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## **FINRA Fines Barclays \$3.75 Million for Systemic Record and Email Retention Failures.**

WASHINGTON - The Financial Industry Regulatory Authority (FINRA) announced today that it fined Barclays Capital Inc. \$3.75 million for systemic failures to preserve electronic records and certain emails and instant messages in the manner required for a period of at least 10 years.

Federal securities laws and FINRA rules require that business-related electronic records be kept in non-rewritable, non-erasable format (also referred to as "Write-Once, Read-Many" or "WORM" format) to prevent alteration. The Securities and Exchange Commission has stated that these requirements are an essential part of the investor protection function because a firm's books and records are the "primary means of monitoring compliance with applicable securities laws, including antifraud provisions and financial responsibility standards."

FINRA found that from at least 2002 to 2012, Barclays failed to preserve many of its required electronic books and records—including order and trade ticket data, trade confirmations, blotters, account records and other similar records—in WORM format. The issues were widespread and included all of the firm's business areas, thus, Barclays was unable to determine whether all of its electronic books and records were maintained in an unaltered condition.

Brad Bennett, Executive Vice President and Chief of Enforcement, said, "Ensuring the integrity, accuracy and accessibility of electronic books and records is essential to a firm's ability to meet its compliance obligations. The format errors in this case made it nearly impossible for Barclays to verify that these key materials remained in an unaltered condition."

FINRA also found that from May 2007 to May 2010, Barclays failed to properly retain certain attachments to Bloomberg emails, and additionally failed to properly retain approximately 3.3 million Bloomberg instant messages from October 2008 to May 2010. In addition to violating FINRA, SEC and NASD rules and regulations, this adversely impacted Barclay's ability to respond to requests for electronic communications in regulatory and civil matters.

Finally, Barclays failed to establish and maintain an adequate system and written procedures reasonably designed to achieve compliance with SEC, NASD, and FINRA rules and regulations, as well as to timely detect and remedy deficiencies related to those requirements.

In concluding this settlement, Barclays neither admitted nor denied the charges, but consented to the entry of FINRA's findings.

The investigation was conducted by Eric Adams and Katrina Laperuta, under the supervision of Michael Choi and Richard Best.

Investors can obtain more information about, and the disciplinary record of, any FINRA-registered broker or brokerage firm by using FINRA's BrokerCheck. FINRA makes BrokerCheck available at no charge. In 2012, members of the public used this service to conduct 14.6 million reviews of broker or firm records. Investors can access BrokerCheck at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or by calling (800)

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