FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080144511

TO: Department of Enforcement ("Enforcement")
Financial Industry Regulatory Authority ("FINRA")

RE: UBS Securities LLC, Respondent
CRD No. 7654

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, the Respondent submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A. The Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

UBS Securities LLC ("UBS" or the "Firm"), member NYSE and FINRA, is a registered broker-dealer with its principal office in Stamford, Connecticut and serves as the investment banking and securities arm of UBS AG in the United States. UBS provides investment banking, research, and sales and trading services, primarily to corporate and institutional clients.

OVERVIEW

On July 28, 2004, the Securities and Exchange Commission (the "SEC") adopted 17 CFR Part 242 ("Reg SHO") under the Securities Exchange Act of 1934 ("Exchange Act"), effective September 7, 2004, with a compliance date of January 3, 2005. Reg SHO was, among other things, established to address potentially abusive naked short selling and other problems associated with failures to deliver while protecting and enhancing the operation, integrity and stability of the markets. As such, Reg SHO: (i) established a uniform "locate" requirement to reduce the number of potential failures to deliver; (ii) created uniform order

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marking requirements for sales of equity securities; and (iii) limited the time in which a broker-dealer can permit a failure to deliver to persist for securities on the various self-regulatory organization ("SRO") threshold security lists ("threshold securities").[1]

As set forth below, the Firm failed to comply with certain requirements of Reg SHO, FINRA Rules, NASD Rules and federal securities laws during the period covering, in whole or in part, January 3, 2005 through March 2010, with several violations continuing through December 31, 2010 (the "Relevant Period"). The Firm's violations existed for various periods of time throughout the Relevant Period and are summarized below.

UBS's Reg SHO supervisory and compliance system regarding locates and order marking of short sale orders was significantly flawed and resulted in a systemic supervisory failure that contributed to serious Reg SHO failures across the Firm's equities trading business. The Firm assigned supervisory responsibility for Reg SHO compliance to individual trading desks without providing them with sufficient policies, procedures, or supervisory tools. Further, the Firm failed to establish a reasonable system of oversight to monitor that the trading desks were, in fact, performing their designated supervisory duties. As a result, the Firm's locate and order marking practices on individual trading desks were not reasonably subjected to supervisory review to achieve compliance with Reg SHO. In addition, the Firm failed to detect or prevent the significant Reg SHO-related violations described in this AWC.

In particular, UBS's supervisory and compliance monitoring flaws included a failure to: (1) establish and maintain a supervisory structure that was sufficient to adequately supervise its compliance with Reg SHO, especially in light of the complexity of its equities trading activities; (2) establish, maintain and enforce written supervisory procedures for each of its trading desks that were reasonably designed to achieve compliance with Reg SHO; (3) develop and implement effective supervisory reports to monitor for compliance with Reg SHO; (4) establish adequate information technology implementation and change control procedures relating to Reg SHO; (5) adequately educate and train certain personnel with regard to compliance with Reg SHO; and (6) establish an adequate Reg SHO compliance monitoring program.

The Firm's failure to comply with Reg SHO's locate requirement extended to numerous Firm trading systems, desks, accounts and strategies, and also impacted the Firm's technology, operations, and supervisory systems and procedures. During the Relevant Period, the Firm's extensive locate violations occurred due to: (1) the misapplication of exceptions to Reg SHO's locate requirement by trading desks without adequate consultation and/or approval from any department

[1] Threshold securities are equity securities that have an aggregate fail to deliver position for: (i) five consecutive settlement days at a registered clearing agency [*e.g.*, National Securities Clearing Corporation]; (ii) totaling 10,000 shares or more; and (iii) equal to at least 0.5% of the issuer's total shares outstanding.

outside the trading desks; (2) the improper inclusion of certain threshold and hard-to-borrow securities on the Firm's easy-to-borrow list distributed to proprietary traders and clients; (3) the Firm permitting certain clients to bypass the locate requirement when entering short sales through the Firm's Direct Execution Services platform without implementing appropriate controls surrounding that process; and (4) the Firm failing to reasonably supervise that locates were obtained and/or documented for short sales entered through the Firm's Order Entry Systems.

As a result of these failures, the Firm improperly entered millions of proprietary and customer short sale orders at various times during the Relevant Period without having reasonable grounds to believe that the securities could be borrowed and available for delivery. A significant number of these short sale orders were in hard-to-borrow securities. Extrapolating from the quantified violations indicates that during the Relevant Period, the Firm likely entered tens of millions of proprietary and customer short sale orders without having reasonable grounds to believe that the securities could be borrowed and available for delivery. The duration, scope and volume of the trading created a potential for harm to the integrity of the market.

The Firm also failed to maintain the independence of its 21 aggregation units. Further, the Firm failed to maintain accurate written plans of organization for its aggregation units. In addition to inaccuracies in its written plans of organization, in certain instances, the Firm's risk management systems were inaccurate in that traders and accounts were included in either: (1) the wrong aggregation unit; (2) multiple aggregation units at the same time; or (3) in no aggregation unit at all. The Firm's aggregation unit deficiencies also may have resulted in order marking problems, including short sales mismarked as long that also potentially violated Reg SHO's locate requirement.

Additionally, the Firm mismarked millions of sale orders in its trading systems at various times during the Relevant Period. Extrapolating from the quantified violations indicates that the Firm likely mismarked tens of millions of sale orders during the Relevant Period. Many of these mismarked orders were short sales that were mismarked as "long," resulting in additional significant violations of Reg SHO's locate requirement.

Moreover, the Firm also had significant reporting and recordkeeping violations resulting from the foregoing. UBS's mismarked sale orders flowed through to the Firm's blue sheet submissions, causing it to make inaccurate submissions of trading data to FINRA. These same mismarked sale orders caused the Firm to inaccurately report such orders to the Automated Confirmation Transaction service and the Order Audit Trail System. The Firm also failed to create and maintain accurate books and records regarding its easy-to-borrow lists, aggregation units and mismarked orders.

Due to the aforementioned failures with respect to the Firm's Reg SHO supervisory and compliance program, many of the Firm's violations were not detected or corrected until after Enforcement's investigation caused UBS to conduct a substantive review of its systems and monitoring procedures for Reg SHO compliance. It was not until at least 2009 that the Firm's supervisory framework over its equities trading business was reasonably designed to achieve compliance with the requirements of Reg SHO and the other securities laws, rules and regulations described herein.

FACTS AND VIOLATIVE CONDUCT

I. The Firm's Extensive Locate Violations Since Reg SHO's Inception Date

Reg SHO's Locate Requirement

Rule 203(b)(1) of Reg SHO states that, subject to certain exceptions, a "broker or dealer may not accept a short sale order in an equity security from another person, or effect a short sale in an equity security for its own account, unless the broker or dealer has: (i) Borrowed the security, or entered into a bona-fide arrangement to borrow the security; or (ii) Reasonable grounds to believe that the security can be borrowed so that it can be delivered on the date delivery is due; and (iii) Documented compliance with this paragraph (b)(1)."

Reg SHO requires a broker-dealer to have reasonable grounds to believe the security can be borrowed so that it can be delivered in time for settlement before effecting a short sale in that security. Identifying a source from which to borrow such security is generally referred to as obtaining a "locate." Reg SHO requires that the "locate" must be obtained and documented prior to effecting the short sale.

Overview of Firm's Locate Violations

As described below, the Firm effected or accepted millions of proprietary and customer short sale orders without locates at various times during the Relevant Period. Extrapolating from the quantified violations indicates that during the Relevant Period, the Firm likely entered tens of millions of proprietary and customer short sale orders without valid locates. Furthermore, due to the Firm's failures in certain other areas of Reg SHO compliance, the Firm effected an additional significant but unquantifiable number of short sales without valid locates during the Relevant Period.

A. The Firm Misapplied Exceptions to Reg SHO's Locate Requirement

Reg SHO allows for certain categories of short sale orders to be treated as exceptions to the locate requirement.[2] However, the SEC specifically stated that Reg SHO only provided for certain "limited" exceptions to the locate requirement. As described below, the Firm misapplied exceptions to the locate requirement during the Relevant Period by improperly treating short sales in certain types of securities as exceptions to the locate requirement, resulting in significant violations of Reg SHO.

Enforcement tested short sales entered through more than a dozen of the Firm's Order Entry Systems ("OESs") during the three-month period June 1, 2006 to August 31, 2006 (the "Sample Period"). Enforcement's investigation uncovered approximately 700,000 short sales that were effected without locates during the Sample Period based upon improper applications of the exceptions to the locate requirement, as described below. Given that the Firm improperly applied these exceptions in some cases for several years, extrapolating from the number of violations quantified during the Sample Period indicates that the Firm likely effected more than ten million short sales in improper reliance on an exception to Reg SHO's locate requirement.

The Firm Improperly Treated Short Sales in Exchange Traded Funds as Exceptions to the Locate Requirement

The Firm incorrectly programmed a trading system so that two proprietary trading strategies treated all short sale orders in Exchange Traded Funds ("ETFs") as if they were exceptions to Reg SHO's locate requirement. As a result, one strategy improperly failed to obtain locates for short sales in two ETFs from January 2005 until on or about June 29, 2007. The other strategy improperly failed to obtain locates for short sales in eleven different ETFs from January 2005 until it ceased trading in all ETFs in the fall of 2007. The Firm also incorrectly programmed another trading system to allow short sale orders in ETFs to proceed without a locate during the period December 20, 2005 to November 11, 2008.

During the Sample Period, the Firm effected approximately 680,000 proprietary short sale orders in ETFs without locates through these two trading systems. Given that the Firm improperly treated ETFs as exceptions to Reg SHO's locate requirement for nearly three years, extrapolating from the number of violations quantified during the Sample Period indicates that the Firm likely effected more than 7.4 million short sales in ETFs without valid locates.

[2] Short sales for which the SEC provided an exception to the locate requirement include broker-dealer to broker-dealer introduced short sales transactions, bona-fide market making activities, and certain short sales that are the result of a convertible security, option or warrant being tendered for conversion or exchange but the underlying security is not reasonably expected to be received in time for settlement.

The Firm Improperly Treated Certain Short Sale Equity Hedge Transactions as Exceptions to the Locate Requirement

During the period beginning January 3, 2005 until approximately April 3, 2008, the Firm also improperly treated certain equity hedge transactions effected by its market making unit as exceptions to Reg SHO's locate requirement.[3] Specifically, the Firm effected principal short sales in equity securities to hedge its risk in conjunction with positions it accumulated in connection with its market making activities. The Firm improperly treated these principal equity hedge short sales as exceptions to Reg SHO's locate requirement.

As a result, the Firm improperly released for execution a significant but unquantified number of principal equity hedge short sales without locates over a period of nearly three and a half years. These additional short sales were not quantified given the difficulty in identifying the exact nature and scope of the Firm's equity hedge short sales.

B. The Firm Improperly Included Threshold and Hard-to-Borrow Securities on its Easy-to-Borrow List

Reg SHO allows broker-dealers to satisfy the locate requirement for short sales in certain securities by creating a daily list of equity securities which it deems "easy-to-borrow" ("ETB List"). The inclusion of a security on a firm's ETB List reflects the firm's determination, on the trade date for which the ETB List was created, that it has the ability to easily supply shares of the identified securities, thereby satisfying the reasonable grounds necessary for a broker-dealer to effect short sales in the included securities. Short sales entered in reliance upon a firm's ETB List are therefore considered to be in securities that are "easy-to-borrow" and do not require that a separate locate be otherwise obtained and/or documented.

The SROs release lists of threshold securities at approximately midnight each day. A security that is included on an SRO threshold list is generally not considered "easy-to-borrow." Stock loan departments at broker-dealers also typically make determinations concerning which securities are "hard-to-borrow" ("HTB"), thereby requiring that a separate locate determination be made and documented before releasing such orders for execution.

As described below, the Firm created and distributed ETB Lists that improperly included threshold and HTB securities to UBS's proprietary traders and clients, resulting in more than 900,000 short sale orders that were released for execution without valid locates.

[3] In adopting Reg SHO, the SEC did not incorporate an exception from the locate and delivery requirements of Reg SHO for short sales that result in bona-fide fully hedged or arbitraged positions, citing the difficulty of ascertaining the "bona-fide" nature of hedging and arbitrage.

The Firm's Easy-to-Borrow List Creation Process

On a daily basis, the Firm's securities lending department, called Stock Borrow Loan ("SBL"), created ETB Lists for use by its proprietary trading desks and certain of its clients. The inclusion of a security on the Firm's ETB List was intended to suffice as a locate in that security for that specified trade date only. In order to create the ETB Lists, each morning at approximately 1:00 am, SBL first created a master list of securities included in certain indices and removed from this master list any securities that were on the threshold lists published by various SROs at or around midnight. SBL was then supposed to back out the securities it deemed HTB. Only after the threshold and HTB securities were removed from the master list was the ETB List supposed to be deemed finalized and made available or distributed to the Firm's proprietary desks and clients.

The Firm Released ETB Lists to Proprietary Desks and Clients that Included HTB Securities

Although the ETB Lists were only supposed to be released once finalized, the Firm failed to prevent proprietary trading desks from having access to the ETB Lists before HTB securities had been removed. As a result, the ETB Lists utilized by these proprietary desks improperly included HTB securities. These proprietary desks were able to and did release for execution a significant number of short sale orders in HTB securities without a valid locate in misplaced reliance on the securities' appearance on the ETB Lists.

The Firm also provided the unfinished ETB Lists which still included HTB securities to certain clients. These clients were able to and did enter a significant number of short sale orders in HTB securities, to be executed at UBS, without a valid locate in misplaced reliance on the securities' appearance on the ETB Lists. The clients that received the unfinished ETB Lists also had the ability to effect short sales in HTB securities away from the Firm.

The Firm Released to Proprietary Desks and Clients the Prior Trading Days' ETB Lists

In or about February 2007, the Firm changed the ETB List creation process so that SBL finalized its ETB List at approximately 4:30 pm daily for use the following trading day. However, some systems continued to use the prior day's ETB List until mid-2008. The proprietary desks and clients that received this stale ETB List had the ability to and did effect at the Firm a significant number of short sale orders in HTB securities without obtaining a locate.

The Firm Used a Stale Threshold List to Create its ETB List

From February 2007 until mid-2008, the Firm's ETB List creation process occurred mid-day for trading the next day. Thus, the Firm's process excluded

securities added to the SRO threshold lists at approximately midnight each day for the next day's trading session. Proprietary desks and clients that received this stale ETB List had the ability to and may have effected at the Firm short sales in threshold securities added to the SRO threshold lists that night without obtaining a locate. Clients that received this stale ETB List also had the ability to effect short sales in threshold securities at locations away from the Firm.

As a result of these deficiencies in the Firm's ETB Lists, during the period January 2005 to August 2008, the Firm released more than 900,000 short sale orders for execution without locates in violation of Reg SHO. Many of these short sale orders were in HTB securities, and some may have been in threshold securities.

C. The Firm Permitted Certain Clients to Bypass the Locate Requirement When Entering Short Sales Through the Firm's Direct Execution Services ("DES") Platform

During the period January 3, 2005 until approximately December 2009, the Firm programmed more than 270 clients ("DES Clients") with the ability to route short sale orders through the Firm's DES platform for execution without first requiring that the DES Clients obtain a locate from the Firm or demonstrate that a locate had been obtained from another recognized lending source.

The Firm's DES platform was normally designed to block short sale orders that did not contain an entry indicating that a locate had first been obtained. However, the Firm altered the programming for these 270 DES Clients to bypass this standard DES platform locate check.[4] As a result, the clients configured to bypass the locate check had the ability to route short sales directly to the market for execution without locates and the Firm did not have adequate controls around that process.

As a result of the aforementioned, during the period January 3, 2005 until in some cases as late as May 2009, 25 DES Clients entered approximately 200,000 short sale orders through the Firm's DES platform without locates. While the majority of these accounts were correctly re-programmed in May 2006, two additional accounts were not corrected until May 2009. Furthermore, as described below, due to the Firm's failure to establish and conduct a meaningful and effective review of its DES Clients' short sales until mid-2009, the Firm failed to detect the majority of these violations. Moreover, the Firm was unable to identify the total number of its DES Clients configured to bypass Reg SHO's locate requirement until in or around December 2009.

[4] The Firm acknowledged that certain of the DES Clients were programmed to bypass the Reg SHO locate requirement, but stated it was unable to determine why those programming changes were made for all of those DES Clients.

D. The Firm Accepted or Effected Proprietary and Customer Short Sale Orders Without Locates Through its Order Entry Systems

The Firm's Locate and Documentation Systems and Procedures

SBL utilized an automated stock lending system referred to as "ASAP" to provide and document locates and maintain the Firm's stock availability information. ASAP also functioned as a method of documenting locate requests the Firm received from proprietary traders and clients, and any subsequent locate requests SBL approved (including the amount of shares approved and the time of approval) or rejected. Approved locate requests documented in ASAP automatically decremented the Firm's remaining availability in the security. ASAP assigned each approved locate a unique identification code ("ASAP ID") that documented the existence of the locate.

In addition to ASAP, SBL received locate requests via email, telephone and/or instant messaging/chat channels. Emails, instant messages/chats and written logs of telephone conversations with SBL also served as alternate sources of documented evidence for locates.

The Firm's Front-End Order Entry Systems Did Not Have the Functionality to Prevent Short Sales Without Valid Locates and the Firm Failed to Have an Effective Post-Trade Locate Review System

During the Relevant Period, the Firm utilized more than a dozen OESs to enter proprietary and client short sales. The Firm's OESs contained a dedicated locate field in the order entry screen into which the user was supposed to enter valid locate information when entering a short sale. The majority of these OESs did not have in place the functionality to automatically "block" or "stop" a short sale order from being released for execution if the locate field was blank or contained an unrecognized or invalid locate source. Several of the Firm's OESs accepted free-form text in the locate field. As a result, the entry of any text, including a space or the entry of a meaningless combination of keystrokes which did not represent a valid locate or locate source would suffice for the OES to release the short sale order for execution.

Other OESs had a locate field with a drop-down menu containing standardized entries for identifying the source of a locate, such as "UBS," "SBL," or "Client." However, in the event the user selected either "UBS" or "SBL," thereby indicating that UBS had provided the locate, the OESs did not verify that the Firm had in fact provided the locate as represented. Similarly, in the event the user selected "Client," the OES did not have the functionality to validate the client-provided locate source. Therefore, the mere selection of one of these pre-programmed entries was sufficient for the OES to release the short sale order for execution.

While a firm's OESs are not required to have an automated "block" or "stop" function or to validate a client-provided locate source, in the absence of such automated functions, a firm must have in place an effective post-trade review of short sales effected through its OESs to determine whether such short sales had valid locates. Despite being aware that its OESs did not have the ability to automatically prevent short sale orders from being released for execution without valid locates, the Firm failed to develop effective post-trade reports or any other review system for all of its customer and proprietary trading to identify short sales entered into its OESs without valid locates as described below.

With respect to customer short selling, the Firm failed to have effective post-trade exception reports for all customer short sales until mid-2006, with the exception of one report that was not put in place until mid-2009. Regarding proprietary short sales, prior to the Fall of 2008, the Firm failed to have effective post-trade exception reports for all of its proprietary short sales except for one report that had been developed for a single system.

Enforcement tested short sales entered through more than a dozen of the Firm's OESs during the Sample Period. Specifically, Enforcement identified numerous instances in which the locate field for proprietary and customer short sale orders was merely left blank or contained invalid locates. The Firm attributed these violations to the following: (1) traders that failed to properly comprehend the locate requirement; (2) a misunderstanding over whether short sales in certain securities such as American Depository Receipts ("ADRs") required locates; and (3) certain traders that wrongly believed a locate could be used over multiple trading days until exhausted.

Also, in numerous instances, a proprietary trader or client indicated that a locate had been obtained from the Firm by entering "UBS" or "SBL" or "ASAP" in the locate field. The purported locate did not exist in ASAP and its existence was not otherwise found in chats, emails or in any other Firm-approved method. Further, in multiple instances, proprietary traders and clients requested a locate from the Firm, the locate request was denied, but the short sale in the subject security was entered without a locate by the requestor. Additionally, in multiple instances, short sales were entered and/or executed for a number of shares in excess of the approved locate amount. Also, on multiple occasions, a short sale order was released for execution before a locate was approved.

In total, Enforcement identified approximately 45,000 short sales without valid locates during the Sample Period alone. Given that most of the OESs reviewed by Enforcement functioned in the same manner for more than four and one-half years (from January 3, 2005 until August 2009), extrapolating from the number of violations uncovered during the Sample Period indicates that the Firm likely accepted or effected approximately 800,000 short sales in violation of Reg SHO's locate requirement.

E. The Firm Incorrectly Programmed Certain Accounts and Strategies

For the three-month Sample Period, Enforcement's investigation also uncovered more than 10,000 short sales that were improperly effected without locates based upon the Firm incorrectly programming accounts or strategies. Extrapolating from the number of violations uncovered during the Sample Period indicates that the Firm likely effected more than 100,000 short sales without locates.

F. Summary of Rule 203(b)(1) Violations

Based upon the foregoing, the Firm violated Rule 203(b)(1) of Reg SHO by effecting tens of millions of short sale orders without locates at the times described herein during the Relevant Period. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008, both of which require that a firm, in the conduct of its business, observe high standards of commercial honor and just and equitable principles of trade.[5]

II. The Firm Failed to Maintain Independent Aggregation Units and to Accurately Document its Aggregation Units

Rule 200(f) of Reg SHO states that:

> In order to determine its net position, a broker or dealer shall aggregate all of its positions in a security unless it qualifies for independent trading unit aggregation, in which case each independent trading unit shall aggregate all of its positions in a security to determine its net position. Independent trading unit aggregation is available only if: (1) the broker-dealer has a written plan of organization that identifies each aggregation unit, specifies its trading objective(s), and supports its independent identity; (2) each aggregation unit within the firm determines, at the time of each sale, its net position for every security that it trades; (3) all traders in an aggregation unit pursue only the particular trading objective(s) or strategy(s) of that aggregation unit and do not coordinate that strategy with any other aggregation unit; and (4) individual traders are assigned to only one aggregation unit at any time.

Rule 200(f) requires a broker-dealer to maintain independent aggregation units and demonstrate that each aggregation unit is engaged in separate trading strategies without regard to other units, and maintain written plans of organization as a means to demonstrate that each unit is independent.

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[5] *See* FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules including the change of NASD Rule 2110 to FINRA Rule 2010, effective December 15, 2008.

Further, in order to maintain the independence of the units, Rule 200(f) requires that a trader be assigned to only one aggregation unit at a time, and limits the trader to pursue only the trading strategies or objectives of that particular aggregation unit. Thus, if two or more traders or groups of traders (*i.e.*, desks) within the same firm coordinate their trading activities, those traders or desks must be in the same aggregation unit. Similarly, a trader assigned to one aggregation unit may not have access to information regarding the positions and/or transactions of any other aggregation unit, as such access in itself creates the ability for a trader to coordinate his trading with that of another aggregation unit.

The Firm Failed to Maintain Independent Aggregation Units

For trading purposes, the Firm's proprietary traders and accounts were assigned to different trading books within the Firm's risk management systems. The different trading books in the Firm's risk management systems were supposed to be in accordance with the Firm's aggregation unit assignments. However, in certain circumstances, the Firm's risk management systems failed to accurately reflect the correct traders and accounts in the appropriate trading books. As a result, the Firm's aggregation units, as they functioned through the Firm's risk management systems in calculating net positions, were deficient and inaccurate. In some cases, net positions resulting from the trading activity of traders and accounts assigned to a certain aggregation unit may have been improperly included in the calculation of the positions for other aggregation units. In other cases, trading activity for certain traders and accounts failed to be included in any position calculations for any aggregation units as these traders and accounts were not assigned to any trading group within the Firm's risk management systems. Further, traders assigned to certain aggregation units may have had access to other aggregation units' positions and transactions, and therefore, could have coordinated strategies. As a result of these problems, the Firm failed to maintain independent aggregation units.

The Firm's aggregation unit failures created the probability that sale orders which should have been marked as "short" were instead mismarked as "long," thereby resulting in unquantified violations of Reg SHO's locate requirement. These violations were not quantified given the difficulty in determining the Firm's proprietary net positions across 21 aggregation units.

The Firm Failed to Maintain Adequate and Accurate Written Plans of Organization

In addition, from January 2005 through at least the end of 2010, the Firm failed to maintain all required written plans of organization for each of its 21 aggregation units. The few versions of the written plans of organization the Firm did maintain contained inaccuracies in that certain traders and accounts reflected in the Firm's risk management systems were not on the plan, certain accounts were assigned to

the incorrect aggregation unit on the written plan, and the plans reflected certain accounts that were not included in the risk management systems.

Summary of the Firm's Aggregation Unit Failures

Based upon the foregoing, the Firm violated Rule 200(f) during the period January 3, 2005 through at least the end of 2010 in that it failed to maintain the independence of each of its 21 aggregation units and adequate and accurate written plans of organization for its aggregation units. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

III. The Firm's Significant Order Marking Violations

As effected, Rule 200(g) of Reg SHO required that a broker or dealer mark all sale orders of any equity security as "long," "short" or "short exempt." The accurate marking of sale orders is essential for locate, stock borrow, reporting, record-keeping and execution purposes.

From approximately June 2006 until June 2008, a particular Firm proprietary trading strategy was incorrectly programmed to mark all sale orders in certain securities, such as ETFs, as "long." As a result, for the three-month Sample Period, this strategy mismarked nearly 1.6 million short sale orders as "long." Because locates were not obtained for any of these mismarked short sales, the orders also violated Reg SHO's locate requirement. Given that the mismarkings by this strategy persisted for two years, extrapolating from the number of violations uncovered during the Sample Period indicates that the Firm likely released more than 12 million short sale orders without required locates.

Further, for nearly three months in late 2009, another trading strategy consulted stale start of day position data when marking orders. As a result, more than 400,000 orders were mismarked as "long" or "short." Of these orders, more than 275,000 were actual short sales that were mismarked as "long" and the Firm therefore failed to obtain the required locates. In addition, at least one other system was incorrectly programmed to mark all sale orders as "long." However, these mismarkings did not result in locate violations as the orders were either exceptions to the locate requirement or the locates had been obtained by another system. Also, until at least March 2010, the Firm experienced additional issues that caused certain long sales to be mismarked as "short."

Summary of the Firm's Order Marking Failures

Based upon the foregoing, the Firm violated Rule 200(g) during the time periods described above in that it mismarked more than ten million sale orders, including short sales mismarked as "long" that also violated Reg SHO's locate requirement.

This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

IV. The Firm's Reporting Violations

Pursuant to its reporting obligations, the Firm was required to accurately report sale orders through its automated submissions of trading data ("blue sheets") for regulatory purposes. Further, the Firm was required to accurately report sale orders for public dissemination and regulatory purposes to a number of trade reporting, quotation display and collection facilities, including the Automated Confirmation Transaction Service ("ACT") and the Order Audit Trail System ("OATS"), by indicating, among other things, whether each sale order was "long," "short" or "short exempt." However, as the result of the Firm's aforementioned order marking and aggregation unit violations, the Firm inaccurately reported tens of millions of sale orders in violation of its reporting requirements.

Blue Sheets

NASD Rules 8211 and 8213 (and later FINRA Rules 8211 and 8213)[6] require that a firm submit transaction data in an automated format to regulators with certain designated information, including the indication of whether a transaction was a purchase, sale, or short sale. These "blue sheet" submissions are generated by firms at the request of regulators in connection with investigations of questionable trading. It is the responsibility of firms to reasonably ensure that the information submitted to regulators via blue sheets is accurate, and a firm's reliance on a third party vendor to assist with the preparation of the firm's blue sheets does not alter the firm's duty to comply.

The Firm mismarked sale orders that flowed through to the Firm's blue sheet submissions and caused the Firm to make inaccurate blue sheet submissions of trading data to FINRA.

Based upon the foregoing, the Firm violated NASD Rules 8211 and 8213 during the period January 3, 2005 to December 14, 2008, and FINRA Rules 8211 and 8213 for the period on or after December 15, 2008, in that it failed to accurately report sale orders in its blue sheets. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

[6] *See* FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules, effective December 15, 2008, including the change of NASD Rules 8211 and 8213 to FINRA Rules 8211 and 8213, respectively.

Trade Reporting Rules Generally

The NASD 4000, 5000, 6000 and 7000 Rule Series (and later FINRA 6000 and 7000 Rule Series)[7] require that firms report certain over-the-counter ("OTC") transactions in equity securities to transaction reporting, quotation display and collection facilities for public dissemination and regulatory purposes. Transactions must be reported to a FINRA facility such as a Trade Reporting Facility ("TRF"), the Alternative Display Facility ("ADF"), or the OTC Reporting Facility ("ORF").[8] Firms are required to accurately report these transactions by indicating, among other things, whether a transaction was a "buy," "sell" or "sell short."

ACT Reporting

NASD Rule 6130 (and later FINRA Rules 7230A and 7330)[9] requires that firms report transactions to ACT for a number of regulatory purposes, including but not limited to indicating whether a transaction was a "buy," "sell" or "sell short."

The Firm mismarked sale orders that flowed through to the Firm's ACT reports and caused the inaccurate reporting of such sale orders.

Based upon the foregoing, the Firm violated NASD Rule 6130 during the period January 3, 2005 to December 14, 2008, and FINRA Rules 7230A and 7330 during the period on or after December 15, 2008, in that it failed to accurately report sale orders to ACT. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

OATS Reporting

During the Relevant Period, the Firm was a "Reporting Member" within the definition set forth in NASD Rule 6951(n) (and later FINRA Rule 7410(n)). Pursuant to NASD Rule 6955(a) (and later FINRA Rule 7450(a)), the Firm was required to transmit to OATS the order information specified in NASD Rule 6954

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[7] *See* FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules, effective December 15, 2008, including the transfer of the NASD Marketplace Rules (the NASD Rule 4000 through 7000 Series) to the consolidated FINRA rulebook as the FINRA Rule 6000 through 7000 Series. *See also* FINRA Trade Reporting Frequently Asked Questions (FAQ), available at: http://www.finra.org/Industry/Regulation/Guidance/p038942.

[8] The TRFs are facilities through which firms report transactions in NMS stocks, as defined in SEC Rule 600(b)(47) of Regulation NMS, effected otherwise than on an exchange. FINRA has established the following TRFs (each in conjunction with the pertinent Exchange): the FINRA/NASDAQ TRF and the FINRA/NYSE TRF. The ADF is both a trade reporting and quotation display and collection facility for purposes of transactions in NMS stocks effected otherwise than on an exchange. The ORF is the facility through which members report OTC transactions in OTC Equity Securities and Restricted Equity Securities, as those terms are defined in FINRA Rule 6420.

[9] *See* FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules, including the change of NASD Rule 6130 to FINRA Rules 7230A and 7330, effective December 15, 2008.

(and later FINRA Rule 7440), including, among other things, the designation of an order as a "short sale order."[10]

The Firm mismarked sale orders that flowed through to the Firm's OATS reports and caused the inaccurate transmittal of such sale orders.

Based upon the foregoing, the Firm violated NASD Rules 6954 and 6955(a) during the period January 3, 2005 to December 14, 2008, and FINRA Rules 7440 and 7450(a) during the period on or after December 15, 2008, in that it failed to accurately transmit sale orders to OATS. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

V. The Firm Failed to Create and Maintain Certain Accurate Books and Records

Under Section 17(a) of the Exchange Act and Rule 17a-3 thereunder, firms are required to make and keep current and accurate books and records relating to its business, including, but not limited to, daily records of all sales of securities, and a memorandum of each purchase and sale for every customer and account of the firm. NASD Rule 3110(a) requires that firms make and preserve books, accounts, records, memoranda and correspondence in conformity with applicable laws, rules, regulations and statements of policy promulgated thereunder, and with the Rules of the NASD, and as prescribed by Exchange Act Rule 17a-3.

As previously described, the Firm failed to create and maintain accurate versions of its ETB Lists from January 2005 until August 2008. Further, the Firm failed to maintain accurate versions of its written plans of organization for its aggregation units from January 2005 until at least December 2010. Moreover, the Firm failed to maintain accurately marked sale orders from January 2005 until at least March 2010.

Based upon the foregoing, the Firm violated Section 17(a) of Exchange Act and Rule 17a-3 thereunder and NASD Rule 3110(a) during the period January 3, 2005 to approximately December 2010 in that it failed to maintain accurate books and records. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

[10] *See* FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules, effective December 15, 2008, including the change of NASD Rules 6951(n), 6954 and 6955(a) to FINRA Rules 7410(n), 7440 and 7450(a), respectively.

VI. Systemic Supervisory Violations: The Firm's Reg SHO Supervisory and Compliance Monitoring Program was Deficient

NASD Rule 3010 requires that firms establish and maintain a supervisory system, including written supervisory procedures related to their business, that is reasonably designed to achieve compliance with the applicable securities laws, regulations and SRO rules.

As described below, it was not until at least 2009 that the Firm's supervisory framework over its equities trading business was reasonably designed to achieve compliance with the requirements of Reg SHO and other securities laws, rules and regulations described herein. The Firm failed to adequately supervise locates and order marking for short sale orders by its equities trading business. In particular, while the Firm designated its equities trading desks' heads ("Desk Heads") with the primary responsibility for Reg SHO supervision, it failed to provide for reasonable oversight to monitor whether and how the Reg SHO supervisory responsibilities were actually carried out. Among other problems, the Firm had substantial deficiencies in its Reg SHO-related: (1) supervisory structure in light of its complex equities trading activities; (2) written supervisory procedures; (3) supervisory reports; (4) supervision over the operation of its OESs; (5) information technology change control protocols; and (6) training for certain employees. Further, the Firm's Reg SHO compliance monitoring program was inadequate.

By designating the Desk Heads as the primary supervisors for compliance with Reg SHO, without providing adequate tools for their supervision or meaningful oversight, the Firm's aforementioned failures persisted for extended periods of time. As a result, the Firm failed to detect or prevent the substantial and persistent locate, aggregation unit, order marking, reporting, and books and records violations described in this AWC.

A. The Firm Failed to Establish and Maintain a Reasonable Supervisory System for Reg SHO Compliance

The Firm Failed to Reasonably Supervise for Compliance with Reg SHO

The Firm designated its Desk Heads with primary Reg SHO supervisory responsibility, including reviewing the activities of the traders on their respective desks. The Desk Heads were supported in their Reg SHO supervisory responsibilities by a Regulatory Control Group ("RCG"). With respect to Reg SHO compliance, RCG was responsible for: (1) creating written supervisory procedures with input from the Compliance Department; (2) working with UBS's Information Technology ("IT") group on various regulatory compliance systems and on developing supervisory reports for the review of trading activity; and (3) conducting reviews of trading activity.

However, not all these responsibilities were fully carried out on every trading desk. On some trading desks, adequate written supervisory procedures were not created, IT changes were made which negatively affected regulatory compliance, and/or supervisory reports were not developed and/or reviewed.

The Desk Heads and RCG were required to utilize a centralized on-line supervisory tool created by the Firm to document that their Reg SHO-related supervisory reviews for each trading desk had occurred. However, this on-line tool did not always provide for a specific report or review for certain trading desks. Further, in some instances, Desk Heads or RCG indicated in the on-line supervisory tool that the supervisory reviews for certain trading desks had taken place when in fact no specific Reg SHO-related reviews had been performed.

The Firm Failed to Perform Adequate Oversight of its Trading Desks for Reg SHO Supervision

The Firm failed to develop an adequate system of oversight to monitor the performance of the Reg SHO-related responsibilities assigned to the Desk Heads and RCG. In addition, the Firm failed to establish adequate policies and procedures for the escalation of any potential Reg SHO-related issues or "red flags" to appropriate persons outside of the trading desks.

The Firm's assignment of primary Reg SHO supervisory responsibility to the Desk Heads, and its failure to implement adequate oversight of the trading desks to determine whether each Desk Head was actually carrying out its Reg SHO-related responsibilities, contributed to the Firm's failure to recognize the numerous issues that resulted in the significant violations described above.

B. The Firm Failed to Reasonably Supervise and Establish, Maintain and Enforce Written Supervisory Procedures Reasonably Designed to Achieve Compliance with Reg SHO

The Firm's written supervisory procedures ("WSPs") relating to Reg SHO were defective in several ways. Among other things: (1) the WSPs failed to clearly describe the reviews to be performed with respect to Reg SHO; (2) the WSPs did not adequately explain how supervisors should perform Reg SHO reviews; (3) some WSPs failed to include protocols for escalating issues noted by supervisors in the course of their responsibilities; and (4) the WSPs did not consistently include information on how supervisors were to document their Reg SHO reviews. As an example of these deficiencies, a number of WSPs simply made reference to the "affirmative determination" requirement of Reg SHO without providing further detail about any such review that should be performed to monitor for compliance with Reg SHO's locate requirement.

The Firm Failed to Prevent the Misapplication of Exceptions to the Locate Requirement

Until at least the end of 2008, the Firm failed to reasonably supervise and have adequate policies and procedures to supervise the application of exceptions to the locate requirement. As earlier described, certain of the Firm's trading desks misapplied exceptions to the locate requirement, without consultation with or approval from any supervisory department outside of the trading desks. Specifically, from January 3, 2005 through at least the end of 2008, the Firm did not have a formal mechanism in place, including maintaining records or documentation, to determine which trading desks or accounts were actually using exceptions to the locate requirement and whether those exceptions were being properly utilized.

The Firm Failed to Properly Construct and Distribute ETB Lists

Until approximately August 2008, the Firm failed to reasonably supervise the compilation and distribution of its ETB Lists. As earlier described, the Firm improperly included certain threshold securities and HTB securities on ETB Lists disseminated to the Firm's proprietary traders and clients. As a result, the Firm and its clients effected a significant number of short sales in HTB securities and may have effected short sales in threshold securities without valid locates.

The Firm Failed to Prevent Short Sales from Being Entered Without Locates through its OESs and Failed to Perform Adequate Post-trade Reviews

Until approximately 2009, the Firm failed to reasonably supervise its compliance with Reg SHO's locate requirement. As earlier described, the Firm utilized more than a dozen OESs to enter client and proprietary short sales. Certain of these OESs allowed short sale orders without valid locates to be released for execution. However, the Firm failed to develop an adequate system for the post-trade review of short sales to identify all short sales entered into its OESs without valid locates. As a result, for years the Firm failed to detect that short sales were effected through its OESs without locates.

The Firm Failed to Maintain Independent Aggregation Units and Adequate Written Plans of Organization

During the Relevant Period, the Firm failed to reasonably supervise and have adequate policies and procedures to maintain independent aggregation units and adequate written plans of organization for its 21 aggregation units. As earlier described, some of the Firm's aggregation units were not independent in that in certain circumstances, the Firm's risk management systems failed to accurately reflect the correct traders and accounts in the appropriate trading books. Further, the Firm's written plans of organization were inaccurate in that certain traders and accounts reflected in the Firm's risk management systems were not on the plans,

certain accounts were assigned to the incorrect aggregation unit on the written plans, and the plans reflected certain accounts that were not included in the risk management systems. The Firm failed to detect the deficiencies in its aggregation units and written plans of organization, and was, in some instances, unable to accurately determine its proprietary net positions and accurately mark its sale orders.

The Firm Failed to Properly Mark Sale Orders

During the Relevant Period, the Firm failed to reasonably supervise and have adequate policies and procedures to properly mark sale orders. As earlier described, the Firm mismarked a significant number of sale orders, including short sales mismarked as "long" that also violated Reg SHO's locate requirement.

The Firm Failed to Maintain Accurate Books and Records and Submitted Inaccurate Trade Data on its Blue Sheets, ACT and OATS Reports

During the Relevant Period, the Firm failed to reasonably supervise to maintain accurate books and records and submit accurate trade data on its blue sheets, ACT and OATS reports. As earlier described, the Firm failed to maintain certain accurate books and records and submitted a significant amount of inaccurate trade data on its blue sheets, ACT and OATS reports.

C. The Firm Failed to Supervise its Systems and Lacked Adequate IT Change Protocols Affecting Reg SHO Compliance

During the Relevant Period, the Firm failed to reasonably supervise and have adequate policies and procedures in place to monitor or approve IT-related additions or changes to its systems. The Firm had no formal process in place for trading desks to obtain approval before initiating new trading strategies or making modifications to existing systems. As such, trading desks implemented and made unapproved changes to the Firm's systems without an adequate assessment of the potential regulatory impact of such changes, including changes that impacted the Firm's compliance with the locate and order marking requirements of Reg SHO. Further, because the Firm's IT implementation and change control processes were decentralized across its trading desks, and the Firm failed to keep pace with the growth, complexity and number of electronic trading systems used by UBS to trade equities, the Firm failed to develop established and consistent protocols for all trading desks to follow when making IT changes to the Firm's existing systems.

As a result, the Firm was unaware of certain changes made to its systems by its trading desks, including the implementation and use of a trading strategy or the coding of certain accounts and strategies, and the Firm failed to detect the violations caused by such changes to its systems. Further, certain DES Clients were programmed to bypass Reg SHO's locate requirement in the Firm's OESs.

However, the Firm failed to have a supervisory process in place to monitor those DES Clients' trading for compliance with the locate requirement.

D. The Firm Failed to Adequately Educate and Train its Personnel With Regard to Compliance with Reg SHO

In response to Enforcement's inquiry regarding the causes of specific violations, the Firm stated that certain employees misunderstood Reg SHO's requirements, including mistaken beliefs that: (i) short sales of certain types of securities, including ADRs and ETFs, did not require locates; (ii) locates could be used over multiple days; and (iii) short sales were exceptions to the locate requirement based on the "tick test" pilot program and subsequent rule change. The Firm failed to adequately educate these personnel with regard to the requirements of Reg SHO.

E. The Firm's Reg SHO Compliance Monitoring Program was Inadequate

In light of the highly decentralized way in which the Firm assigned supervisory responsibility for Reg SHO compliance to the Desk Heads, UBS failed to establish an adequate system to monitor and test whether such supervisory responsibilities were being adequately carried out by the trading desks until at least December 2009. The Firm also failed to review its order entry, order marking and locate protocols to confirm that they were functioning in compliance with Reg SHO. Specifically, until November 2006, the Firm lacked monitoring reports that focused on locates and order marking and did not otherwise reasonably surveil for these Reg SHO requirements.

Further, the Firm did not perform adequate oversight of its equities trading desks to determine whether adequate policies, procedures and systems for Reg SHO compliance had been established and/or reviews were occurring on such desks.

F. Summary of Supervisory Violations

Based upon the foregoing, the Firm violated NASD Rule 3010 in that it failed to establish and maintain a supervisory system, including written supervisory procedures, that was reasonably designed to achieve compliance with the applicable securities laws, regulations and SRO rules. This violative conduct also constituted a violation of NASD Conduct Rule 2110 during the period January 3, 2005 to December 14, 2008, and FINRA Rule 2010 on or after December 15, 2008.

OTHER FACTORS

The Firm's Corrective Actions during the Course of FINRA Enforcement's Investigation

FINRA notes that as the system-related locate and order marking problems described above were identified during the course of FINRA Enforcement's investigation, the Firm implemented changes to its systems and procedures that were designed to prevent a recurrence of these violations.

The Firm's Substantial Assistance to FINRA Enforcement's Investigation

FINRA acknowledges that in 2010, the Firm undertook an internal review of its supervisory policies, procedures and systems relating to Reg SHO. The Firm reported the findings of its internal investigation to FINRA. The sanctions below reflect the credit that UBS has been given for conducting an investigation of these issues and providing the results to FINRA.

B. The Respondent also consents to the imposition of the following sanctions:

Censure; and

Fine in the amount of $12,000,000.

The Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. The Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

A. To have a Complaint issued specifying the allegations against the Respondent;

B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and

D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The Respondent understands that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Respondent; and

C. If accepted:

1. This AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Respondent;

2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;

3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and

4. The Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. The Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

10/14/2011
Date (mm/dd/yyyy)

UBS Securities LLC

By: _____
[Name] Bryan M. Mustagh
[Title] Managing Director

By: _____
[Name] Abby Meiselman
[Title] Managing Director

Reviewed by:

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Accepted by FINRA:

10-29-11
Date

Signed on behalf of the
Director of ODA, by delegated authority

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