BEFORE THE

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.

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In the Matter of the Application of

Ustocktrade Securities, Inc.

For Review of

FINRA Disciplinary Action

File No. 3-20946

_____

August 5th, 2022

USTOCKTRADE SECURITIES, INC. BRIEF IN RESPONSE TO FINRA'S OPPOSITION TO THE MOTION FOR A STAY

I. INTRODUCTION

The Firm respectfully disagrees with FINRA's Opposition to its application for a stay to review the FINRA Disciplinary Action dated July 12, 2022. In addition to responding to the points asserted by FINRA in its Opposition Brief, the Firm also, raises and describes below the discrimination and unfair treatment it has received and continues to receive from FINRA.

II. BACKGROUND

The Firm would like to reiterate the full account of the circumstances that preceded its Hearing Panel request for additional time to complete its audited annual report. The Firm had kept FINRA completely apprised of the company's situation, communicating on a regular and sometimes daily basis with the Firm's FINRA Examination team and Risk Monitoring team, including the specifics that the Firm has not been operating since November 2021 due to falling below minimum net capital requirements at that time.

From November 2021 to approximately February 2022, the Firm was consistently advised by FINRA that its primary concern was to ensure the Firm's customers would be able to transfer, liquidate or close their accounts. The Firm made significant effort during this time to ensure a smooth process for closing or migrating all the Firm's customer accounts. The Firm provided FINRA with daily update on the Firm's customer account balances, operating account balances and reserve balances, and these were to FINRA's satisfaction such that the Firm did not have to call in SIPC to handle the customer wind down process as the Firm had sufficient cash and positions for all of its customer accounts, many of which were migrated to the Firm's clearing firm.

Following the migration of any remaining customer accounts to the Firm's clearing firm in January 2022, the Firm was subsequently advised by FINRA to ensure the Firm's customers would be promptly provided with their 2021 tax forms and ensure that the Firm's systems would be running for customers to access and download these forms until at least April 15, 2022. The Firm was able to maintain customer access to its system until June 30, 2022.

As the Firm was experiencing low operating cash due to being under minimum net capital requirements, the Firm was unable to pay its auditors to begin work on the reports, despite signing an engagement letter in November 2021. In addition to this, the Firm's clearing deposit which primarily represented its remaining operating cash was being held at the Firm's clearing firm and not returned to the Firm.

Once the Firm's customer accounts were successfully moved off the Firm's books, the Firm– quite reasonably – requested a stay on the suspension notice FINRA provided in March 2022, in light of the fact that Ustocktrade gave preference – with FINRA'S full knowledge – to its customers wind down process.

The Firm provided all of the above statements in its Hearing Panel Review, including that it intended to use the same Audit firm to complete its audited annual report. However, when the Firm looked to reconfirm this in July 2022, it was required to find a new audit firm due to scheduling issues. This process of finding, engaging and onboarding a new audit firm to complete the Firm's audited annual reports has resulted in the Firm being unable to complete these filings within the 30-day period stipulated by the FINRA Hearing Panel Decision.

Below, the Firm outlines some of the discrimination and unfair treatment by FINRA, which have significantly burdened the Firm in its operations. Below is a representative, but not exhaustive list:

1. Ustocktrade was granted the license to operate an ATS settling in T+0. All investments made to the broker-dealer and its parent company were based on this approval.
2. Ustocktrade ATS launched T+0 in January 2016
3. In July 2016, the Firm was profitable and was ranked 6th among ATS' for REG NMS -2 stocks according to the data published by FINRA at that time.

4. In August 2016, the Firm was requested by FINRA's Boston Office to move to T+3 until an examination of the Firm was completed. According to the 40 large brokers have protested.
5. The Firm and its parent company had to incur huge financial burdens due to the loss of business in moving to regular settlement and securing a prominent law firm specializing in securities business to negotiate with FINRA.
6. In June 2017, FINRA granted permission for the Firm to resume its T+0 settlement with new requirements specific to the Firm and not prevalent in the industry and provided guidance on how it should be operated.
7. Following this guidance, the Firm and its parent company incurred huge financial expenditure to update its trading platform to be compliant.
8. Within 3 months of resuming its T+0 settlement business, the Firm was able to report profitability.
9. However, following this, FINRA rescinded its guidance of the Firm utilizing its clearing firm to hold collateral for its T+0 settlement, requiring the Firm to make additional changes, which again limited the Firm's growth.
10. The Firm's Owner contacted the SEC to find a solution to the unfairness of the Firm operating with requirements that are not practiced by the rest of the industry.

A. On May 15, 2020, FINRA send a letter to the Firm notifying the Firm that it was withdrawing its guidance to operate its T+0 settlement. See attached as *Attachment 3: FINRA Letter 05.15.20*

11. The Firm thereafter began additional legal and technology expenditure to work on modifying its existing business and provided FINRA with a timeline for this, incurring another huge cost for the Firm.
12. On July 30, 2020, the Firm's counsel informed FINRA of the unethical practices that caused a tremendous financial burden on the Firm and its parent company. To date, the Firm has not received any formal response to this letter. See attached as *Attachment 4: Counsel Letter 07.30.20*
13. On August 10th, 2021, the Firm's counsel informed FINRA of false accusations made against the Firm's owner and this matter is still open with FINRA Enforcement. See attached as *Attachment 5: Counsel Letter 08.10.21*

III. ARGUMENT

B. <u>The Standard for Considering Request to Stay</u>

Throughout the process of unwinding its customer accounts, when asked by FINRA if the Firm will file for BDW due to the Firm's operating circumstances, the Firm repeatedly informed FINRA that the Firm was in the process of seeking new investment to re-start its securities business. This process, as the Commission is aware of, does not happen in one or two months.

As of the current date, the Firm can now represent from the Firm's parent company that the investment has been negotiated and will materialize in the next 60 days. The Firm respectfully submits that upholding the Firm's suspension and possible expulsion, as FINRA desires, will, in fact, cause irreparable damage to both the Firm and its investors. The Firm would cease to exist, the forthcoming investment would be rescinded, and this decision would create the very harm to investors and the public that FINRA purports to seek to avoid.

The Firm's new audit firm is currently in the onboarding process and assembling its team to work on the filings with the goal of issuance as soon as possible. In addition to this, the above-referenced investment to the Firm's parent company will be completed within 60 days. This is the optimal result, distinguished from FINRA's Opposition Brief, which will cause irreparable harm to the Firm and actual investors. This harm is neither illusory nor theoretical. It is real harm to real people.

C. Strong Likelihood of Success

Outside of the Firm falling below minimum net capital requirements, which, we assert, was exacerbated by FINRA's capricious and discriminatory treatment, the Firm's model is protective of the interests of customers – even more than applicable regulations require and more than the industry norm. For example, Ustocktrade is the only ATS that settles in T+0. As the SEC Chairman Gary Gensler informed the media and public, there is a reduction of risk with shorter settlement cycles, pointing out that organizations having straight through processing will eliminate that risk. The Firm therefore has a tremendous potential to succeed in its industry by implementing all six areas highlighted by the chairman's address on June 8, 2022.

D. Result of Irreparable Harm

The Denial of stay request will cause irreparable harm to the Firm's owner who has personally funded the broker-dealer and will not be in a position to recover his investment if the stay is not granted by the Commission. In addition to personal investment, this will also cause significant harm to the creditors of the Firm as the Firm will not be in a position to honor all its commitments.

E. Potential Harm to Others and Public Interest

The Firm disagrees with FINRA's statement to deny the stay request due to causing potential harm to others and serving the public interest. Firstly, prior to its delay in filing its 2021 audited report, the Firm has not had any precedent in delayed audit filings. Secondly, as the Firm has highlighted, it had fully intended to complete its filings on time when it engaged the audit firm in November 2021, however the Firm ensured that no harm would come to its customers in the

wind down process. Thirdly, the Firm has no class action suits against the company that would indicate any precedent for customer harm.

Furthermore, the Firm believes that it can benefit public interest as a broker-dealer that can reduce the risk of settlement by settling trades on T+0 settlement, as per the Chairman's guidance.

IV. CONCLUSION

For all the above reasons, the Firm respectfully asks the Commission to grant its request for a brief stay on the Hearing Panel Decision. As well, Ustocktrade earnestly supports the Commission's shortening of the settlement cycle.

Respectfully submitted,

/s/ Davina Anderson

Davina Anderson

Ustocktrade Securities, Inc.

275 Grove St, Ste 2-400

Newton, MA, 02466

617-888-4552

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USTOCKTRADE SECURITIES, INC. INDEX OF ATTACHMENTS

Attachment	**Description**
1-1	Bank Account Transfer
1-2	Capital Contribution Resolution
2	Audit Engagement Letter
3	FINRA Letter 05.15.20
4	Counsel Letter 07.30.20
5	Counsel Letter 08.10.21

ATTACHMENT 1-1

Avidia Bank

Deposit Account Reporting

Deposit Accounts Activity Summary

Report Created	07/29/2022 03 38 06 PM (ET)
Account:	Operating - Checking - [redacted] - Accessible $60,014 67
Date Range:	07/28/2022 to 07/29/2022
Transaction Types	All Transactions
Detail Option:	Includes transaction detail
Total By Day	Includes total by day within the selected date range

Operating Checking 211370529 *1858 Accessible $60,014.67

Post Date	Reference	Additional Reference	Description	Debit	Credit	Calculated Ending Balance
07/29/2022 03:38 PM (ET)			BOOK TRANSFER CREDIT REF [redacted] FUNDS TRANSFER FRMDEP [redacted] FROM		$60,000.00	$60,014.67
07/29/2022	Total Calculated Credit (1 item)				$60,000 00	
07/29/2022	Totals			$0.00	$60,000.00	

Showing 1 - 1 of 1

ATTACHMENT 1-2

Ustocktrade
WALL STREET TO MAIN STREET™

Certified Copy of Corporate Resolution of Ustocktrade Securities, Inc.
Equity Capital Contribution

RESOLVED, that Ustocktrade Securities, Inc. (the "Firm") accepted and authorized an equity capital contribution to the Firm of $60,000 from shareholder Ustocktrade LLC (the "Parent") through a contribution of cash on July 29, 2022. The Firm will use this capital contribution to fund its ongoing business operations and associated expenses.

The Firm is not, in any way in receiving this contribution from the Parent, a party to a lending agreement ("loan"); has no assets, directly or indirectly, pledged to secure a loan; and is not subject to any recourse of any kind to a lender for collection of a loan.

FURTHER RESOLVED, that the Firm and its officers are authorized, empowered, and directed to perform all actions, and execute and deliver all documents required or desired to affect the intent of the foregoing resolution.

In Witness Whereof, the undersigned have executed this with the written consent of the majority of shareholders as of 7/29/2022.

Tony Weeresinghe
Director – Ustocktrade LLC

7/29/2022

Date

Davina Anderson
President – Ustocktrade Securities, Inc.

7/29/22

Date

ATTACHMENT 2

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

July 21, 2022

Ms. Davina Anderson, President
Ustocktrade Securities, Inc.
275 Grove Street, Ste. 2-400
Newton, MA 02466

Dear Ms. Anderson:

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for **Ustocktrade Securities, Inc.** (the "Company") for the year ended December 31, 2021.

Audit of Financial Statements

We will audit the financial statements of the Company, which comprise the statement of financial condition as of December 31, 2021 and the related statements of operations, changes in members' equity and cash flows for the period from January 1, 2021 to December 31, 2021 (the "Period"), pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, ("SEA") and the related notes to the financial statements. Also, the following supporting schedules accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and testing the completeness and accuracy of the information, in accordance with the standards of the Public Company Accounting Oversight Board (United States)(the "PCAOB"), and our report of independent registered public accounting firm will provide an opinion on such information in relation to the financial statements as a whole:

1) Computation of Net Capital under SEA Rule 15c3-1;
2) Computation for Determination of Reserve Requirements under SEA Rule 15c3-3 (Exemption) and Information for Possession or Control Requirements under SEA Rule 15c3-3 (Exemption).

Review Report of the Exemption Report

We will perform a review, in accordance with the standards of the PCAOB, of the statements (assertions) made in the Company's Exemption Report under SEA Rule 15c3-3, (the "Exemption Report") for the Period, which will be filed by management pursuant to SEA Rule 17a-5. We will issue a supplemental report which will be included in the Annual Report (the "Exemption Review Report").

Report of Agreed-Upon Procedures on SIPC Schedule of Assessment and Payments

In addition, if the Company's total revenues exceed $500,000 for the year, as required by SEA Rule 17a-5(e)(4), we will perform agreed-upon procedures regarding the General Assessment Reconciliation (Form SIPC-7) (the "SIPC Report") for the Period, which will be filed with SIPC only. Our agreed-upon procedures report will state the procedures performed by us, which were agreed to by the Company and the Securities Investor Protection Corporation (SIPC) and will be conducted in accordance with standards established by the PCAOB and in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA").

Engagement Agreement for Regulatory Notification

We will continue to provide successive annual audits until we are notified that you wish to terminate our services. However, we will issue an engagement letter each year to address potential changes in your operations and the scope of the audit.

Audit Objective

The objective of an audit of the financial statements is the expression of an opinion on the financial statements. Accordingly, the objective of our audit is the expression of an opinion about whether the Company's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States.

Auditor Responsibilities

As a public accounting firm registered with the Public Company Accounting Oversight Board (PCAOB), we are required to be independent with respect to the Company in accordance with the U.S federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission ("SEC") and the PCAOB. We are responsible for conducting our audit of the financial statements in accordance with the standards established by the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because our audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is some risk that material misstatements of the financial statements may exist and not be detected by us. Although not absolute assurance, reasonable assurance is a high level of assurance. Also, a financial statement audit is not designed to detect error or fraud that is immaterial to the financial statements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements.

If circumstances arise in which it is necessary for us to modify the opinion in our report or to include an explanatory paragraph in our report, we will communicate the reasons for the modification or explanatory language and the revised wording of the report to management and the audit committee, or its equivalent. If for any reason we are unable to complete our audit or are unable to form, or have not formed, an opinion, we retain the right to take any course of action permitted by professional standards or regulatory requirements, including declining to express an opinion or issue a report, or withdrawing from the engagement. In that circumstance, we will notify the audit committee and management.

Audit Procedures

Our audit of the financial statements will include performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Our audit of the financial statements will include tests of documentary evidence supporting the transactions recorded in the accounts, including physical examination of security certificates held by you on your premises or in a safety deposit box by a bank/custodian on your behalf, if applicable, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and if applicable, financial institutions. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. In connection with our audit of the financial statements, we will obtain an understanding of internal control sufficient to plan the audit and to determine the nature,

timing, and extent of audit procedures to be performed; however, an audit of the financial statements is not designed to provide assurance on internal control or to identify internal control deficiencies.

Our audit of the financial statements will also include reading the other information in the Company's Annual Report and considering whether other information in the Annual Report (including the manner of its presentation) is materially inconsistent with information in the financial statements. However, our audit will not include procedures to corroborate such other information. We are also required to read any document, including the Annual Report to members and filings with the SEC, that contains or incorporates by reference our audit or other reports, or contains any reference to us.

Review of Exemption Report

In conjunction with the annual audit, we will also perform a review of the statements (assertions) made in the Company's Exemption Report under SEA Rule 15c3-3, for the Period, which will be filed by management pursuant to SEA Rule 17a-5. Our review will be conducted in accordance with the PCAOB Attestation Std. No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, the objective of which is to state, based on the results of our review procedures, whether we are aware of any material modifications that should be made to management's statements (assertions) presented in the Exemption Report for it to be fairly stated, in all material respects. A review is substantially less in scope that an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we will not express such an opinion.

A review of the Company's Exemption Report consists principally of making inquiries of individuals knowledgeable of matters relevant to the Company's compliance with the exemption provisions of SEA Rule 15c3-3 and other review procedures considered necessary.

A review does not contemplate tests of accounting records or internal controls, tests of responses to inquiries by obtaining corroborating evidence, or performing certain other procedures ordinarily performed in the audit. Thus, a review does not provide assurance that we will become aware of all significant matters that would be identified in an audit and cannot be relied on to detect errors, fraud, or illegal acts. Furthermore, given the limited nature of review procedures, we may not become aware of all matters that might affect judgments about qualitative aspects of the Company's accounting policies and procedures. Also, a review is not designed to provide assurance on internal control or to identify material weaknesses or significant deficiencies in internal control.

If, for any reason, we are unable to complete our review or are unable to obtain or have not obtained limited assurance regarding the Company's assertions, we will withdraw from the engagement or modify our review report.

Agreed-upon Procedures—SIPC Assessment Reconciliation

In conjunction with our annual audit, in accordance with SEA Rule 17a-5(e)(4) and with the SIPC Series 600 Rules, if applicable we will also apply agreed-upon procedures with respect to the Company's General Assessment Reconciliation (Form SIPC-7) for the Period. Such procedures, which were agreed to by the Company and SIPC are as follows:

1) Compare the listed assessment payments in Form SIPC-7 with respective disbursement record entries;
2) Compare the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2021, as applicable, with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2021;
3) Compare any adjustments reported in Form SIPC-7 with supporting schedules and workpapers;

4) Recalculate the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and workpapers supporting the adjustments; and
5) Compare the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed (if applicable).

Our engagement to apply agreed-upon procedures is solely to assist in you and SIPC in evaluating your compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Our engagement will be conducted in accordance with attestation standards established by the PCAOB and attestation standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described above, either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report or will not issue a report as a result of this engagement.

Because the agreed-upon procedures described above do not constitute an examination or review, we will not express an opinion or conclusion, respectively, on your compliance with the applicable instructions of Form SIPC-7. In addition, we have no obligation to perform any procedures related to this engagement beyond those listed above.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the Company and SIPC, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

You are responsible for the presentation of the Company's General Assessment Reconciliation (Form SIPC-7) in accordance with the applicable Form SIPC-7 instructions and for selecting the criteria and procedures based on the SIPC Series 600 Rules and determining that such criteria and procedures are appropriate for your purposes.

At the conclusion of our engagement, we will require a representation letter from the Company that, among other things, will confirm management's responsibility for the Company's compliance with the applicable instructions of the Form SIPC-7.

Auditor Responsibility to Communicate with Those Charged with Governance and Management

We will communicate to the Members, Controller, Chief Compliance Officer and the General Counsel (together defined as Those Charged with Governance, ("TCWG") and Management of the Company or the "Managers") , as appropriate, any errors, fraud, or other illegal acts (unless clearly inconsequential) that come to our attention during our audit. In the case of illegal acts that, in our judgment, would have a material effect on the financial statements, we are also required to follow procedures set forth in the Private Securities Litigation Reform Act of 1995 and in Section 10A of the Securities Exchange Act of 1934, which, under certain circumstances, requires us to communicate our conclusions to the SEC. While the objective of our audit of the financial statements is not to report on the Company's internal control and we are not obligated to search for material weaknesses or significant deficiencies as part of our audit of the financial statements, we will communicate in writing to the Managers all material weaknesses and significant deficiencies relating to internal control over financial reporting identified while performing our audit. We will also communicate in writing to the Managers all deficiencies in internal control over financial reporting that are of a lesser magnitude than significant deficiencies not previously communicated in writing by us or by others, including the Company's internal auditors.

We are also responsible for communicating with TCWG about certain other matters related to our audit, including:

1) Our audit responsibilities under PCAOB standards;
2) Information relating to our independence with respect to the Company;
3) An overview of our overall audit strategy, timing of the audit, and significant risks identified during our risk assessment procedures;
4) Management's initial selection of, or changes in, significant accounting policies or the application of such policies, and the effect on the Company's financial statements or disclosures of significant accounting policies in controversial areas or areas for which there is a lack of authoritative guidance or consensus or diversity in practice;
5) The Company's critical accounting policies and practices, including the reasons certain policies and practices are considered critical and how current and anticipated future events might affect the determination of whether certain policies and practices are considered critical;
6) A description of the process management used to develop critical accounting estimates, management's significant assumptions used in critical accounting estimates that have a high degree of subjectivity, and any significant changes management made to the process used to develop critical accounting estimates or management's significant assumptions, including a description of management's reasons for the changes and the effects of the changes on the financial statements;
7) Significant transactions outside of the normal course of the Company's business or that otherwise appear to be unusual due to their nature, timing, or size, along with the policies and practices used to account for significant unusual transactions, and our understanding of the business rationale for significant unusual transactions;
8) Our evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties;
9) Our evaluation of the quality of the Company's financial reporting;
10) Corrected misstatements arising from our audit and the implications that such corrected misstatements might have on the Company's financial reporting process;
11) Uncorrected misstatements aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate;
12) If applicable, our evaluation of the Company's ability to continue as a going concern;
13) Difficult or contentious issues about which we consulted with others and that we believe are relevant to the Managers' oversight of the financial reporting process;
14) Disagreements with management about matters, whether or not satisfactorily resolved, that could be significant to the Company's financial statements or our report;
15) Any concerns we may have related to significant auditing or accounting matters about which management has consulted with other accountants;
16) Any issues discussed with management prior to our retention, including significant discussions regarding the application of accounting principles and auditing standards;
17) Any significant difficulties encountered in performing the audit; and
18) Other matters required to be communicated by PCAOB standards or that are significant to the oversight of the Company's financial reporting process.

Furthermore, we are responsible for providing a copy of the management representation letter to TCWG if management has not done so, and for communicating to TCWG other material written communications between the auditor and management.

In connection with our review of the Company's Exemption Report, we will communicate to management any exceptions to the exemption provisions we identified that cause the Company's assertions not to be fairly stated, in all material respects. In addition, if we note any noncompliance with the financial responsibility rules during our audit or review (regardless of materiality), we will

immediately notify the Company's Chief Financial Officer. The Company will then be required to notify the SEC and its Designated Examining Authority (DEA) within 24 hours of our notification and provide us with supporting documentation of such communication.

Management Responsibilities

Management is responsible for the fair presentation of the Company's financial statements (including disclosures) in accordance with accounting principles generally accepted in the United States, for the selection and application of accounting principles, for making all financial records (including names of related parties and related-party relationships and transactions) and relevant information available to us on a timely basis, and for the accuracy and completeness of that information. Management also agrees that we will have unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence and the full cooperation of Company personnel.

Management also is responsible for adjusting the financial statements to correct material misstatements relating to accounts or disclosures and affirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for identifying and ensuring that the Company complies with applicable laws and regulations, and for informing us of any known material violations of such laws and regulations that would have an effect that is material to financial statement amounts or disclosures.

Management is responsible for establishing and maintaining effective internal control over financial reporting, including monitoring activities; notifying us of all deficiencies in the design or operation of internal control over financial reporting of which it has knowledge; and describing to us any fraud resulting in a material misstatement of the financial statements and any other fraud involving senior management or employees who have a significant role in the Company's internal control.

Management is also responsible for establishing and maintaining internal control over the safeguarding of Company securities and for the practices and procedures relevant to the objectives stated in SEA Rule 17a-5(g), including making periodic computations of aggregated indebtedness (or aggregate debits) and net capital under SEA Rule 17a-3(a)(11) and for maintaining compliance with the applicable exemptive provisions of SEA Rule 15c3-3.

Management is responsible for the preparation of the supporting schedules in conformity with SEA Rule 17a-5.

Our report of Independent Registered Public Accounting Firm on the Company's financial statements includes an opinion on whether "the supporting schedules are fairly stated, in all material respects, in relation to the financial statements as a whole". Therefore, there cannot be a separate audit report on the supporting schedules. Accordingly, Management also agrees to include the audited financial statements with any presentation of the supplemental information that includes our report thereon.

In addition, management is responsible for the presentation of the evaluation of the SIPC Assessment Reconciliation in accordance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7); for selecting the criteria; and for determining that such criteria are appropriate for your purposes.

At the conclusion of our audit and review engagements and our agreed-upon procedures engagement, you agree to provide us with letters that confirm certain representations made by management during our audit of the Company's financial statements, the review of the Company's Exemption Report,

certain representations related to the Company's compliance with Form SIPC-7 instructions, and related matters.

The Company's management is responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee any non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Website Responsibilities

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Non-reliance on Oral Advice

It is our policy to put all advice on which a client intends to rely in writing. We believe that is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice that has not been put in writing by our firm after a full supervisory review.

Electronic and Other Communication

During the course of the engagement, we may communicate with you or with Company personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail or other electronic transmissions, including any consequential, incidental, direct, indirect or special damages.

Assignment

This Agreement shall not be assigned by either party hereto without the prior express written consent of the other party.

Consent to Jurisdiction

The parties hereto agree that any action or proceeding arising directly, indirectly, or otherwise in connection with, out of, related to, or from this Agreement, any breach hereof, or any transaction covered hereby, shall be resolved within the State of New York, and the parties hereby submit to the jurisdiction of the courts and applicable arbitral body located within the State of New York.

The parties further agree that any such action or proceeding brought by either party to enforce any right, assert any claim, or obtain any relief whatsoever in connection with this Agreement shall be brought by such party exclusively in the federal or state courts, or if appropriate before any applicable arbitral body, located within the State of New York.

Survival

The provisions of this Agreement shall survive the termination hereof with respect to any matter arising while this Agreement shall be in effect.

Non-Solicitation

Management agrees to comply with the cooling-off period required by the SEC before it can solicit or hire engagement team members for certain positions involving a financial reporting oversight role. Accordingly, the Company will neither employ, nor make any employment offer to employ, engagement team members so long as we are the Company's auditors and continuing for one year after the date on which the Company files its Annual Report containing the audited financial statements referred to in this letter.

Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

No Third Party Beneficiaries / Agents

This Agreement is not intended to and shall not convey any rights to persons not a party to this Agreement. Nothing contained in this Agreement shall be construed to make either party an agent or employee of the other. Nothing contained in this Agreement shall be construed to create any type of partnership or similar business relationship or entity between the parties.

Employment of firm partner or professional employee

The Company acknowledges that hiring current or former PKF O'Connor Davies personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions, with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

In addition, during the term of this Engagement Letter and for a period of one (1) year after the services are completed, we both agree not to solicit, directly or indirectly, or hire the other's personnel participating in the engagement without express written consent. If this provision is violated, the violating party will pay the other party a fee equal to the hired person's annual salary in effect at the time of the violation to reimburse the estimated costs of hiring and training replacement personnel.

Engagement Administration, Fees, and Other

Harley Aronoff is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We understand that the Company's employees, and/or service providers, will prepare all cash, customers, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We estimate that our fees for these services will be:

Services	Fees
Audit of Financial Statements and Supporting Schedules, the Review of the Exemption Report, and the Form SIPC-7	$ 60,000

The Company will also be billed for out-of-pocket costs. The fee estimate and completion of our work is based on anticipated cooperation from Company personnel; timely responses to our inquiries; timely communication of all significant accounting and financial matters; and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is

necessary, we will keep Company management informed of any problems we encounter and our fees will be adjusted accordingly. An initial retainer of one-third (1/3) of the estimated fees will be billed before the commencement of our procedures, and progress billings will be submitted periodically and will be payable upon presentation.

Any additional services that may be requested and we agree to provide, will be the subject of separate arrangements.

The audit documentation for this engagement is the property of our firm and constitutes confidential information. However, we may be requested to make certain audit documentation available to the PCAOB, SEC, or other regulators pursuant to the authority given to them by law or regulation. If requested, access to such audit documentation will be provided under the supervision of firm personnel. Further, upon request, we may provide copies of selected audit documentation to the regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other government agencies. We agree to communicate with you on a timely basis any requests by the PCAOB for access to audit documentation as part of its inspection process and when it desires direct contact with members of the audit committee.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

We appreciate the opportunity to be of service and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

PKF O'Connor Davies, LLP

This letter correctly sets forth the understanding of **Ustocktrade Securities, Inc.:**

BY: _____

TITLE: President

DATE: 7/28/22

ATTACHMENT 3

FINRA

May 15, 2020

Michael Liftik
Chair, SEC Enforcement Practice
Quinn Emanuel Urquhart & Sullivan, LLP
1300 I Street NW, Suite 900
Washington, D.C. 20005

Matthew Bergin
Chief Executive Officer
Ustocktrade Securities, Inc.
275 Grove Street Suite 2-400
Newton, MA 02466

Re: Ustocktrade Securities Inc.: Regulation T Compliance and T+0 Settlement Process

Dear Messrs. Liftik and Bergin:

We write in response to your letter dated January 13, 2020, which references the telephone conference FINRA held with Ustocktrade Securities Inc. (Ustocktrade, or the Firm) on January 3, 2020. During this telephone conference, we expressed that the accommodation (extended to the Firm on June 1, 2017[1]) from compliance with Regulation T (Reg T) requirements to facilitate T+0 (real time) settlement would no longer be made available.

It is our understanding that Ustocktrade does not extend credit to customers on its brokerage platform, and does not support any customer margin business, with all customers currently engaging in trading activity through cash accounts. As you know, Reg T carries certain requirements with respect to cash account transactions. Pursuant to Section 220.8(a)(2)[2], a creditor may buy from or sell for any customer any security or other asset if (i) the security is held in the account, or (ii) the creditor accepts in good faith the customer/s statement that the security is owned by the customer and that it will be promptly deposited in the account. Since Ustocktrade primarily sells to and buys from customers the same securities, and generally does not maintain an inventory position in such securities, staff has previously expressed concerns that Ustocktrade may be facilitating activity that circumvents the good faith delivery requirements of Regulation T.

Under the accommodation extended in June 2017, Ustocktrade (functioning as a "Superuser" [3] in the Firm's business model) was required to borrow, for each security traded during any trading day, the maximum amount of shares it was short at any point during the trading day, and to hold these borrowed shares overnight to provisionally meet good faith delivery

[1] *June 8, 2017 Letter from Ustocktrade Securities Inc., Re: Ustocktrade T+0 Settlement Process*
[2] *FRB Regulations, Part 220 – Credit By Brokers and Dealers (Regulation T), Section 8 – Cash Accounts*
[3] *March 29, 2017 Letter from Sidley Austin LLP, RE: Ustocktrade Securities, Inc. and Questions regarding Free-riding*

requirements. The accommodation provided in June 2017 was discussed with Ustocktrade during telephone conferences with both FINRA and Federal Reserve Board (FRB) staff on May 18, 2017 and June 1, 2017. Since 2017, our staff, through both our Examination and Surveillance (now Risk Monitoring) functions, have worked closely with Ustocktrade on various matters requiring further interpretative guidance relating to the Firm's unique T+0 business model. Furthermore, in late 2018 and 2019, there have also been several matters in which Ustocktrade sought additional interpretative guidance directly from the Securities and Exchange Commission (SEC). Several of these matters have led to additional discussions between staff from the FRB, SEC, and FINRA, during which the collective group re-visited the nature of the accommodation extended to Ustocktrade in 2017.

In more recent discussions with both SEC and FRB staff, it was clarified that the FRB has not, nor has it ever intended to provide Ustocktrade with relief from Regulation T compliance and good faith delivery requirements to facilitate T+0 settlement within a cash account. Absent agreement from the FRB on this matter, FINRA is unable to extend interpretative relief from the requirements of Federal Reserve Board Regulation T. As a result the accommodation extended to Ustocktrade since June 2017 to facilitate its T+0 settlement model is no longer permissible. Absent this accommodation, in order for Ustocktrade to facilitate T+0 settlement pursuant to Reg T 220.8(a)(2)(ii), both cash and shares must be available in the customer's account at the time of the customer's purchase or sale transaction.

As a result of the foregoing changes in guidance FINRA staff has received from the staff of the Federal Reserve, we request that Ustocktrade take the following actions:

Additional Action Required

- Ustocktrade may continue to pursue interpretative guidance for Reg T compliance directly from the FRB. However, Ustocktrade must begin immediate efforts to modify its business practices to comply with Reg T requirements for T+0 (real time) settlement in cash accounts.
- A 6-month transitional period has been granted to the Firm to modify its business practices. Ustockstrade should provide updates to FINRA staff on a monthly basis outlining its efforts and progress made, or as further needed on an ad-hoc basis.
- Absent any relief granted by the Fed,, Ustocktrade must bring its T+0 settlement model into compliance with Regulation T by end of the 6-month transitional period.

Sincerely,

William J. Wollman

William Wollman
Executive Vice President

Cc: Francesco Matteini, CCO, Ustocktrade Securities Inc.
David Aman, Senior Advisor, FINRA
Ornella Bergeron, Senior Vice President, FINRA
Melanie Chan, Senior Director, FINRA
Ronald Chan, Director, FINRA
Robert Chao, Senior Director, FINRA
Kris Dailey, Vice President, FINRA
Rosemarie Fanelli, Senior Director, FINRA
Adam Rodriguez, Director, FINRA
Manuel Rosario, Director, FINRA
William St. Louis, Senior Vice President, FINRA
Andrew Tse, Senior Principal Analyst, FINRA

ATTACHMENT 4

quinn emanuel trial lawyers | washington, dc
1300 I Street NW, Suite 900, Washington, District of Columbia 20005-3314 | TEL (202) 538-8000 FAX (202) 538-8100

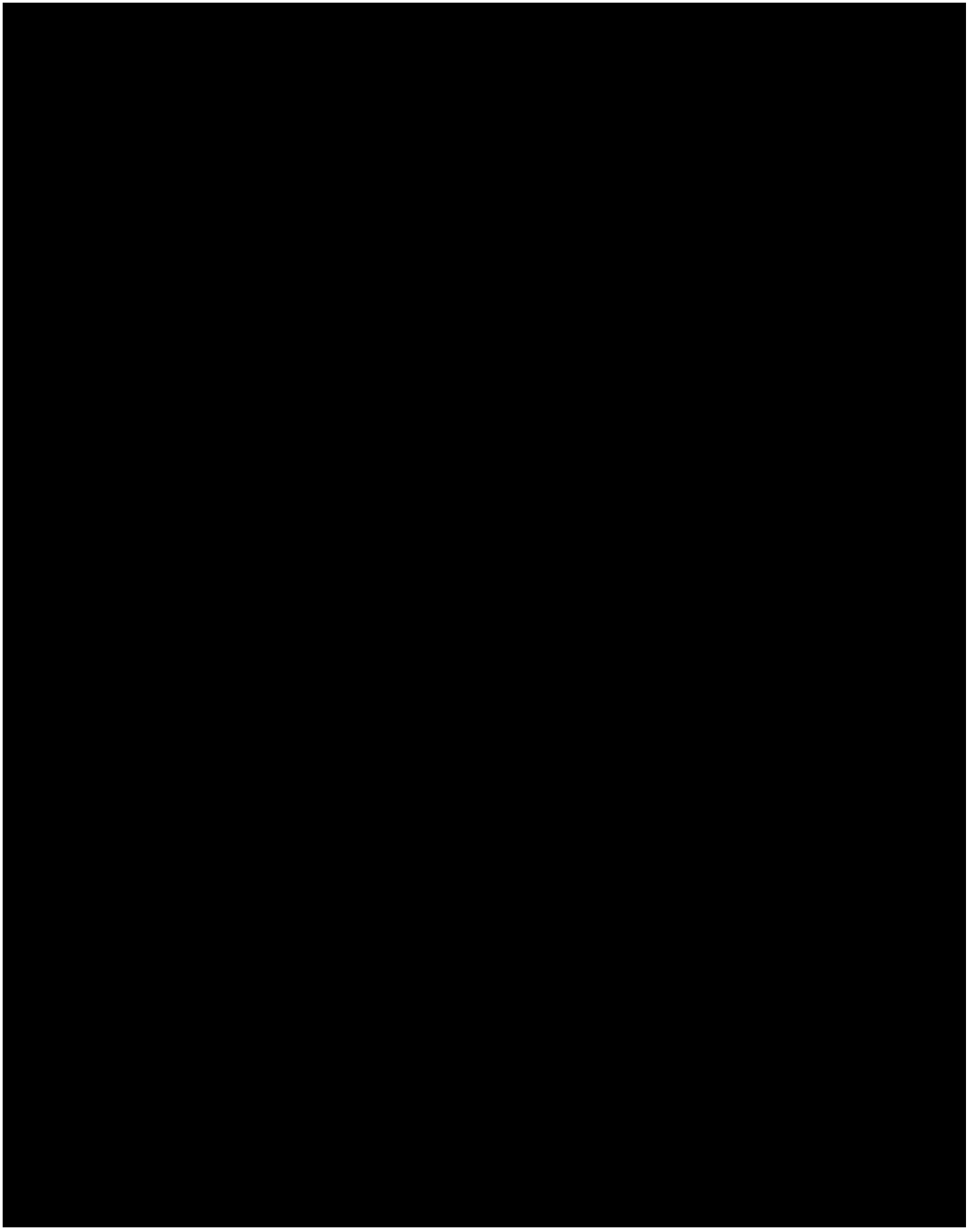
WRITER'S DIRECT DIAL NO.
(202) 538-8141

WRITER'S EMAIL ADDRESS
michaelliftik@quinnemanuel.com

July 30, 2020

PRIVILEGED & CONFIDENTIAL
VIA E-MAIL

[redacted]



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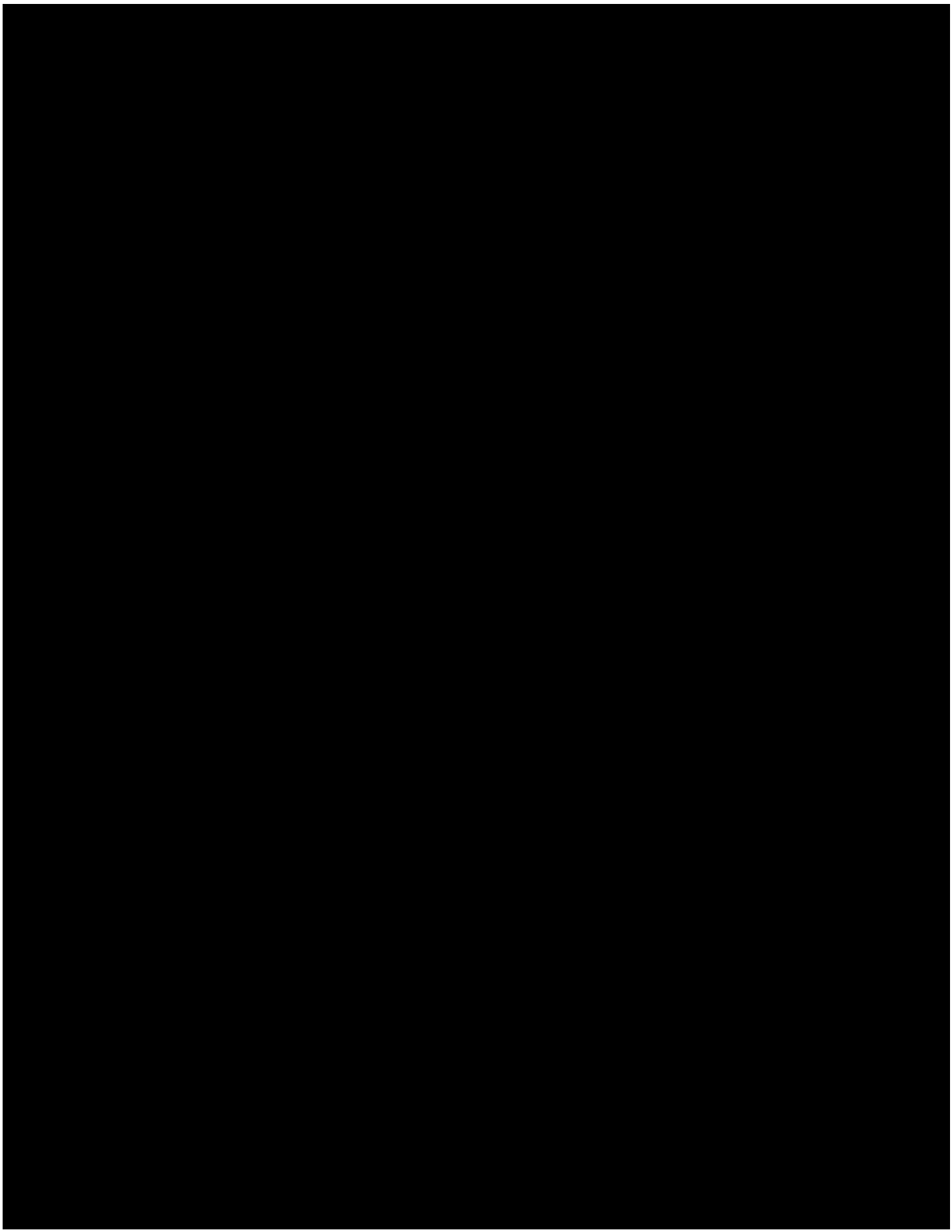

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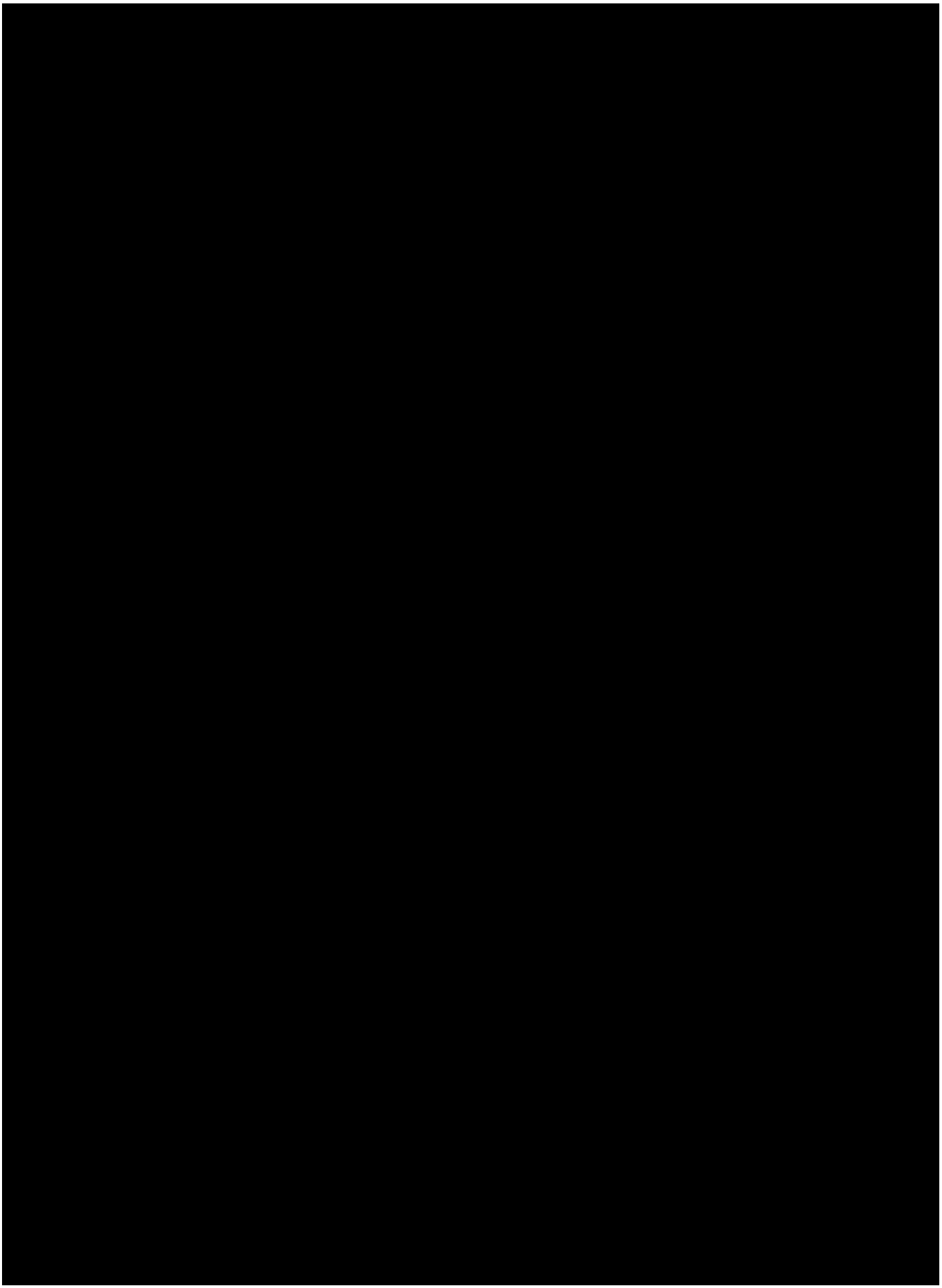

OS Received 08/05/2022

ATTACHMENT 5

quinn emanuel trial lawyers | washington, dc
1300 I Street NW, Suite 900, Washington, District of Columbia 20005-3314 | TEL (202) 538-8000 FAX (202) 538-8100

WRITER'S DIRECT DIAL NO.
(202) 538-8141

WRITER'S EMAIL ADDRESS
michaelliftik@quinnemanuel.com

August 10, 2021

VIA E-MAIL

Matthew J. Pinto
Principal Analyst
Advertising Regulation Department
FINRA
9509 Key West Avenue
Rockville, MD 20850
matthew.pinto@finra.org

Re: Ustocktrade Securities, Inc. (CRD No. 16208)
FINRA Advertising Regulation Reference No.: IR2021-0504-0257
FINRA Matter No.: 20210693824

Dear Mr. Pinto,

We write on behalf of our client, Ustocktrade Securities, Inc. ("Ustocktrade" or the "Firm"), in response to your letter dated July 27, 2021, in which you identified several communications about which the staff has "regulatory concerns" regarding the Firm's compliance with FINRA Rule 2210 (the "July 27 Letter"). In particular, the July 27 Letter raises concerns about communications appearing (1) on the "Million Note" YouTube channel, (2) among the Firm's blog posts, and (3) on the Firm's US and Sri Lankan websites.

According to the July 27 Letter, the staff has concluded that aspects of those communications violate FINRA Rules 2210(d)(1)(A) and/or (d)(1)(B). For the reasons stated below, we strongly disagree and are deeply concerned that the staff's inquiry is premised on a false and unfair assumption about Mr. Weeresinghe. We address those communications in order below, and we would welcome further dialogue with the staff regarding those communications.

1. "Million Note" YouTube Channel

The July 27 Letter asserts that videos on the "Million Note" YouTube channel "discuss investing, promote Ustocktrade, and are narrated by Mr. Weeresinghe, the owner of the broker-dealer." The staff concludes that the videos violate FINRA Rules 2201(d)(1)(A) and (d)(1)(B); the staff also directs Ustocktrade to immediately remove the videos and discontinue their use for any purpose.

Simply put, Mr. Weeresinghe is *not* the voice behind the "Million Note" videos. Neither Mr. Weeresinghe, nor the Firm, nor any affiliates of the Firm control the "Million Note" YouTube channel nor do they have the ability to control any content posted to the "Million Note" YouTube channel. In fact, until the staff's letter, Mr. Weeresinghe and the Firm were unaware of these videos.

Attached as Appendix A is a signed declaration of Mr. Weeresinghe attesting under penalty of perjury to the fact that he is not the narrator of the "Million Note" videos and that neither he nor any person under his control or direction has control over any content posted to the "Million Note" YouTube channel.

To the extent any videos or other content on the "Million Note" YouTube channel incorporate Mr. Weeresinghe's image or likeness, videos of Mr. Weeresinghe, the Ustocktrade logo, Ustocktrade promotional materials, or any other content ostensibly attributable to Mr. Weeresinghe or Ustocktrade, such materials were mined from publicly available sources and reused *without* the knowledge, permission or consent of Mr. Weeresinghe or the Firm. To the extent any videos or content on the "Million Note" YouTube channel appear to promote Ustocktrade or any of its products or services, any such promotion was done without Ustocktrade's knowledge, permission or consent.

Candidly, the Firm and Mr. Weeresinghe are disappointed and saddened by these baseless allegations. Even a cursory review of the "Million Note" YouTube channel reveals that the individual who posts content to the site resides in Qatar (*not* in Sri Lanka, Massachusetts, or anywhere else one might expect to find persons affiliated with Ustocktrade). As far as we can tell, the staff could only presume that the narrator of the "Million Note" videos is Mr. Weeresinghe because the narrator has an accent that is vaguely reminiscent of Mr. Weeresinghe's Sri Lankan accent. Thus, these allegations appear to be based on xenophobic suppositions that should *never* result in a regulator sending a formal demand letter to a regulated person or entity – particularly when those concerns might have been addressed in person in connection with an ongoing cycle examination of the Firm or through Ustocktrade's regional coordinator, with whom the Firm has nearly daily contact. To be clear, as described above, the Firm fervently denies any responsibility for "Million Note's" content.

2. Ustocktrade Blog Posts

In the July 27 Letter, the staff asserts that certain of Ustocktrade's "US and Sri Lankan blog posts" relating to the Firm's Stock Loan Program violate FINRA Rule 2210(d)(1)(A) because

they "fail to provide a balanced presentation with respect to the risks, considerations, and limitations of [the program]."

Ustocktrade disagrees with the staff's assessment that the blog posts fail to adequately present the risks, considerations, or limitations of the Stock Loan Program.[1]

Ustocktrade would note that the statements cited by the staff are related to – or, in at least one instance, identical to – statements that appear elsewhere on the Firm's website(s), and about which the staff has voiced similar concerns. Ustocktrade would prefer to address the staff's concerns about how the Firm depicts the Stock Loan Program in the aggregate, rather than through an unrelenting series of one-off complaints about sentence fragments that the staff identifies from time to time as it reviews and re-reviews Ustocktrade's website and blog posts. As the Firm has indicated both directly and in communications through counsel, the Firm is willing to engage in a dialogue about the staff's concerns, but changes or take-downs of blog posts along with modifications to the website, as discussed below, would be part of that dialogue.

3. Ustocktrade Website

On May 13, 2021, the staff sent Ustocktrade a letter asserting that certain statements on the Firm's website(s) violate FINRA Rule 2210(d)(1)(A) because they "fail to provide a balanced presentation with respect to the risks, considerations, and limitations of the Stock Loan Program" (the "May 13 Letter"). In particular, the May 13 Letter alleged deficiencies in Ustocktrade's disclosures, FAQs, promotional language, banners, and call-to-action buttons relating to the Stock Loan Program.

In response to the May 13 Letter, Ustocktrade made substantial changes to its website(s), painstakingly enhancing its disclosures and revising its FAQs, promotional language, banners, and call-to-action buttons relating to the Stock Loan Program. In a letter to the staff dated June 1, 2021, Ustocktrade addressed each of the staff's concerns point-by-point, detailing enhancements to statements relating to the Stock Loan Program and providing screenshots that depict updated website elements (the "June 1 Letter").

Nevertheless, without responding to Ustocktrade's June 1 Letter, the July 27 Letter retreads the same ground as the May 13 Letter, asserting again that the website "omits material information … necessary to understand the features, risk, and limitations of the [Stock Loan Program]." The July 27 Letter also flags several new sentence fragments about which the staff has concerns.

As a threshold matter, Ustocktrade disagrees with the staff's view that current iterations of the Firm's disclosures, FAQs, promotional language, banners, and call-to-action buttons relating to the Stock Loan Program are in any way deficient. On the contrary, they fairly present features, risks, and limitations of the Stock Loan Program and, importantly, are consistent with

[1] With respect to content appearing on the Firm's Sri Lankan website, including blog posts and marketing materials, it is unclear to Ustocktrade whether/how FINRA may exercise regulatory authority over communications made in Sri Lanka and directed to a Sri Lankan audience.

disclosures, FAQs, promotional language, banners, and call-to-action buttons on the websites of peer firms that offer similar programs.

Indeed, as shown in Appendix B, much of the language Ustocktrade uses to describe features of its stock lending program is similar to that used by other large broker-dealers, like E*TRADE and Fidelity, to describe their stock loan programs. Given that Ustocktrade provides a robust disclosure statement when customers sign up for the stock loan program, the "short form" descriptions in its website and other promotional places are not misleading. To adopt the staff's view would be to make it virtually impossible to describe the program within the confines of a website. And yet given the prominence of nearly identical language used by other broker-dealers, it is clear that this cannot be the staff's actual position.

In addition, Ustocktrade would argue that this piecemeal attempt to constrain Ustocktrade's communications – a veritable game of regulatory Whac-A-Mole – is not an efficient use of staff resources, it is not in the best interest of Ustocktrade's customers or the investing public, and it abandons principles of due process and fairness that member firms deserve. The Firm cannot be expected to respond every three months to yet another complaint – in the form of a demand letter – about yet another sentence fragment somewhere on the Firm's website that the staff dislikes, when that language is not new and has been subject to previous reviews that have not taken issue with it.

Ustocktrade would propose to engage in a more direct – more constructive – dialogue with the staff about the Firm's communications relating to the Stock Loan Program, in an effort to finally, comprehensively address and resolve the Advertising Regulation Department's concerns. (If, however, FINRA's concerns have more to do with the structure or features of the program itself, Ustocktrade would posit that Advertising Regulation notices are not an appropriate vehicle to address those concerns. The Firm would, again, invite a dialogue to address any such concerns.)

* * * * *

We would be happy to discuss at your convenience. We look forward to your response.

Sincerely,

Michael Liftik

Cc Francesco Matteini, Ustocktrade Securities, francesco@ustocktradesecurities.com
Davina Anderson, Ustocktrade Securities, davina.a@ustocktradesecurities.com
Robert Chao, FINRA, robert.chao@finra.org
Kaitlin McKeighan, FINRA, kaitlin.mckeighan@finra.org

APPENDIX A

DECLARATION OF ANTHONY WEERESINGHE

I declare under penalty of perjury that I am not the narrator in the "Million Note" YouTube videos referenced in the FINRA letter dated July 27, 2021, and that neither I, nor anyone under my control or direction, including anyone associated with Ustocktrade LLC or its subsidiaries, have any control over any content posted to the "Million Note" YouTube channel.

Respectfully submitted,

Anthony Weeresinghe

Date: 08/09/2021

APPENDIX B

COMPARISON: LANGUAGE DESCRIBING STOCK LENDING PROGRAMS

Following is a sample comparison of language on Ustocktrade's website that describes the Firm's stock lending program, and about which the staff has raised concerns, and similar language on competitors' websites.

Ustocktrade	E*Trade	Fidelity
Get Paid Interest on Your Stocks on Loan	*Lend stocks, get paid.*	*Lend your securities. Earn income.*
Earn Extra Income *You will begin earning daily interest on your shares that are on loan.*	*Earn daily income* *While on loan, your securities will earn daily interest based on an annualized rate with interest paid out monthly to your account.*	*Earn incremental income* *Receive income from Fidelity on any borrowed securities. Income accrues daily and is credited to your account.*
Daily Interest Payment *The daily interest paid for stock on loan, can be used to reinvest in more stocks or withdrawn at your discretion.*		
You will continue to receive full ownership benefits for your stocks including dividends and voting rights.	*You retain full ownership rights and may sell your shares or leave the program at any time. Keep any gains (or losses) while the stock is on loan.*	*Maintain full economic ownership* *Remain exposed to the market while your securities are on loan. Sell your shares or recall at any time.*
The Stock Loan Program provides you with the opportunity to earn additional income on your stock positions by allowing Ustocktrade to borrow your stocks.	*When you enroll your eligible accounts in E*TRADE's Fully Paid Lending Program, you agree to allow E*TRADE to borrow your fully-paid-for securities (i.e. positions not purchased on margin) in exchange for potential income.*	*Fidelity's Fully Paid Lending Program provides you with the opportunity to lend securities in your portfolio and earn income.*