006 THROUGH JULY 2007). 3.VIOLATED NYSE ARCA EQUITIES RULE 6.18 BY FAILING TO ESTABLISH APPROPRIATE POLICIES AND PROCEDURES FOR SUPERVISION AND CONTROL REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND NYSE ARCA EQUITIES RULES AND POLICIES PERTAINING TO THE PROPER MARKING AND EXECUTION OF SELL SHORT ORDERS. STIPULATED SANCTION: CENSURE AND \$125,000 FINE.

End of Report



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