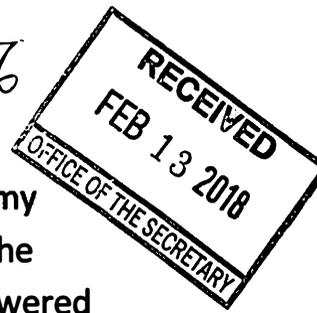


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In The letter I sent to the Commission dated February 3, 2018 I sent my response to Finra's response of the written questions requested by the Commission to Finra stating the need for certain questions to be answered by Finra as to what options were given to Mr. Zipper when they were informed of Mr. Zipper's intention to withdraw from his AWC dated April 22, 2016. My major argument in that letter was that Finra never told me that I could appeal that AWC that was signed by me to the Securities and Exchange Commission as long as it was within thirty days of the acceptance of the AWC agreement. Not only did Finra not tell me that an appeal to the S.E.C. was an option of mine but said there were NO options and that once I signed the AWC there was no recourse and there were not only no options available but that if I didn't adhere to the agreements in the AWC I would be thrown out of the industry immediately.

I now come to the Commission with direct evidence that Finra made a grave mistake by punishing me severely in this AWC in question for an exception from a Finra exam in 2015 that was adjudicated to be cautionary by Finra Member Regulation.

In the Spring of 2015 my firm, Dakota Securities International, had a typical Finra exam conducted by members of the Finra office in Boca Raton Florida. On June 29, 2015 I received a letter of four exceptions (Exhibit A) that the Finra members determined were issues they thought needed to be both answered and corrected. Dakota Securities in our letter dated July 14, 2015 responded to those four exceptions that were of concern to the Finra members. (Exhibit B). The next correspondence Dakota and I received was the letter dated October 6, 2015 (Exhibit C) asking for me to appear in Boca Raton Florida to answer questions about the four exceptions listed by Finra Members from letter dated June 29, 2015. On November 3, 2015 I came to Boca Raton, Fl and answered questions relating to the four exceptions.

The next conversation I had was with Mr. Kevin Rosen, attorney for

enforcement in the Boca raton office of Finra. That was in March of 2016. Mr Rosen asked me to come in and see if I wanted to make a deal to settle all the issues that Finra had against Dakota and myself with what he said was a waiver and consent in which I would not admit or deny any of the allegations but would adhere to the sanctions that Finra thought appropriate to settle any and all issues. After the meeting Mr. Rosen and I had I told him I would be interested in settling any and all issues against me and my firm. Mr. Rosen said he would look over the issues and get back to me when he was ready go over the settlement with me. On April 1, 2016 Mr. Rosen said he had the AWC's prepared for me to look at and see if I was willing to accept them. Mr. Rosen had two AWC's prepared for my review which I looked over and discussed the sanctions and what that entailed. Mr. Rosen stated the first AWC was for an outstanding issue from 2013 in which I did not monitor the texts of an employee of our firm and that for that I would be charged 10,000 dollars and could not act as a principal for 30 days. The second AWC (exhibit BB) was the most harsh. Mr. Rosen felt this violation of not updating my U-4 in a timely manner for three outstanding judgements was extremely serious and would carry the stiffest penalties. Those sanctions were for 5,000 dollars (reduced by financial hardship acceptance) but would carry a 90 day suspension and not have any dealings with any Finra member in all capacities. This sanction would also carry the potential of having to file a MC-400 application which if not accepted could get me thrown out of the industry. I thought for what I had done the punishment was extremely harsh but I signed the two AWC's in question and wanted to get all issues resolved and behind me. As the Commission now knows very soon after signing the AWC's I wanted to withdraw from them due to finding out how serious those sanctions could become and was told over and over that I couldn't withdraw and there were no options left to me.

My suspension for the AWC started on May 31, 2016 and ended on August

31, 2016. I paid my fines and was now ready to go on with my firm and conduct business as usual without any issues left unsatisfied. That is what I thought until in November of 2016 I get a call from a Mr. Gerard Murphy who introduced himself as a Finra member from the New York District. I said how can I help you and Mr. Murphy starts telling me he wants to question me about an exception from Dakota's 2015 Finra Exam. I said you must be mistaken in that I settled those exceptions with AWC agreements with Mr. Rosen in the Boca office of Finra. He said, no that is not my understanding and I have to deal with him now and deal with his questions. I immediately got very upset and called Finra in Boca to speak with Mr. Rosen. I find out that Mr. Rosen is now not with Finra anymore and not available to talk with. I then ask Finra to send me all papers relating to my agreements with Mr. Rosen to see what the hell I signed and agreed to. About two weeks later I get a package of documents related to the exam of Dakota in 2015 and all subsequent letters and memos that were relevant to the case. In going through the documents I came across a letter I had never seen before. This will be exhibit (CC) and the letter that made me almost fall out of my chair. It is a one page letter dated August 10, 2015 and goes on to state the disposition of the four exceptions Dakota Securities received from its June 29, 2015 exam. I start reading the letter for the first time, now in November of 2016, showing that the exceptions 1,3,and 4 have been referred to Finra's enforcement department but as for exception #2 that would be CAUTIONARY and as a result this matter need NOT be included in the CRD nor must they be reported on Form BD OR Form U-4 !! Excetion # 2 is the one stating that I didn't update my U-4 for the three judgments in a timely manner and this is the exception Mr. Rosen threw the book at me due to its seriousness in the minds of Finra.

I immediately get on the phone to Finra in the Boca Raton office and ask to speak to my Finra advisor who is Angela Brunelle. I said Angela I think there has been a terrible mistake by Finra in charging me severely for an exception that was determined to be cautionary by Finra Membership. I go

on to show her the letter dated August 10, 2015 that I first received in November of 2016 and she says I see what you are saying and will have to get back to you. The next day Angela calls back with an explanation that the caution in that letter for exception #2 was for Dakota Securities the firm but not you personally. I said that can't be because in the paragraph under the title Cautionary Action it states these matters need not be included in the CRD nor must they be reported on Form BD OR Form U-4. I am a one man business, the only employee of the firm. The letter says my U-4 does NOT have to be updated or reported. A U-4 is only for individuals not for firms. This caution is for both the firm and for me. After explaining this to Ms. Brunelle I ask to write to her supervisor who is a Ms. Yvette Panette to explain the problem. Ms. Panetta states in her letter (exhibit D) the same story that Ms. Brunelle tells me that the caution was for the firm and not me individually. They are wrong. They made a grave mistake in punishing me with the most harsh sanctions for an exception determined to be only a caution which is what that violation should be for a first time offense. Mr. Rosen, like me, probably did not get the August 10, 2015 letter and went on to throw the book at me in the AWC in question. It is the simple case of one hand of Finra does not know what the other is doing.

I told this Commission in many letters relating to this AWC that there was a conspiracy to get me thrown out of the industry. Here is another perfect example of Finra doing just that. In short I have proven to you that I was hit with the most severe sanctions from Finra Enforcement through attorney Kevin Rosen, for an exception that Finra Members in charge of the 2015 exam said was merely a caution and only recommendation was just don't do it again. If this isn't evidence that the Commission keeps asking me to produce then I give up. There is no refuting it.

I again with this additional evidence shown to you ask the Commission to overturn this flawed and unjust AWC in question.

Sincerely,

A handwritten signature in black ink that reads "Bruce Zipper". The signature is written in a cursive style with a large initial "B".

Bruce Zipper

[REDACTED]

Miami, Fl. [REDACTED]

Should you have any questions please contact me at [REDACTED]

Exhibit # B

DAKOTA SECURITIES



July 14th, 2015

Yvette Q. Panetta
Deputy Director
FINRA - District 7
Boca Raton, FL

Re: 2015 Cycle Examination of Dakota Securities Intl, Inc.

Examination # 20150434132

Firm CRD # 132700

Dear Mr. Michienzi / Mrs. Mauro,

This letter serves as the response of Dakota Securities International, Inc. ("Dakota" or the "Firm") to the letter received from the FINRA on June 29, 2015 in connection with the 2015 Cycle Examination of Dakota Securities Intl, Inc. For your convenience, each of the exceptions noted on the letter is reprinted in bold and italics below, followed in each instance by the Firm's response. We appreciate your attention to this matter.

1.e EXCEPTION: The firm was not in compliance with FINRA Rule 3310 (Anti-Money Laundering Compliance Program.e

a.e It appeared that the firm failed to establish and implement risk based procedures and controls reasonably designed to detect and report suspicious activity as required by FINRA Rule 3310(a). Specifically the AMLCP was not designed to capture a series of patterns of suspicious transactions, such as wash sales, or other potential manipulative activity. Although the Firm had various AML related exception reports, primarilye involving money movements, the Firm failed to provide evidence of reviews of these reports, The Firm failed to establish a system to identify suspicious transactions, suche as wash sales, or other potential manipulative activity. The firm failed to establish ae process to trend and analyze transactions or exception report data in order to detecte patterns of suspicious activity,e

RESPONSE: The firm currently does not use any specific reports or tools to conduct trending analysis for AML reviews / surveillance. As a small firm and due to the limited number of Wire Transfers, Journal Entries and other cash-like instruments transactions and relatively small number of clients and accounts, trending analysis is conducted manually by the CCO/AMLRO as part of the periodic review of the accounts / transactions, using the above mentioned reports, ad-hoc review of Wire Transfers and Journal Entries (Mr. Zipper reviews and authorizes all Wire Transfers and Third Party Journal Entries).

Ms. Kerri Provenza
May 1, 2015

Due to the nature of and the limited activity in the accounts, there was no trending analysis conducted in the accounts for the review period. Mr. Zipper currently conducts manual reviews of all the trading activity in all accounts and relies on Exception Reports provided by the COR Clearing.

The Firm understands the challenges of conducting a proper transaction monitoring using manual reviews and ad-hoc reports in the current regulatory environment. As explained during the audit, the Firm intends to implement a Trading & Activity Surveillance Tool for Sales & AML Supervision as soon as the pending CMA is approved.¹

b.e It appeared that the firm did not fully comply with FINRA Rule 3310 (b) by failing to perform adequate due diligence when opening correspondent accounts for foreign financial institutions as required by 31 CFR 1010.610(a) of the Bank Secrecy Act. Specifically, the firm failed to obtain the following account opening due diligence for correspondent accounts:

-The nature and duration of the firm's relationship with the foreign financial institution (14 of 14 accounts)

-The type, purpose, and anticipated activity (including trading volume) of the foreign correspondent account (10 of 14 accounts)

In addition, the Firm failed to provide its correspondent account holders (14 of 14 accounts) notice that the account may not be used to provide Banco Delta Asia and its affiliates or Commercial Bank of Syria and its affiliates with access to the firms required by 31 CFR 1010.653 and 31 CFR 1010.655.

RESPONSE: The Firm does not agree with the statement that the firm "did not fully comply with FINRA Rule 3310(b) by failing to perform adequate due diligence when opening correspondent accounts for foreign financial institutions as required by 31 CFR 1010.610(a) of the Bank Secrecy Act."

The examiners had the opportunity to review the Enhanced Due Diligence files maintained for all the Foreign Financial Institutions (FFIs) at the Firm. All the FFI accounts were duly identified as Institutional DVP Accounts. These accounts are trading accounts for which the Firm has no custody.

Even though the Firm has certain goals in terms of trading volume for each client, it is impossible to predict future trading activity for institutional clients, as it depends on several different factors not controlled by the Firm, including market conditions, among others. Nevertheless, an updated KYC is now utilized which will gather this information at the time of opening all accounts.

With respect to the client notifications required by 31 CFR 1010.653 and 31 CFR 1010.655, the Firm has updated the procedures for new institutional accounts to include a notice delivery immediately after opening.

c. A review of information and documentation relating to the firm's annual independent AML test revealed an apparent failure to comply with FINRA rule

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May 1, 2015

3310(c). Specifically, according to documentation produced by the firm, the firm's 2013 and 2014 annual AML test was not independent. Bruce Zipper, the firm's AML Compliance Officer, was involved in performing the 2013 and 2014 annual AML test. According to the rule, independent testing may not be conducted by

- 1) a person who performs the functions being tested**
- 2) the designated anti-money laundering compliance person, or**
- 3) a person who reports to a person described in 1 or 2 above**

In addition, the 2013 and 2014 AML tests appeared inadequate since there was no evidence that customer accounts or AML exception reports were sampled or tested. According to documentation produced by the firm, each test appeared to be limited to an internal meeting including firm employees, Bruce Zipper, Christopher McNamee, Dianne Alexander, and Robert Lefkowitz.

RESPONSE: The Firm understands the importance of the implementation of a proper independent AML audit. To that effect, in 2014 the Firm contracted the services of a compliance consulting firm, International Compliance Solutions LLC to provide different compliance and risk management services to the Firm, including the 2014 Independent AML Audit. However, in January 2015, the Firm hired the principal of the consulting firm as a Compliance Officer and proposed CCO of the firm after the CMA approval. Since this constitutes a conflict of interest, the Firm will contract an outside company to perform the Independent AML Test for this year (2015) and future years.

- 2. EXCEPTION: The firm was not in compliance with FINRA Rules Article V Section 2e (Application for Registration), NASD Rule 3010 (Supervision and NYSE Arca Equities Rule 6.13 (Disciplinary Action by Other Organizations)).**

The firm failed to implement written supervisory procedures and to ensure that registered persons' Form U4 were current. Specifically the firm failed to disclose unsatisfied judgments/liens against Bruce Zipper (CRD 1019731) and Christopher McNamee (CRD 4271195).

The following 3 judgments/liens were not disclosed for Bruce Zipper:

- i. Translux Corp, \$7,634, 8/17/2000, #B19244p0407e**
- ii. Fidelity Bank, \$8,227, 10/22/2014, #j14000924802e**
- iii. Schochet Holding Company, \$11,083, 11/25/2009, #j11000597505e**

In addition, the following judgement/lien was not disclosed on the Form U4 for Christopher McNamee:

- i. American Express Centurion Bank, \$14,401, 11/26/2010, #09cc30884e**

RESPONSE: Under the compliance and supervisory structure of the Firm during the review period, Mr. Zipper was the only person with oversight responsibility for different compliance activities,

Ms. Kerri Provenza
May 1, 2015

including ensuring that registered persons' Form U4 was current.a

The Firm has implemented a new compliance and supervisory structure to avoid this type of a situations in the future. Mrs. Alicia Mayi is now responsible for all U4 / U5 filings and she has implemented a new periodic attestation process.a

For the non-disclosed judgements/liens for Mr. Zipper, he provided the following explanation for a not disclosing the items on his U4:a

- i.a Mr. Zipper did not disclose this item because it is dated over 10 years ago and he considered a it lapsed. (see attached attestation)a
- ii. Mr. Zipper explained that this claim is being appealed in the courts, as evidenced by the a clerk of courts letter evidencing Mr. Zipper's appeal. Mr. Zipper's U4 will be updated to a reflect this potential judgment. (see attached attestation)a
- iii. Mr. Zipper explained that in 2010 he was working with Schochet Holding Company to a resolve the judgment, but this company went out of business and Mr. Zipper has not had a any contact with this company for 4 years. Mr. Zipper's U4 will be updated to reflect this a potential judgment. (see attached attestation).a

In the case of Mr. McNamee's non-disclosed item, the Firm was not aware of the issue. Mr. McNamee's U4 will be updated to reflect this judgment.

3.a EXCEPTION: *The firm was not in compliance with FINRA rule 4511 (General a Requirements) and Securities Exchange Act of 1934 240.17a-3 (Records to be made by a Certain Exchange Members, Brokers & Dealers)a*

The firm failed to correctly identify whether customer trades were solicited or unsolicited. Specifically, the staff identified 48 transactions that were marked as solicited on the trade blotter. However, each of the 48 transaction was accompanied by a non-solicitation statement, in contradiction of the solicited marketing on the trade blotter. These transactions were made on behalf of BancTrust accounts. The staff noted that there were a total of 235 transactions made in BancTrust accounts during the review period, which appeared to be inaccurately marked as solicited.

Additionally, the firm failed to comply with SEC Rule 17a-3(a)(6) with respect to accurately recording the time and order was received from a customer, including customers serviced by the registered representatives in the unregistered location of Caracas, Venezuela.

RESPONSE: The Firm noted a procedural error in the process of transmitting the order information to the custodian. This matter was discussed with the registered representatives and is not expected to be an issue in the future as orders are expected to be properly entered, documented, and supervised in the future.

As explained during the audit, a new procedure was immediately put into place where all orders, regardless of whether executed or not, are entered into a log with timestamp and all details. Currently, however, there are no longer registered representatives in Caracas, Venezuela. Dakota

Ms. Kerri Provenza
May 1, 2015

Securities has a sole branch, in Miami, FL. All the associates located in the Caracas offices have been de-registered and all trading and support activities of the firm are now performed from the Miami-Brickell office.

4.a EXCEPTION: The firm was not in compliance with NASD 3010 (Supervision).a

A review of the WSPs, revealed the following:

i.a Although the WSPs included policies and protocol for the designated principal to conduct inspections of registered and unregistered branch office locations, no inspections were conducted of the Venezuelan office location during the Review Period. From early 2014 through the end of the Review Period, a significant portion of the firm's revenue was derived from the activity stemming from the Venezuelan office location which shared space with the firm's foreign affiliated broker dealer, BancTrust. Despite the increased level of activity and apparent conflicts of interest, the firm's designated principal had not conducted an onsite inspection of this office.

ii. The firm failed to establish or implement WSPs designed to supervise trading and money movement activity in accounts as follows:

a. There were no WSPs to monitor activity in RVP/DVP accounts. The staff identified one account in which the RVP/DVP transaction resulted in a failed delivery of securities. The firm failed to evidence any review of the Daily Fails reports to ensure that the customer delivered the securities.

b.a The firm's CCO failed to implement and evidence the reviews of dealer-to-dealer transactions affected after receiving a cautionary letter from FINRA regarding ceasing of such activities. After receiving the cautionary letter, the firm affected at least 7 dealer-to-dealer transactions.

iii.a The firm failed to establish WSPs designed to adequately supervise the Outside Business Activities and Private Securities Transactions of its registered representatives located in Caracas, Venezuela. Specifically, 2 institutional traders located in Venezuela were dually registered with BancTrust Securities Casa de Bolsa, an affiliated Venezuelan Broker Dealer, through which they were authorized to affect securities transactions. The firm failed to evidence supervision of any possible private securities transactions affected by its registered representatives during the review period.

RESPONSE:

i.e As previously explained, the firm's designated supervisor had not conducted an onsite inspection of the Caracas office for the review period. The Head of Trading during most of the review period, Mauricio de la Torre, was scheduled to visit the Caracas office in 2014. This visit was postponed for different reasons. During the review period, associates were supervised by the designated supervisor from the Miami Home Office as an OSJ. Currently, however, there are no longer registered representatives / foreign associates in Caracas, Venezuela. Dakota Securities has a sole branch, in Miami, FL.



Exhibit BB

NOTICE OF ACCEPTANCE OF AWC

Certified, Return Receipt Requested

TO: Bruce Martin Zipper
[Redacted]
Miami, [Redacted]

FROM: FINRA, Department of Enforcement
5200 Town Center Circle
Tower 1, Suite 200
Boca Raton, FL 33486

DATE: April 22, 2016

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 2015046512101

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent (“AWC”) has been accepted by FINRA’s National Adjudicatory Council (“NAC”) Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the NAC pursuant to FINRA Rule 9216. A copy of the executed AWC is enclosed.

You are hereby reminded of your obligation, if currently registered, to immediately update your Form U4 (Uniform Application for Securities Industry Registration or Transfer) to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA in writing of any change of address or other changes required to be made to your Form U4. Please also note that this disciplinary action may change and/or advance the date by which you must complete your continuing education.

You will be notified by FINRA’s Registration and Disclosure Department regarding sanctions if a suspension has been imposed. If a fine has been imposed, you will be contacted by FINRA’s Finance Department regarding payment.

If you have any questions concerning this matter, please call me at 561-443-8015,

Sincerely,

Kevin D. Rosen
Senior Regional Counsel

Enclosure

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046512101**

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

**RE: Bruce Martin Zipper, Respondent
General Securities Principal
CRD No. 1019731**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A.e I hereby accept and consent, 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

Bruce Martin Zipper ("Zipper") entered the securities industry in 1981. At various times since 1981, Zipper was associated with FINRA members and obtained the following FINRA licenses: Series 7 (General Securities Representative), Series 4 (Registered Options Principal), Series 24 (General Securities Principal), Series 27 (Financial and Operations Principal) and Series 63 (State Agent). Since August 2004, Zipper has been associated with Dakota Securities International, Inc. ("DSI"). Zipper is subject to FINRA's jurisdiction because he is currently registered through a FINRA member.

RELEVANT DISCIPLINARY HISTORY

On or about January 27, 1989, FINRA accepted an Offer of Settlement wherein Zipper was censured and fined \$1,000, jointly and severally with Vanguard Securities. That firm, acting through Zipper, effected transactions in non-exempt securities while failing to maintain sufficient net capital to conduct a securities business.

On or about October 31, 1994, FINRA imposed a censure, \$5,000 fine and suspension from association with any FINRA member in any capacity for five business days, for Zipper's failure to honor an arbitration award. On or about April 17, 1995, the U.S. Securities and Exchange Commission sustained the sanctions.

On or about November 17, 1995, the Florida Department of Banking and Finance entered into a Stipulation and Consent Agreement. Zipper agreed to cease and desist from any and all future violations of Chapter 517, Florida statutes, and the rules thereunder, and pay a \$1,000 fine. Zipper violated the terms of his registration agreement, failed to timely notify the Department of a FINRA action, and failed to satisfy margin deficiencies in a manner prescribed by the Federal Reserve.

On or about November 24, 2009, the Florida Office of Financial Regulation entered into a Stipulation and Consent Agreement. DSI and Zipper were jointly and severally fined \$5,000 and required to amend DSI's written supervisory procedures to be consistent with its practices and comply with the independent testing requirements pursuant to NASD Rule 3011. DSI and Zipper had failed to provide independent testing of DSI's anti-money laundering compliance program in 2006 when Zipper had tested the program and failed to enforce DSI's written supervisory procedures.

OVERVIEW

While Zipper was associated with DSI, Zipper willfully failed to timely amend his Uniform Application for Securities Industry Registration and Transfer ("Form U4") to disclose three unsatisfied judgments against him.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2(c) of FINRA's By-Laws provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments which must be filed within thirty days after learning of the facts or circumstances giving rise to the amendment.

Since at least 2009, Disclosure Question 14M of Form U4 has read: "Do you have any unsatisfied judgments or liens against you?"

FINRA Rule 1122 provides that: "No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

Zipper failed to timely amend his Form U4 to disclose three judgments. First, on or about November 25, 2009, Sutter Holding Company, Inc. f/k/a Shochet Holding Company, Inc. ("SHC") obtained a Final Judgment of Attorney's Fees against Zipper in the amount of \$11,083. Zipper knew or should have known about this judgment on or about November 25, 2009. Second, on or about June 11, 2012, SHC obtained a Final Judgment Awarding Appellate Fees against Zipper in the amount of \$1,872, plus post-judgment interest. Zipper knew or should have known about this judgment on or around June 11, 2012. Third, on or about October 14, 2014, Fidelity Bank obtained a Final Judgment against Zipper in the amount of \$8,227.17, plus interest. Zipper knew or should have known about this judgment on or around October 14, 2014. Zipper knew that none of these three judgments against him had been satisfied. Despite his knowledge of these unsatisfied judgments, Zipper willfully failed to timely amend his Form U4 to disclose the judgments within 30 days of learning of each of them. Indeed, Zipper failed to update his Form U4 to disclose the first and third judgments until November 13, 2015. Zipper failed to update his Form U4 to disclose the second judgment until March 16, 2016.

As a result of the foregoing conduct, Zipper willfully failed to timely amend his Form U4 to disclose the judgments, in contravention of Article V, Section 2 of FINRA's By-Laws, and in violation of FINRA Rules 1122 and 2010.

B.o I also consent to the imposition of the following sanctions:o

- o A three-month suspension from association with any FINRA member in all capacities; and o
- o A fine in the amount of \$5,000.o

Respondent has submitted a sworn financial statement and demonstrated a limitedo ability to pay. In light of the financial status of Respondent, a fine of \$5,000 haso been imposed.

My limited ability to pay has been considered in connection with the monetary sanction imposed in this matter. I specifically and voluntarily waive any right to claim that I am unable to pay at any time hereafter the monetary sanction imposed in this matter.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any

FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

I understand that this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

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

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A.e To have a Complaint issued specifying the allegations against me;e
- B.e To be notified of the Complaint and have the opportunity to answer thee allegations in writing;e
- C.e To defend against the allegations in a disciplinary hearing before a hearing panel,e to have a written record of the hearing made and to have a written decision issued; ande
- D.e To appeal any such decision to the National Adjudicatory Council ("NAC") ande then to the U.S. Securities and Exchange Commission and a U.S. Court of e Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, 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.

I further specifically and voluntarily waive 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

I understand that:

- A.d 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.d If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C.d If accepted:
 - 1.d this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2.d this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3.d FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4.d I 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. I 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 my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D.d I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

04/17/16
Date (mm/dd/yyyy)

Bruce Martin Zipper
Bruce Martin Zipper, Resident

Accepted by FINRA:

04/22/2016
Date

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

Kevin D. Rosen

Kevin D. Rosen, Senior Regional Counsel
FINRA Department of Enforcement
5200 Town Center Circle
Tower I, Suite 200
Boca Raton, Florida 33486
Phone: (561) 443-8015; Fax (561) 443-7998
E-mail: kevin.rosen@finra.org

Exhibit "C"



Financial Industry Regulatory Authority

October 6, 2015

Sent via First Class U.S. Mail, Certified Mail No. 9314 8699 0430 0017 1683 22 and Sent via E-mail to bzipper@dakotasecurities.com

Mr. Bruce Zipper, Chief Executive Officer
Dakota Securities International, Inc.
1111 Brickell Avenue – Suite 2803
Miami, FL 33133

Sent via First Class U.S. Mail, Certified Mail No. 9314 8699 0430 0017 1686 29

Mr. Bruce Zipper

██████████
Miami, FL ██████████

RE: Examination No. 20150465121
Dakota Securities International, Inc. (CRD: 132700)
Bruce M. Zipper (CRD: 1018731)

Dear Mr. Zipper:

FINRA staff is conducting the above referenced matter to determine whether violations of the federal securities laws or FINRA, NASD, NYSE, or MSRB rules have occurred. In connection with the above mentioned matter we request that you appear at FINRA's Boca Raton Office, which is located at 5200 Town Center Circle, Tower 1, Suite 200, Boca Raton, FL 33486 at **9:00 a.m. on November 3, 2015** so that we may take your testimony under oath. This request is being made pursuant to FINRA Rule 8210.

Please note the following:

- Under FINRA Rule 8210, your client is obligated to appear as requested and to answer our questions fully, accurately, and truthfully. If after testifying your client becomes aware that any of her testimony was incomplete or inaccurate, your client must contact us promptly to supplement or correct it. A failure on your client's part to satisfy these obligations could expose him to sanctions, including a permanent bar from the securities industry.
- Your client may be accompanied and represented by counsel when we take her testimony.
- FINRA staff will consider assertions of common law testimonial privileges such as attorney-client privilege. Because FINRA is not a governmental agency, however, the Fifth Amendment privilege against self-incrimination does not apply in its investigations and proceedings. Refusing to answer a question based on an assertion of that privilege constitutes a violation of FINRA Rule 8210 and may expose your client to sanctions, including a permanent bar from the securities industry.

Investor protection. Market integrity.

5200 Town Center Circle
Tower 1, Suite 200
Boca Raton, Florida
33486

t 561 443 8000
f 561 443 7995
www.finra.org

Bruce M. Zipper
Examination No. 20150465121
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Page 2

- o Your client's testimony will be transcribed by a court reporter. FINRA staff will control the record and the reporter will not go off the record unless directed to do so by FINRA staff. Your client may ask to go off the record, and the FINRA employee(s) taking your client's testimony will determine whether or not to grant the request.
- o Pursuant to FINRA Rule 8210(f), the court reporter will not release the transcript of your client's testimony without FINRA authorization. If you or your client wishes to obtain the transcript, you may seek such authorization by sending a written request to the FINRA employee who took your testimony. FINRA Rule 8210(f) provides that for good cause the staff may deny the request to purchase a copy of the transcript. If the request is granted, you or your client may then purchase the transcript from the court reporter. If the request is denied, you or your client may still review the transcript at FINRA's offices. FINRA staff does not release copies of exhibits to testimony but they are available for review at FINRA's offices.
- o As a matter of policy, FINRA conducts its investigations on a non-public basis. Nonetheless FINRA may sometimes provide access to its investigative files to other regulatory and law enforcement authorities, and, if subpoenaed, to litigants in civil actions. In addition, pursuant to FINRA's Code of Procedure, FINRA is required to produce certain documents and transcripts to respondents during discovery. We will not entertain requests for confidential treatment of the record of your client's testimony or give your client notice of any subpoena or access request we receive that encompasses it.

* * *

Finally, this request should not be construed as an indication that FINRA staff has determined that any violations of federal securities laws or FINRA, NASD, NYSE, or MSRB rules have occurred. Please call me at (561) 443-8086 if you have any questions.

Sincerely,



Ryan Michienzi
Associate Principal Examiner

Report on the Examination of
DAKOTA SECURITIES INTERNATIONAL, INC.

The following have been brought to the attention of the appropriate firm personnel:

1.1 EXCEPTION:1

The firm was not in compliance with FINRA Rule 3310 (Anti-Money Laundering Compliance Program).1

DETAILS:1

A review of the Anti-Money Laundering Compliance Program ("AMLCP") for Dakota Securities International, Inc. ("Dakota" or "firm") in effect from March 18, 2013 through January 13, 2015 ("Review Period"), revealed the following deficiencies:1

- a. It appeared that the firm failed to establish and implement risk based procedures and controls reasonably designed to detect and report suspicious activity as required by FINRA Rule 3310(a). Specifically, the AMLCP was not designed to capture a series or patterns of suspicious transactions involving both securities and monetary transactions. Although the firm had various AML related exception reports, primarily involving money movements, the firm failed to provide evidence of reviews of these reports. The firm failed to establish a system to identify suspicious transactions, such as wash sales, or other potential manipulative activity. The firm failed to establish a process to trend and analyze transactions or exception report data in order to detect patterns of suspicious activity.
- b.1 It appeared that the firm did not fully comply with FINRA Rule 3310(b) by failing to perform adequate due diligence when opening correspondent accounts for foreign financial institutions as required by 31 CFR 1010.610(a) of the Bank Secrecy Act. Specifically, the firm failed to obtain the following account opening due diligence information for correspondent accounts:
 - The nature and duration of the firm's relationship with the foreign financial institution (14 of 14 accounts); and1
 - The type, purpose, and anticipated activity (including trading volume) of the foreign correspondent account (10 of 14 accounts);1In addition, the firm failed to provide its correspondent account holders (14 of 14 accounts) notice that the account may not be used to provide Banco Delta Asia and its affiliates or Commercial Bank of Syria and its affiliates with access to the firm as required by 31 CFR 1010.653 and 31 CFR 1010.655.
- c. A review of information and documentation relating to the firm's annual independent AML test revealed an apparent failure to comply with FINRA Rule 3310(c). Specifically, according to documentation produced by the firm, the firm's 2013 and 2014 annual AML test was not independent. Bruce Zipper, the firm's AML Compliance Officer, was involved in performing the 2013 and 2014 annual AML test. According to the rule, independent testing may not be conducted by1

- (1)1 A person who performs the functions being tested;1
- (2)1 The designated anti-money laundering compliance person; or1
- (3)1 A person who reports to a person described in either subparagraphs (1) or (2) above1

In addition, the 2013 and 2014 AML tests appeared inadequate since there was no evidence that customer accounts or AML exception reports were sampled and tested. According to documentation produced by the firm, each test appeared to be limited to an internal meeting including firm employees, Bruce Zipper, Christopher McNamee, Dianne Alexander, and Robert Lefkowitz.

2.1 EXCEPTION:1

The firm was not in compliance with FINRA By-Laws Article V Section 2 (Application for Registration), NASD Rule 3010 (Supervision), and NYSE Arca Equities Rule 6.13 (Disciplinary Action by Other Organizations).1

DETAILS:

The firm failed to implement written supervisory procedures and to ensure that registered persons' Form U4 were current. Specifically the firm failed to disclose unsatisfied judgments/liens against Bruce Zipper (CRD 1019731) and Christopher McNamee (CRD 4271195).1

The following three judgments/liens were not disclosed for Bruce Zipper:1

- 1: Creditor name: Translux Corporation
Amount: \$7,634
Filing Date: 8/17/2000
Filing Number: B19244P04071

- 2.1 Creditor name: Fidelity Bank
Amount: \$8,2271
Filing Date: 10/22/2014
Document Number: J140009248021

- 3.1 Creditor name: Schochet Holding Company
Amount: \$11,0831
Filing Date: 11/25/2009
Document Number: J110005975051

In addition, the following judgment/lien was not disclosed on the Form U4 for Christopher McNamee

- 4.1 Creditor name: American Express Centurion Bank
Amount: \$14,4011
Filing Date: 10/26/20101
Filing Number: 09CC308841

3.1 EXCEPTION:

The firm was not in compliance with FINRA Rule 4511 (General Requirements) and Securities Exchange Act of 1934 240.17a-3 (Records to be Made by Certain Exchange Members, Brokers & Dealers).1

DETAILS:

The firm failed to correctly identify whether customer trades were solicited or unsolicited. Specifically the staff identified 48 transactions that were marked as solicited on the trade blotter. However, each of the 48 transactions was accompanied by a non-solicitation statement, in contradiction of the solicited marking on the trade blotter. These transactions were made on behalf of BancTrust

accounts. The staff noted there were a total of 235 transactions made in BancTrust accounts during the review period, which appeared to be inaccurately marked as solicited.

Additionally, the firm failed to comply with SEC Rule 17a-3(a)(6) with respect to accurately recording the time an order was received from a customer, including customers serviced by the registered representatives in the unregistered location in Caracas, Venezuela.

4. the EXCEPTION: the

The firm was not in compliance with NASD Rule 3010 (Supervision). the

DETAILS:

A review of the firm's Written Supervisory Procedures ("WSP") that were in effect during the Review Period, revealed the following deficiencies:

1. the Although the WSPs included policies and protocol for the designated principal to conduct the inspections of registered and unregistered branch office locations, no inspections were conducted the of the Venezuelan office location during the Review Period. From early 2014 through the end of the the Review Period, a significant portion of the firm's revenue was derived from activity stemming the from the Venezuelan office location which shared space with the firm's foreign affiliated broker the dealer, BancTrust. Despite the increased level of activity and apparent conflicts of interest, the the firm's designated principal had not conducted an onsite inspection of this office. the
2. the The firm failed to establish or implement WSPs designed to supervise trading and money the movement activity in accounts as follows: the
 - a. There were no WSPs to monitor activity in RVP/DVP accounts. The staff identified one the account in which the RVP/DVP transaction resulted in a failed delivery of securities. The firm failed to evidence any review of the Daily Fails reports to ensure that the customer delivered the securities.
 - b. the The firm's CCO failed to implement and evidence the reviews of dealer-to-dealer transactions the affected after receiving a cautionary letter from FINRA regarding the ceasing of such activities. the After receiving the cautionary letter, the firm affected at least seven dealer-to-dealer the transactions. the
3. the The firm failed to establish WSPs designed to adequately supervise the outside business the activities and private securities transactions of its registered representatives located in Caracas, Venezuela. Specifically, two institutional traders located in Venezuela were dually registered with the BancTrust Securities Casa de Bolsa, an affiliated Venezuelan broker-dealer, through which they the were authorized to affect securities transactions. The firm failed to evidence supervision of any the possible private securities transactions affected by its registered representatives during the Review Period the

1. RECOMMENDATION:

Although the firm was able to provide evidence of prospectus delivery on the ETF transactions chosen for review, the staff recommends that the firm establish written supervisory procedures specifically related to prospectus delivery of ETF and Arca listed products



Exh. b, ↓ "CC"

August 10, 2015

Mr. Bruce Zipper, Chief Executive Officer
Dakota Securities International, Inc.
1111 Brickell Avenue – Suite 2803
Miami, FL 33133

**RE: Examination Disposition Letter
2015 Cycle Examination of Dakota Securities International, Inc.
Examination Number 20150434132
Firm CRD Number 132700**

Dear Mr. Zipper:

We would like to express our appreciation for the cooperation and courtesies extended to our examiners during our Financial/Operational and Sales Practice examination of your firm. During this examination, and as described in the attached Examination Report, we reviewed selected aspects of your firm's business and operations. As a result of our examination, Member Regulation has elected to take the following action(s).

Enforcement Referral

Exceptions 1, 3, and 4 as detailed in the Examination Report, have been referred to our Enforcement Department for further review and disposition.

Cautionary Action

With respect to Exception 2 in the Examination Report, Member Regulation hereby cautions the firm concerning these violations of securities rules and regulations. For your information, these matters need not be included in the Central Registration Depository nor must they be reported on Form BD or Form U4. However, since this is a cautionary action, in accordance with FINRA practice, it will be taken into consideration should a repeat violation occur in the future.

Please be advised that this letter pertains only to the specific reviews conducted by Member Regulation during this examination, and does not address, limit, or in any way impact any other matter(s) being reviewed by Member Regulation, other FINRA departments, or other regulatory agencies or any findings made in connection with any such matter(s).

Preventive compliance is an important area of emphasis for FINRA, thus one purpose of our examination program is to help members understand relevant securities rules and regulations. I hope we have been of help in this respect.

If you have any questions or comments regarding this examination or the examination process, please contact me at 561-443-8000.

EXHIBIT "D"



February 10, 2017

Sent via First Class U.S. Mail

Mr. Bruce Zipper, President
Dakota Securities Intl.
7428 S.W. 189 Street
Miami, FL 33157

Re: Examination Disposition Letter Exam #20150434132

Dear Mr. Zipper:

We received your letter dated January 27, 2017 requesting that we respond to certain questions regarding the Examination Report for the referenced matter.

Exception #2 as detailed in the Examination Report of June 29, 2015 was resolved with a cautionary action as explained in the disposition letter dated August 10, 2015. The Examination Report was specific to the examination of Dakota Securities. Please note that the language in the disposition letter informed the recipient that the matters related to this Exception need not be included in the Central Registration Depository nor must they be reported on Form BD or Form U4.

You were subsequently noticed on October 6, 2015, to appear for testimony under oath for Examination #20150465121. It was related to this examination that you ultimately entered into the Acceptance, Waiver and Consent dated April 22, 2016.

Enclosed we have provided the letter dated October 6, 2015.

Sincerely,

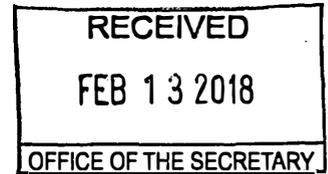
A handwritten signature in black ink, which appears to read "Yvette Q. Panetta /nw". The signature is written in a cursive, flowing style.

Yvette Q. Panetta
Deputy District Director

YQP/nw

Enclosure

February 8, 2018



Securities and Exchange Commission

Brent J. Fields, Secretary

100 F Street, N.E.

Washington, D.C. 20549

RE: In the Matter of the Application of Bruce Zipper

Administrative Proceeding No. 3-18256

Dear Mr. Fields:

Enclosed please find the original and three copies of Bruce Zipper's Brief Showing Additional Evidence in His Claim That Finra Erred in Forcing Mr. Zipper to Sign and Adhere to the AWC Dated April 22, 2016

Please contact me at [REDACTED] if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Bruce Zipper". The signature is written in a cursive style with a large initial "B".

Bruce Zipper

cc: Colleen Durbin