FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110260605

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

RE: Rodman & Renshaw, LLC ("Rodman" or the "Firm")
CRD No. 16415

William A. Iommi ("Iommi")
CRD No. 2388657

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Rodman and Iommi 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 the Firm or Iommi (collectively "Respondents") alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A. Respondents 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

Rodman

Rodman is a registered broker-dealer and has been a FINRA- regulated entity since 1986. Rodman is a full-service investment bank, providing corporate finance, strategic advisory and related services to public and private companies across multiple sectors and regions. Rodman also provides research, and sales and trading services to institutional investors.

Iommi

Iommi began working in the securities industry in 1968, when he became employed as a page on the floor of the New York Stock Exchange ("NYSE"). Between 1968 and 1993 he was employed at the NYSE and American Stock Exchange ("AMEX"), in a series of compliance and surveillance roles. After leaving the AMEX in 1993, he was employed in a variety of compliance roles while associated with three FINRA- regulated firms. In 2003, Iommi began working at Rodman as its Chief Compliance Officer ("CCO") where he remained employed as the CCO until his voluntary termination from the Firm on June 1, 2012. Iommi holds the following licenses: 8, 14, 24, 63, 65 and 87. Iommi is not currently employed in the securities industry.Pursuant to Article V, Section 4 of the FINRA By-laws, FINRA retains jurisdiction over Iommi until at least May 31, 2014.

RELEVANT DISCIPLINARY HISTORY

Rodman does not have any relevant disciplinary history, nor does Iommi.

OVERVIEW

Rodman

During the period from January 2008 through March 15, 2012 (the "Relevant Period"), the Firm failed to establish, maintain and enforce a system, including written supervisory procedures ("WSP") and training, reasonably designed to supervise the conflicts of interest arising from the interaction of its investment banking and research functions and achieve compliance with NASD Rule 2711. Specifically, during the Relevant Period, the Firm had supervisory deficiencies related to (i) interactions between its investment banking and research functions ("Information Barrier Procedures"), (ii) watch and restricted list procedures ("Watch and Restricted List Procedures"), (iii) research analyst compensation procedures ("Research Analyst Compensation Procedures"), and (iv) procedures for the adequate disclosure in research reports of its market making status in the subject company's securities ("Disclosure of Market Making Procedures").

As a result of its supervisory deficiencies in these areas, the Firm (i) failed to prevent research analysts from engaging in the solicitation of investment banking business in at least two instances, (ii)failed to prevent an individual engaged in investment banking activities from having influence or control over the compensatory evaluation of research analysts, (iii) paid compensation to a research analyst for his contribution to the Firm's investment banking business, (iv) failed to ensure that it adequately updated its Watch and Restricted Lists, and (v) published a research report without disclosing its market making activities in the subject company's securities.

Additionally, the Firm improperly published nine research reports within ten days following the date of an offering. By virtue of the conduct set forth herein, the Firm violated NASD Rules 3010, 2711(i), 2711(b)(1), 2711(d)(1), 2711(f)(1), 2711(h)(8) and 2110 and FINRA Rule 2010.

Iommi

During the Relevant Period, Iommi, Rodman's CCO, failed to ensure that the Firm established, maintained and enforced a system, including written procedures and training, reasonably designed to achieve compliance with NASD Rule 2711 and to ensure that the Firm adequately updated its watch and restricted lists.

By virtue of the conduct set forth herein, Iommi violated NASD Rules 3010, 2711(i) and 2110 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

A. Rodman and Iommi Failed to Establish, Maintain and Enforce A Supervisory System, including Written Procedures and Training, that was Reasonably Designed to Achieve Compliance with NASD Rule 2711 and to Ensure that the Firm Adequately Updated Its Watch and Restricted Lists

NASD Conduct Rule 3010(a) requires firms to "establish and maintain a system to supervise activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD rules." Under NASD Conduct Rule 3010(b), these systems must be documented in the firm's written supervisory procedures and enforced. The procedures must be tailored to the specific nature of the business engaged in by the firm,[1] and must put in place procedures for ensuring compliance and for detecting violations, and not merely set out what conduct is prohibited.

Iommi was responsible for the creation, implementation and enforcement of the Information Barrier Procedures, Watch and Restricted List Procedures, Research Analyst Compensation Procedures and Disclosure of Market Making Procedures. He also considered himself to be a direct supervisor of the research analysts.

1. Information Barrier Procedures

Rodman, through Iommi, failed to establish, maintain and enforce a supervisory system reasonably designed to address the conflicts of interest inherent in the relationship between its investment banking and research functions. Rodman's WSP were inadequate and not tailored to its business as required by NASD and FINRA Rules.In addition, Rodman and Iommi failed to implement and enforce the Firm's WSP and failed to

[1] See IM-3010-1.

provide any meaningful training or guidance to its research, investment banking, and compliance department employees on its relevant policies and procedures.

As set forth below, there were many improper communications by and interactions between registered personnel in the Firm's Investment Banking, Research, Capital Markets and Sales and Trading Departments. In many instances, Firm managers or members of the Compliance Department were aware of these improper communications.

a. Research Analysts Supported Investment Banking Efforts and Participated in Efforts to Solicit Investment Banking Business

NASD Rule 2711(c)(4) states that "No research analyst may participate in efforts to solicit investment banking business. Accordingly, no research analyst may, among other things, participate in any 'pitches' for investment banking business to prospective investment banking clients, or have other communications with companies for the purpose of soliciting investment banking business."

The Firm's WSP prohibited research analysts from promoting the Firm's investment banking services and participating in efforts to solicit investment banking business. However, until about February 3, 2010, these prohibitions were only stated in the "Research" section of the WSP. The Firm subsequently revised its WSP to include in the section on "Investment Banking" language prohibiting investment bankers from directing analysts to promote the Firm's investment banking business.

During the Relevant Period, Rodman research analysts participated in activities in support of the Firm's investment banking business. Members of Rodman's management, including Rodman's Director of Research ("DOR"), were aware of this conduct but did little, if anything, to correct and prevent it. Indeed, in one instance, as described below, a Firm manager directed a research analyst to speak to the management of a public company in an effort to solicit investment banking business.

For example, Rodman research analyst LF exchanged a series of emails in November 2009 with Rodman's DOR, JG, describing the progress of his efforts to solicit investment banking business from a Chinese company, Company 1 that was in the process of choosing an investment bank to complete its upcoming offering.

> *"By the way, I have been really working hard on [Company 1] over the past week and half. I hope this is the first company that I can 'help' to bring in a relationship. Right now we are at a stalemate against [a competing investment bank], which is a bad news since the company has 2 board directors who are [the competing investment bank's] allies. I am late to this particular game, but if we end up losing this one, I would be bitterly disappointed."*

The DOR responded to LF's email stating: *"[It] sounds like a difficult task, but maybe you can sell them on the concept of including more than 1 person..."*

A few months later on March 13, 2010, LF sent the DORan email in which he used code words to describe his efforts to solicit investment banking business from members of management of a different Chinese company, Company 2, which was choosing an investment bank for an upcoming offering. LF used the code words because he knew that as a research analyst it was improper for him to participate in efforts to solicit investment banking business:

> *"I have just reached out to the management. Here is where things stand. As of right now, they want to divide their love into two: 10 dollars of popcorn for us and 10 dollars of soda for the other guy, on two separate movie dates. But the other guy is providing much better accommodation to them than we are. The management is particularly upset that we are imposing much stricter criteria to them than we did to [another Chinese public company for which Rodman participated as a co-agent in an offering], such as a divorce settlement. They feel it's discriminatory and they feel insulted. In fact, our love was so tough that their CEO was leaning towards giving his whole love to the other guy. But the other members of the management have persuaded him to share his love. But their opinion is: if we want to even have 50 percent of the love, we've got to sweeten the pot, as the other guy is really showing them a lot of love."*

Ultimately, LF initiated research coverage of Company 2 in April 2010 with a Market Outperform rating. In January 2011, Company 2 announced a $10 million registered direct offering for which Rodman was the exclusive placement agent.

Another research analyst, AS, sent an email to the CEO of a covered company requesting a concealed fee for her efforts, including research coverage, after learning that the company chose a different investment bank to handle its upcoming offering.

> *"...When companies like the analyst covering the stock but don't have a strong relationship with the bankers or the firm – they have concealed the fees as a consulting fee or banking fee so that the analyst can get at least something for their effort."*

b. Chaperoned Communications, Research Requests and Requests for Vetting

During the Relevant Period, Rodman research analysts frequently engaged in communications with Rodman investment bankers that required chaperoning by the Compliance Department. In addition, Rodman investment bankers frequently made requests for research analyststo vet,or initiate research coverage of, a company, However, untilapproximately February 2, 2010, the Firm and Iommi, failed to include in the WSP any information regarding chaperoning communications, or vetting and research requests. In or around February 2010, the Firm's WSP were revised ("Revised WSP") to include procedures requiring chaperoning of communications between and among research analysts and members of the Investment Banking Department by the Compliance Department, as well as specific steps to be taken for "all" requests from Investment Banking for vetting by the Research Department. However, from

approximately February 2010 to March 15, 2012, the Firm failed to adequately implement and enforce the Revised WSP.

i. Vetting

Under the Revised WSP, as of February 3, 2010, all requests for a research analyst to vet a company had to be pre-approved by the DOR *and* the Compliance Department. The Revised WSP stated that if approval was granted, all communications regarding the subject company of the vetting request had to be made at the direction of the DOR. However, the Firm, through Iommi, failed to ensure that this procedure was implemented during the Relevant Period. As a result, without the DOR's direction, investment bankers communicated directly with research analysts, through Compliance Department chaperoned emails, regarding their requests to have analysts vet companies that were potential customers of Rodman's investment banking business. Additionally, the Revised WSP failed to include a description of what constituted vetting or what information was to be included in response to such a request.

ii. Research Requests

The Firm, acting through Iommi, failed to establish procedures for requests made to research analysts to initiate coverage of a company until approximately February 3, 2010 and then failed to implement its procedures once they were included in the RevisedWSP. The Revised WSP permitted only the DOR and senior management of the Investment Banking Department to conduct annual and semi-annual reviews of coverage decisions solely on an investment sector level to determine the sectors upon which it wanted to focus, e.g., healthcare or technology. The Revised WSP prohibited the DOR and senior management from reviewing company specific coverage decisions. However, Rodman analysts regularly responded directly to requests from investment bankers regarding company-specific research coverage during the Relevant Period. Indeed, the DOR, who also functioned as a research analyst, described his experience with research requests at Rodman:

> "*There were research requests that were made in companies that I covered that I would not have otherwise covered if a research request hadn't been made...Some of my coverage [was] allocated to names that were generated through research requests that I covered because they were generated through research requests. Not because I would have independently chosen them.*"

Thus, Rodman managers and employees routinely disregarded specific procedures designed to prevent other departments and employees from influencing research analysts' decisions about which companies to cover.

iii. Chaperoned Communications

During the Relevant Period, the Firm chaperoned communications between research analysts and investment bankers. However, during the period from January 2008 until February 2, 2010, the Firm and Iommi failed to include in the WSP policies and

procedures relating to the chaperoning of electronic and telephonic communications between research analysts and investment bankers. As of February 3, 2010, the Firm's Revised WSP included such procedures.

However, the Firm and Iommi failed to provide the Compliance Department employees responsible for chaperoning communications with adequate guidance about how to implement and enforce the relevant policies and procedures. Moreover, the Firm and Iommi failed to include this information in the section of the Revised WSP relating to the Research Department.

1. Electronic Communications

The Firm utilized a system to block direct electronic communications between research analysts and investment bankers (the "Email Blocking System"). The Email Blocking System intercepted and returned to the sender electronic communications sent or received between research analysts and investment bankers. The chaperoning practice at Rodman required investment bankers and research analysts to email communications intended for a member of the opposing department to the Compliance Department, after which, a compliance officer was expected to determine the appropriateness of the communication for the intended recipient, and, if appropriate, forward the communication. However, the Revised WSP provided little to no guidance as to what steps the compliance officer should take in making that determination.

Furthermore, the WSP and the Revised WSP did not prohibit employees outside the Investment Banking and Research Departments from forwarding email communications between individuals in those blocked departments. In effect, research analysts and investment bankers who were blocked from emailing each other directly could communicate without the knowledge of the Compliance Department through unblocked Rodman employees.

2. Telephone Communications

The Firm's practice was to prohibit investment bankers and analysts from communicating with each other by telephone without a chaperone from the Compliance Department, yet the Firm and Iommi failed to include those policies and procedures in the WSP or the Revised WSP.

c. ResearchAnalyst Compensation

During the period from 2008 until in or about the first quarter of 2011, Rodman analysts' compensation included a base salary, a bonus and a percentage of sales and trading commissions. The WSP and the Revised WSP prohibited the payment of a bonus, salary or any other form of compensation to a research analyst based on a "specific investment banking transaction." Furthermore, the WSP and the Revised WSP required the establishment of a compensation committee for the review and approval of research analyst compensation, which committee could not include representation by the Investment Banking Department (the "Research Analyst Compensation Committee"). During the Relevant Period, Iommi was a member of the Research Analyst

Compensation Committee. The WSP and Revised WSP excluded an analyst's contributions to investment banking business from consideration by the Research Analyst Compensation Committee when reviewing analyst compensation.

Despite the Firm's WSP and Revised WSP, which expressly excluded the consideration of analysts' contributions to investment banking business for purposes of determining compensation, Rodman analysts included such information in their self-evaluations for review by the Research Analyst Compensation Committee. The Firm and Iommi failed to take any steps to notify these analysts that such information was inappropriate for inclusion in the self-evaluations, or to train these analysts on the Firm's relevant policies and procedures. For example, in a December 2010 self-evaluation that was sent to the Firm's Compliance Department, Rodman analyst AS summarized her 2010 achievements and accomplishments, including that she "*[h]elped Corporate Finance sell ideas to mining companies*" and "*[t]raveled more than 80% of the time completing due diligence for the bankers.*" AS continued to summarize her 2010 achievements and accomplishments by noting that "*[m]ost of the mining deals done in 2010 were for companies that I initiated on long before the deals.*"

By failing to take steps to notify analysts who included their contributions to the Firm's investment banking business, the Firm allowed analysts to consider that they could be compensated for those contributions and exposed research analysts to an increased potential of investment banking influence.

d. The Firm's Email Review Procedures Were Inadequate to Detect and Prevent Violations of the Firm's Information Barrier Procedures

The Firm's email review procedures, as established and implemented by Iommi, were inadequate to capture communications evidencing potential violations of the Firm's Information Barrier Procedures. Iommi conducted the Firm's review of electronic communications using a system that scanned all Firm email for each business day and, based on a list of fifteen keywords and corresponding values assigned to those keywords, assigned an overall score to each message. Only messages that received a total score of forty points or more were reviewed by the Firm. Additionally, every week Iommi randomly selected one employee and reviewed all of that employee's email for one day during that week. Iommi had sole responsibility for the maintenance of the list of keywords and the corresponding value assigned to each keyword. However, the list of keywords was inadequate to capture communications evidencing potential violations of the Firm's Information Barrier Procedures. Thus, the Firm, through Iommi, failed to have an adequate supervisory system to review email and achieve compliance with NASD Rule 2711.

2. *Watch and Restricted List Procedures*

The Firm and Iommi failed to have a supervisory system, including written procedures and training, reasonably designed to ensure that its watch and restricted lists were adequately updated.[1]

During the period from 2008 to January 2010, the Firm's procedures relating to the maintenance and use of watch and restricted lists were included in four different sections within the WSP. Despite this repetition, the procedures failed to provide clear or complete guidance to employees regarding the timing and basis for adding a company to the watch or restricted lists.

The Firm's procedures failed to identify the individual(s) in the Investment Banking Department responsible for notifying the Compliance Department that the watch and restricted lists should be updated. The Firm also failed to identify with any specificity the triggers for updating the watch and restricted lists. Thus, the Firm, through Iommi, had an inadequate supervisory system, including written procedures and training, for updating its watch and restricted lists.

On February 3, 2010, the Firm revised its WSP to include further guidance to Rodman employees regarding the basis for adding a company to the watch or restricted lists.However, the additional guidance was inadequate for purposes of notifying employees about the circumstances under which they were required to notify the Compliance Department that a company should be added to the watch and restricted lists.

As a result of the Firm's supervisory deficiencies, during the Relevant Period, the Firm and Iommi failed to adequately update Rodman's watch and restricted lists. For example, on August 2, 2009a Rodman senior investment banker sent an email to other Rodman investment bankers reporting that Company B had completed a shelf filing and concluded negotiations for an engagement agreement between Rodman and Company B. Company B was not placed on the Watch List until August 12, 2009 and was not placed on the Restricted List until August 13, 2009. On August 14, 2009, Company B completed a registered direct offering raising $12 million for which Rodman served as the exclusive placement agent.

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[1] A restricted list identifies issuers about which a financial services company has material non-public information. The financial services company distributes this list to employees and prohibits employee and proprietary trades in the securities of listed issuers, and employees from soliciting or recommending trades in such securities. A watch list is similar to a restricted list in that it identifies issuers about which the financial services company has material non-public information. A watch list, however, is not distributed to employees; rather, the compliance or legal department uses it to monitor suspicious trades and to highlight possible insider trading violations.

3. *Firm Lacked Adequate Procedures to Ensure Disclosure of Its Status as a Market Maker on Research Reports*

NASD Rule 2711(h)(8) requires firms to "disclose in research reports if it was making a market in the subject company's securities at the time that the research report was published."

During the Relevant Period, the Firm's WSP and Revised WSP failed to include adequate procedures to ensure that the Firm disclosed its market making activities in research reports. Therefore, the Firm, through Iommi, failed to have a supervisory system, including written procedures and training, to govern the communication of the Firm's status as market maker to individuals or departments responsible for ensuring that the appropriate disclosures were included in research reports published by Rodman.

4. Inadequate Training

Rodman, through Iommi, failed to provide adequate training to employees of the Research, Investment Banking and Compliance Departments related to its Information Barrier Procedures and Watch and Restricted List Procedures. Rodman held an annual compliance meeting for all employees, however, the annual compliance meetings from 2008 to 2011 lasted from approximately 13 to 29 minutes and included a discussion of approximately six subjects. For example, the 2011 annual compliance meeting lasted approximately 14 minutes, most of which was spent on a discussion of the Firm's email review and surveillance procedures. Approximately three and a half minutes was spent on a discussion of the Firm's procedures relating to the interaction of the Firm's investment banking and research functions. Less than one minute was spent on reminding employees that Compliance had to chaperone meetings between employees in the Research and Investment Banking Departments and approximately two minutes was spent on a description of prohibited activities. No time was spent discussing the Firm's policies for the Watch and Restricted Lists Procedures. The only relevant training regarding the Firm's Information Barrier Procedures, Watch and Restricted List Procedures, Research Analyst Compensation Procedures, and Disclosure of Market Making Procedures that the Firm provided to its registered personnel was during the annual compliance meeting, except for those employees in the Research Department. During theperiod from 2009 to 2011, Iommi conducted an annual Rule 2711 Training Module for members of the Research Department, which consisted of distributing a single paged document with paraphrased excerpts of NASD Rule 2711.

By failing to have a supervisory system, including written procedures and training, reasonably designed to achieve compliance with NASD Rule 2711 and to ensure the Firm adequately updated its watch and restricted lists, the Firm and Iommi violated NASD Rules 3010, 2711(i) and 2110 and FINRA Rule 2010.

B. **Failure to Prevent an Individual Engaged In Investment Banking Activities from Having Influence or Control Over the Compensatory Evaluation of Research Analysts**

NASD Rule 2711(b)(1) provides that "no personnel engaged in investment banking activities may have any influence or control over the compensatory evaluation of a research analyst."

The Firm's WSP provided that The Research Analyst Compensation Committee was established to evaluate, review and approve, at least annually, the compensation of the Firm's research analysts. During the Relevant Period, Rodman's CEO was a member of the Firm's Research Analyst Compensation Committee despite being substantially engaged in the investment banking activities of Rodman, including participating in efforts to solicit, secure and negotiate investment banking deals and working with Rodman investment bankers to identify companies to be targeted by Rodman for the solicitation of investment banking business.

By allowing its CEO to be a member of the Research Analyst Compensation Committee while simultaneously engaging in investment banking activities, the Firm violated NASD Rules 2711(b)(1) and 2110 and FINRA Rule 2010.

C. **The Firm Paid Compensation to an Analyst for Contributions to the Firm's Investment Banking Business**

NASD Rule 2711(d)(1) states that "no member may pay any bonus, salary or other form of compensation to a research analyst that is based upon a specific investment banking services transaction."

In June 2008, Rodman paid $25,000 to analyst JG as part of JG's mid-year bonus for 2008. JG assisted in introducing Company A to Rodman via his relationship with an outside promoter and advisor to issuers, who was an advisor of Company A. On April 17, 2008, Company A announced that it had completed a $10 million financing through the sale of newly issued common stock for which Rodman acted as the sole placement agent. On April 23, 2008, Company A announced that it had completed a financing raising an additional $15.2 million for which Rodman again acted as the sole placement agent. In total Rodman earned over $1.1 million in fees for the two April 2008 transactions with Company A. Rodman paid JG $25,000 in connection with the Firm's investment banking transactions with Company A.

Thus, the Firm paid compensation to a research analyst based upon investment banking transactions in violation of NASD Rules 2711(d)(1) and 2110.

D. Publication of Research Reports Within Ten Days Following the Date of an Offering

NASD Rule 2711(f)(1) prohibits the publication of research reports regarding a company for which the firm acted as manager or co-manager of a secondary offering for ten calendar days following the date of that offering. During the period from January 2009 through April 2009, Rodman published nine research reports within ten days following the date of a secondary offering.

Thus, Rodman violated NASD Rules 2711(f)(1) and 2110 and FINRA Rule 2010 for publishing research reports on companies within ten days of participating in secondary offerings for those companies.

E. Failure to Disclose Market Making Activity in a Research Report

NASD Rule 2711(h)(8) requires that a member firm disclose if it was making a market in the subject company's securities at the time that a research report was published. The Firm and Iommi failed to have an adequate supervisory system, including written procedures and training, to govern the communication of the Firm's status as market maker to individuals or departments responsible for ensuring that the appropriate disclosures were included in research reports published by Rodman. As a result, on April 23, 2010, Rodman published a research report on a company, CN, and failed to disclose in the report that as of April 19, 2010, Rodman actively made a market in CN's securities.

Thus, Rodman violated NASD Rule 2711(h)(8) and FINRA Rule 2010 for failing to disclose in a research report that it engaged in market making activities in the subject company's securities.

B. Respondents also consent to the imposition of the following sanctions:

Rodman

- A censure;
- A fine in the amount of $315,000; and
- An undertaking that includes that the Firm shall:
  - Retain, within sixty (60) days of the date of the Notice of Acceptance of this AWC, an Independent Consultant, not unacceptable to FINRA staff, to conduct a comprehensive review of the adequacy of the Firm's policies, systems and procedures (written and otherwise) and training relating to the areas discussed in this AWC;
  - Exclusively bear all costs, including compensation and expenses associated with the retention of the Independent Consultant;

- Exclusively bear all costs, including compensation and expenses, associated with the retention of the Independent Consultant;
- Cooperate with the Independent Consultant in all respects, including by providing staff support. Rodman shall place no restrictions on the Independent Consultant's communications with FINRA staff and, upon request, shall make available to FINRA staff any and all communications between the Independent Consultant and the Firm and documents reviewed by the Independent Consultant in connection with his or her engagement. Once retained, Rodman shall not terminate the relationship with the Independent Consultant without FINRA staff's written approval; Rodman shall not be in and shall not have an attorney-client relationship with the Independent Consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the Independent Consultant from transmitting any information, reports or documents to FINRA;
- At the conclusion of the review, which shall be no more than 120 days after the date of the Notice of Acceptance of this AWC, require the Independent Consultant to submit to the Firm and FINRA staff a Written Report. The Written Report shall address, at a minimum, (i) the adequacy of the Firm's policies, systems, procedures, and training relating to the areas discussed in this AWC; (ii) a description of the review performed and the conclusions reached, and (iii) the Independent Consultant's recommendations for modifications and additions to the Firm's policies, systems, procedures and training; and
- Require the Independent Consultant to enter into a written agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any other employment, consultant, attorney-client, auditing or other professional relationship with Rodman, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the Independent Consultant is affiliated in performing his or her duties pursuant to this AWC shall not, without prior written consent of FINRA staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Rodman or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

Within sixty (60) days after delivery of the Written Report, Rodman shall adopt and implement the recommendations of the Independent Consultant or, if it determines that a recommendation is unduly burdensome or impractical, propose an alternative procedure to the Independent Consultant designed to achieve the same objective. The Firm shall submit such proposed alternatives in writing simultaneously to the Independent Consultant and FINRA staff. Within thirty (30) days of receipt of any proposed alternative procedure, the Independent Consultant shall: (i) reasonably evaluate the alternative procedure and determine

whether it will achieve the same objective as the Independent Consultant's original recommendation; and (ii) provide the Firm with a written decision reflecting his or her determination. The Firm will abide by the Independent Consultant's ultimate determination with respect to any proposed alternative procedure and must adopt and implement all recommendations deemed appropriate by the Independent Consultant.

Within thirty (30) days after the issuance of the later of the Independent Consultant's Written Report or written determination regarding alternative procedures (if any), Rodman shall provide FINRA staff with a written implementation report, certified by an officer of Rodman, attesting to, containing documentation of, and setting forth the details of the Firm's implementation of the Independent Consultant's recommendations.

Upon written request showing good cause, FINRA staff may extend any of the procedural dates set forth above.

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

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

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

Iommi

- A fine in the amount of $15,000;
- A suspension in all principal capacities for a period of 90 days; and
- Re-qualification by examination as a General Securities Principal.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 90 day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

I, Iommi, understandthat if I am barred or suspended from associating with any FINRA member in a principal capacity, 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 a principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

The fine shall be due and payable either immediately upon reassociation with a member firm following the ninety-day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I, Iommi, specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

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

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

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

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

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

We 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

We understand that:

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

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

C. If accepted:

1. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;

2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about our disciplinary records;

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

4. We 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. We 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. We may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we may not deny the charges or make any statement that is inconsistent with

the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The Firm certifies that it has read and understand all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that we 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 us to submit it.

Date

7/17/12

Respondent
Rodman & Renshaw, LLC

By: Edward Rubin
Name: Edward Rubin
Title CEO

Accepted by FINRA:

8-22-12
Date

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

R. A. Best

Richard R. Best
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
New York, NY 10281
Phone: 646-315-7308

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.

Date

7/16/12

Respondent
William A. Iommi, Sr.

Accepted by FINRA:

8-22-12
Date

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

Richard R. Best
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
New York, NY 10281
Phone: 646-315-7308