

Title: I've seen a few posts regarding Ascendant Capital LLC and their absolutely bogus valuation for GME. If that didn't tip you off that they might be short GME, here's proof that they have engaged in naked short selling and other reporting issues in terms of properly reporting their positions as short.

Author: disoriented\_llama

Created 2021-07-20 17:50:46 UTC

Permalink: /r/TheGloryHodl/comments/oo770z/ive\_seen\_a\_few\_posts\_regarding\_ascendant\_capital/

Url: <https://www.reddit.com/gallery/oIU7au>

Linked Post Content:

**Allegations:**

THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT CHARGED UNFAIR AND UNREASONABLE PRICES WITH FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS IN PRINCIPAL BASIS STOCK SALES MADE BY THE FIRM TO A CORPORATE CUSTOMER AND THEREBY, ACTING WITH SCIENTER, WILLFULLY VIOLATED SECTION 10(b) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10b-5. THE COMPLAINT ALLEGES THAT THE FACTS REGARDING THE FRAUDULENTLY EXCESSIVE PRICES AND FRAUDULENTLY EXCESSIVE MARKUPS ON THESE PRINCIPAL BASIS SALES OF COMPANIES' SHARES WERE MATERIAL FACTS THAT THE FIRM WAS REQUIRED TO DISCLOSE TO ITS CORPORATE CUSTOMER AND IT FAILED TO DISCLOSE THESE FACTS. THUS, THE FIRM OVERCHARGED ITS CUSTOMER \$140,000 FOR THESE STOCK PURCHASES. IN ADDITION, THE FIRM WAS A CONTROL PERSON OF A REGISTERED REPRESENTATIVE UNDER SECTION 20(a) OF THE EXCHANGE ACT IN CONNECTION WITH THE SALE OF THE COMPANIES' SHARES TO THE CORPORATE CUSTOMER, IN THAT THE FIRM HAD CONTROL OVER THE REPRESENTATIVE WHO WAS ITS HEAD TRADER. JUST AS THE FIRM ACTED WITH SCIENTER, THE REPRESENTATIVE ACTED WITH SCIENTER IN CONNECTION WITH THE SALES OF THE SHARES TO THE CUSTOMER. FOR AS HEAD TRADER, HE WAS AWARE OF ALL OF THE SCIENTER-RELATED FACTS OF WHICH THE FIRM ALSO WAS AWARE. ACCORDINGLY, IN ADDITION TO THE FIRM'S DIRECT AND PRIMARY LIABILITY FOR VIOLATIONS OF SECTION 10(b) AND RULE 10b-5, IT IS LIABLE FOR VIOLATIONS OF SECTION 10(b) AND RULE 10b-5 UNDER THE CONTROL PERSON PROVISIONS OF SECTION 20(a) OF THE EXCHANGE ACT. THE FIRM ALSO IS LIABLE FOR SECURITIES FRAUD UNDER THE DOCTRINE OF RESPONDEAT SUPERIOR, BY VIOLATING SEC RULE 10b-5 AND EXCHANGE ACT SECTION 10(b). THE FIRM VIOLATED FINRA RULES 2010 AND 2020. THE COMPLAINT ALSO ALLEGES THAT THE FIRM SOLD THE COMPANIES' SHARES TO ITS CUSTOMER IN THESE PRINCIPAL BASIS SALES AT PRICES THAT WERE EXCESSIVE, UNREASONABLE AND UNFAIR (AND HAD EXCESSIVE MARKUPS). THE COMPLAINT FURTHER ALLEGES THAT THE FIRM FAILED TO SUPERVISE REASONABLY THE ACTIVITIES OF THE REGISTERED REPRESENTATIVE FOR THE CORPORATE CUSTOMER'S ACCOUNT TO ACHIEVE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA. THE FIRM HAD THE RESPONSIBILITY, AUTHORITY, AND ABILITY TO SUPERVISE THIS REPRESENTATIVE'S ACTIVITIES AT THE FIRM. THE FIRM FAILED TO TAKE REASONABLE STEPS IN THE SUPERVISION OF THE REPRESENTATIVE IN CONNECTION WITH THE PRINCIPAL BASIS SALES BY THE FIRM OF STOCKS TO ITS CUSTOMERS. THE FIRM FAILED TO TAKE REASONABLE STEPS BOTH TO PREVENT CHARGING ITS CORPORATE CUSTOMER UNFAIR AND UNREASONABLE PRICES AND EXCESSIVE MARKUPS IN SUCH PRINCIPAL BASIS SALES AND TO PREVENT SECURITIES FRAUD IN THE SALE OF STOCKS TO THE CUSTOMER AT FRAUDULENTLY EXCESSIVE PRICES WITH

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FRAUDULENTLY EXCESSIVE AND UNDISCLOSED MARKUPS. IN ADDITION, THE COMPLAINT ALLEGES THAT THE FIRM FAILED TO HAVE ADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO REVIEW THE PRICES AND MARKUPS CHARGED BY IT TO CUSTOMERS IN PRINCIPAL BASIS SALES (INCLUDING SYSTEMS AND PROCEDURES TO ASSESS WHETHER SUCH PRICES AND MARKUPS COMPLIED WITH NASD RULE 2440 AND NASD IM-2440-1). MOREOVER, THE COMPLAINT ALLEGES THAT THE FIRM DID NOT HAVE POLICIES AND PROCEDURES REASONABLY DESIGNED TO RESTRICT OR LIMIT THE INFORMATION FLOW BETWEEN RESEARCH DEPARTMENT PERSONNEL AND OTHER PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL. IN ADDITION, THE FIRM FAILED TO SUPERVISE REASONABLY ITS RESEARCH DEPARTMENT TO ENSURE THAT THE RESEARCH DEPARTMENT DID NOT SHARE INFORMATION REGARDING THE ISSUANCE OR CONTENT OF A RESEARCH REPORT PRIOR TO PUBLICATION WITH TRADING DEPARTMENT PERSONNEL. ON AT LEAST THREE OCCASIONS, THE FIRM PROVIDED A COPY OF A RESEARCH REPORT TO ALL PERSONNEL AT THE FIRM, INCLUDING TRADING DEPARTMENT PERSONNEL, PRIOR TO THE RESEARCH REPORT'S PUBLICATION.

**Initiated By:** FINRA  
**Date Initiated:** 12/19/2017  
**Docket/Case Number:** [201403895201](#)  
**Principal Product Type:** Other  
**Other Product Type(s):** OVER THE COUNTER STOCKS  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Decision & Order of Settlement  
**Resolution Date:** 03/15/2018  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$60,000.00  
**Other Sanctions Ordered:** PROHIBITED FROM ENGAGING IN PRINCIPAL BASIS STOCK AND EQUITY TRADES WITH ITS CUSTOMERS AND CUSTOMER ACCOUNTS FOR 12

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Sanction(s) Sought:	
Resolution:	Settled
Resolution Date:	06/25/2015
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	FIRM HAS AGREED TO PAY THE MONETARY SANCTION IN THE AMOUNT OF \$20,000, UPON NOTICE THAT THIS OFFER HAS BEEN ACCEPTED AND THAT SUCH PAYMENTS ARE DUE AND PAYABLE ACCORDINGLY.

#### Disclosure 7 of 9

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO RECORD ALL TERMS AND CONDITIONS ON A CUSTOMER ORDER RECORD AND DOCUMENT TIME-IN-FORCE IN 39 INSTANCES; FAILED TO RECORD ALL TERMS AND CONDITIONS ON A CUSTOMER ORDER RECORD AND DOCUMENT THE CORRECT ORDER RECEIPT TIME IN TWO INSTANCES; AND FAILED TO MAINTAIN A COMPLETE ORDER RECORD WITH THE IDENTIFICATION OF THE CORRESPONDING CUSTOMER ACCOUNT NAME/ACCOUNT NUMBER IN FIVE INSTANCES. THE FINDINGS STATED THAT IN FIVE INSTANCES, THE FIRM ACCEPTED ORDERS FROM CUSTOMERS FOR EXECUTION IN THE PRE-MARKET SESSION OR POST-MARKET SESSION WITHOUT DISCLOSING TO SUCH CUSTOMERS THAT EXTENDED HOURS TRADING INVOLVES MATERIAL TRADING RISKS, INCLUDING THE POSSIBILITY OF LOWER LIQUIDITY, HIGH VOLATILITY, CHANGING PRICES, UNLINKED MARKETS, AN EXAGGERATED EFFECT

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FROM NEWS ANNOUNCEMENTS, WIDER SPREAD AND ANY OTHER RELEVANT RISK. IN FIVE INSTANCES, THE FIRM FAILED TO SUBMIT TO THE OVER-THE-COUNTER (OTC) REPORTING FACILITY THE CORRECT RELATED MARKET CENTER INDICATOR FOR A NON-TAPE REPORT. THE FIRM, ON 21 OCCASIONS, EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT WITHOUT: BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE, AND DOCUMENTING COMPLIANCE WITH SECURITIES EXCHANGE ACT OF 1934 RULE 203(b)(1) OF REGULATION SHO. THE FIRM EXECUTED 16 SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT, AND IN 16 INSTANCES, INCORRECTLY DESIGNATED ITS COMPENSATION AS "COMMISSION" ON A CUSTOMER CONFIRMATION FOR A TRANSACTION IN WHICH IT ACTED IN A PRINCIPAL OR RISKLESS PRINCIPAL CAPACITY. THE FIRM ALSO FAILED TO TRANSMIT 23,485 REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) OVER 342 BUSINESS DAYS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND/OR ENFORCE ADEQUATE POLICIES AND PROCEDURES RELATED TO COMPLIANCE WITH REGULATION NMS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING SUPERVISORY SYSTEM, PROCEDURES AND QUALIFICATIONS, ORDER HANDLING, BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, TRADE REPORTING, SALE TRANSACTIONS, OTHER TRADING RULES, AND OTHER RULES. THE FIRM ALSO FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS CONCERNING BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, AND OTHER RULES.

Initiated By:	FINRA
Date Initiated:	02/23/2015
Docket/Case Number:	<a href="#">2013035829502</a>
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	

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Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)

CONCERNING BEST EXECUTION, ANTI-INTIMIDATION/COORDINATION, AND OTHER RULES.

Initiated By: FINRA  
Date Initiated: 02/23/2015  
Docket/Case Number: 2013035829502  
Principal Product Type: Other  
Other Product Type(s): UNSPECIFIED SECURITIES  
Principal Sanction(s)/Relief Sought:  
Other Sanction(s)/Relief Sought:  
Resolution: Acceptance, Waiver & Consent(AWC)  
Resolution Date: 02/23/2015  
Sanctions Ordered: Censure  
Monetary/Fine \$52,500.00

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Other Sanctions Ordered:  
Sanction Details: THE FIRM WAS CENSURED AND FINED \$52,500.

#### Disclosure 8 of 9

Reporting Source: Regulator  
Current Status: Final  
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IN 20 INSTANCES, THE FIRM FAILED TO PROVIDE AN ORDER/EXECUTION RECORD CORRESPONDING TO AN APPARENT PROPRIETARY ORDER ENTERED INTO THE NASDAQ SYSTEM. THIS CONDUCT VIOLATED NASDAQ RULE 4511A AND SECURITIES EXCHANGE ACT OF 1934 RULE 17A-4. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR NASDAQ RULES. AT A MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR ABOVE-CITED MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: TRADE REPORTING; ENTERING THE CORRECT CAPACITY INTO THE NASDAQ EXCHANGE; AND OTHER TRADING RULES: LOCKING/CROSSING AN EXISTING NASDAQ QUOTE, ACCURACY AND INTEGRITY OF ORDERS ENTERED INTO THE NASDAQ SYSTEM, NASDAQ CLEARLY ERRONEOUS TRANSACTIONS, REVIEW AND DETECTION OF POTENTIAL ORDER ENTRY ISSUES, LONG/SHORT SELL ORDER ENTRY INTO THE NASDAQ SYSTEM. THIS CONDUCT VIOLATED NASDAQ RULES 2010A AND 3010.

Initiated By: NASDAQ STOCK MARKET  
Date Initiated: 02/12/2015  
Docket/Case Number: 2013035829501  
Principal Product Type: No Product  
Other Product Type(s):

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Principal Sanction(s)/Relief Sought:  
Other Sanction(s)/Relief Sought:  
Resolution: Acceptance, Waiver & Consent(AWC)  
Resolution Date: 02/12/2015  
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No  
Sanctions Ordered: Censure  
Monetary/Fine \$7,000.00