

**THE NASDAQ STOCK MARKET LLC
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: Maxim Group LLC
Mr. John Sergio
Chief Operating Officer
405 Lexington Avenue
New York, NY 10174**

**FROM: The NASDAQ Stock Market LLC ("Nasdaq")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Market Regulation
9509 Key West Avenue
Rockville, MD 20850**

DATE: January 4, 2017

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20110289645-02

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **January 4, 2017** by the Nasdaq Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You are reminded that Section I of the attached Letter of Acceptance, Waiver, and Consent includes an undertaking. In accordance with the terms of the AWC, a registered principal of the firm is required to notify the Compliance Assistant, Legal Section, Market Regulation Department, 9509 Key West Avenue, Rockville, MD 20850, of completion of the undertaking.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by NASDAQ's Finance Department regarding the payment of any fine if a fine has been imposed.

Maxim Group LLC
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If you have any questions concerning this matter, please contact Carly M. Kostakos, Senior Counsel, at (240) 386-5059.



Justin Chretien
Chief Counsel, Legal Section
Department of Market Regulation, FINRA

Signed on behalf of NASDAQ

Enclosure

FINRA District 10 – New York
Michael Solomon
Regional Director
(Via email)

THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110289645-02

TO: The NASDAQ Stock Market LLC
c/o Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Maxim Group LLC, Respondent
Broker-Dealer
CRD No. 120708

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC ("Nasdaq") Code of Procedure, Maxim Group LLC (the "firm") 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, Nasdaq will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm 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 Nasdaq, or to which Nasdaq 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 Nasdaq:

BACKGROUND

The firm became a member of FINRA on September 25, 2002 and of Nasdaq on July 12, 2006, and its registrations remain in effect. The firm has no relevant disciplinary history.

SUMMARY

In Review No. 20110289645, the Offering Surveillance Team of the Department of Market Regulation (the "staff") reviewed the firm's compliance with SEC Rule 101 of Regulation M during the periods of January 1, 2010 through March 31, 2010; October 1, 2010 through December 31, 2010; January 1, 2011 through December 31, 2011; January 1, 2012 through March 31, 2012; October 1, 2012 through December 2012; and January 1, 2013 through March 31, 2013 (the "2010-2013 review period").

In Review No. 20140402922, the staff reviewed the firm's compliance with SEC Rule 101 of Regulation M and Nasdaq Rule 4691 during the period October 1, 2013 through March 31, 2014 (the "2013-2014 review period").

As a result of its reviews, the staff found that the firm violated SEC Rule 101 of Regulation M and related notification and supervision requirements, as described below.

FACTS AND VIOLATIVE CONDUCT

In connection with Review No. 20110289645:

1. The firm, a distribution participant participating in a distribution of securities on behalf of the issuers listed below, entered its quote into the marketplace during the restricted period associated with each distribution, as follows:
 - a. During the restricted period of November 18, 2010, in the common stock of China Ceramics Co., Ltd. (security symbol "CCCL");
 - b. During the restricted period February 9, 2011, in the common stock of Marina Biotech, Inc. (security symbol "MRNA"); and
 - c. During the restricted period of May 10, 2011, on or after 11:31:00, through May 16, 2011, in the common stock of MRNA.

The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 101 of Regulation M.

In connection with Review No. 20140402922:

2. On November 26, 2013, the firm, a distribution participant participating in a distribution of securities on behalf of the issuer Athersys, Inc. ("ATHX"), solicited three separate customer orders to purchase, in 26 transactions totaling 17,500 shares, a covered security (*i.e.*, the common stock of ATHX) during the restricted period associated with the distribution. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 101 of Regulation M.
3. The firm, a distribution participant participating in a distribution of securities on behalf of the issuers listed below, entered its quote into the marketplace during the restricted period associated with each distribution, as follows:
 - a. During the restricted period of November 25, 2013 (at 9:30:00) through 13:40:24 on November 26, 2013, in the common stock of ATHX; and
 - b. During the restricted period of January 31, 2014 (at 9:30:00) through February 5, 2014 (at market close), in the common stock of Wheeler Real Estate Investment Trust, Inc. ("WHLR").

The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 101 of Regulation M.

4. The firm, while acting as a manager (or in a similar capacity) in a distribution of securities, which was subject to a restricted period under SEC Rule 101 on behalf of the issuer WHLR, failed to submit a Regulation M Restricted Period Notification no later than the business day prior to the first complete trading session of the applicable restricted period (January 31, 2014 through February 5, 2014). The conduct described in this paragraph constitutes a violation of Nasdaq Rule 4619(e)(1)(A).
5. The firm, while acting as a manager (or in a similar capacity) in a distribution of securities, which were subject to restricted periods under SEC Rule 101, on behalf of the issuers listed below, failed to timely submit a Regulation M Trading Notification ("Trading Notification") to Nasdaq, as follows:
 - a. Failed to provide a Trading Notification no later than the close of business the next business day following the pricing of the January 31, 2014 distribution in the common stock of WHLR; and
 - b. Failed to provide a Trading Notification no later than the close of business the next business day following the pricing of the February 28, 2014 distribution in the common stock of RiceBran Technologies ("RIBT").

The conduct described in this paragraph constitutes separate and distinct violations of Nasdaq Rule 4619(e)(5).

In connection with both reviews:

6. During the 2010-2013 review period and the 2013-2014 review period, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to securities laws and regulations and the Rules of FINRA applicable to the conduct described in paragraphs I.A.1 through I.A.5, above. The conduct described in this paragraph constitutes a violation of Nasdaq Rules 2110 (for conduct that occurred prior to November 21, 2012), 2010A (for conduct that occurred on or after November 21, 2012), and 3010.
7. During the 2010-2013 review period and the 2013-2014 review period, 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 Rules of FINRA because the firm's written supervisory procedures relating to the conduct described in paragraphs I.A.1 through I.A.5, above, did not include: (a) the identification of the individual(s) responsible for supervision with respect to these rules; (b) a statement of the supervisory step(s) to be taken by the

identified person(s); (c) a statement as to how often such person(s) should take such step(s); and (d) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of Nasdaq Rules 2110 (for conduct that occurred prior to November 21, 2012), 2010A (for conduct that occurred on or after November 21, 2012), and 3010.

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

A censure, a fine of \$22,500 (comprised of \$12,500 for the SEC Rule 101 violations; \$2,500 for the Nasdaq Rule 4619 violations; and \$7,500 for the supervisory violations), and an undertaking to revise the firm's written supervisory procedures, as warranted, with respect to the areas described in paragraphs I.A.6 and I.A.7, above. Within 30 business days of acceptance of this AWC by the Nasdaq Review Council, a registered principal of the firm shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, or an email from a work-related account of the registered principal to **MarketRegulationComp@finra.org**, providing the following information: (1) a reference to this matter; (2) a representation that the firm has addressed and corrected the deficiencies described in paragraphs I.A.6 and I.A.7, above; and (3) the date the deficient procedures were addressed and corrected by the firm.

The firm agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

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

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal 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 Nasdaq Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, 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 firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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

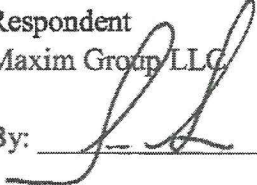
The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by FINRA's Department of Market Regulation and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq 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 firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;
 - 2. Nasdaq may release this AWC or make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and

3. The firm 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 firm may not take any position in any proceeding brought by or on behalf of Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.
- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 Nasdaq, nor does it reflect the views of Nasdaq 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 it has agreed to the AWC's 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.

1-3-17
Date

Respondent
Maxim Group/LLC
By: 
Name: John S. 20
Title: COO

Reviewed by:

Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by Nasdaq:

1-4-17
Date


Justin Chretien
Chief Counsel
Department of Market Regulation

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

ELECTION OF PAYMENT FORM


The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan.¹
 - Monthly
 - Quarterly

Respectfully submitted,

Respondent
Maxim Group LLC

1-3-17
Date

By: 
Name: John Lopez
Title: COO

Billing and Payment Contact

Please enter the billing contact information below. Nasdaq MarketWatch will contact you with billing options and payment instructions. **Please DO NOT submit payment until Nasdaq has sent you an invoice.**

Billing Contact Name: Kevin Flood
Billing Contact Address: 405 Lexington Avenue 2nd floor NY NY 1017X
Billing Contact Email: KF1000@maximgroup.com
Billing Contact Phone Number: 212-895-3864

¹ The installment payment plan is only available for a fine of \$50,000 or more. Certain requirements apply.