

FINRA Fines Enclave Capital for Inaccurate Books and Net Capital Violations

The Financial Industry Regulatory Association has fined New York-based broker-dealer Enclave Capital \$30,000 for its alleged failure to maintain accurate books and records and falling below the required \$250,000 net capital minimum, according to a letter of acceptance, waiver, and consent.

Enclave, who has no formal disciplinary history, serves as an intermediating U.S. broker on behalf of foreign broker-dealer clients and employs approximately 20 registered representatives.

From May 2014 through September 2014, the broker-dealer allegedly failed to accrue certain business-related expenses, and as a result, maintained an inaccurate general ledger and submitted five months of inaccurate FOCUS reports to FINRA.

FINRA alleges that Enclave failed to maintain its required minimum net capital of \$250,000 during various time periods between July 2014 and July 2015. The regulators said that Enclave had net capital deficiencies ranging from approximately (\$13,000) to (\$82,000) due to a loan repayment and their alleged failure to accrue certain business-related expenses.

Enclave violated 15(c) and 17(a) of the Exchange Act and FINRA Rules 4511 and 2010. Enclave signed the AWC letter without admitting or denying the findings.

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