

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20050022579-01**

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REGISTRATION & DISCLOSURE

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

RE: Bulltick, LLC, Respondent
Broker-Dealer
CRD No. 104005

Pursuant to NASD Rule 9216 of the FINRA Code of Procedure, Bulltick, LLC (the "firm") submits 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 alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, 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:

The firm has been a member of FINRA (f/k/a NASD) since September 26, 2000 and its registration remains in effect. The firm does not have any relevant disciplinary history.

In connection with 20050022579, the staff of FINRA's Department of Market Regulation conducted a review of the CQS equity transactions that the firm reported to the Nasdaq Market Center during the period August 1, 2005 through August 31, 2005 (the "review period").

1. The firm failed to report the time of execution through the Nasdaq Market Center in 49 last sale reports in eligible securities. The firm failed to report to the Nasdaq Market Center the correct symbol indicating whether the transaction was a buy, sell, sell short, sell short exempt or cross for 44 transactions in eligible securities. The firm also failed to report to the Nasdaq Market Center the correct symbol indicating whether the firm executed 18 transactions in eligible securities in a principal or agency

capacity. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).

2. The firm failed, within 90 seconds after execution, to transmit through the Nasdaq Market Center two last sale reports of transactions in eligible securities. The firm also failed, within 90 seconds after execution, to transmit through the Nasdaq Market Center one last sale report of a transaction in an eligible security and failed to designate through the Nasdaq Market Center the last sale report as late. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6420(a).
3. The firm reported through the Nasdaq Market Center 46 last sale reports of transactions in eligible securities it was not required to report. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6420(b).
4. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA, concerning trade reporting. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) a statement of the supervisory step(s) to be taken by the person(s) responsible for supervision of the applicable rules and (2) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes violations of NASD Conduct Rules 2110 and 3010.

B. The firm also consents to the imposition of the following sanctions:

A censure; a fine of \$10,000 (consisting of a \$5,000 fine for the trade reporting violations and a \$5,000 fine for the supervision violations); and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph I.A.4.

Within 30 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the Respondent shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph I.A.4 ; and, (3) the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives 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.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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

The firm understands 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 NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. The firm 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. The firm 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 the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it 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 understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's 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 the firm to submit it.

11/12/07.
Date

Respondent
Bulltick, LLC

By: 

Name: Catalina Cadavid

Title: Chief Compliance Officer

Reviewed by:

Attorney Name

Accepted by FINRA:

12/12/07
Date

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



Thomas R. Gira
Executive Vice President
Department of Market Regulation

November 12, 2007

FINRA
Market Regulation Department
9509 Key West Avenue
Rockville, MD
20850-3329

Re: **Corrective Action Statement**

This corrective action statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

Bulltick has amended procedures for trade reporting and trade reporting supervision. A new trade reporting manual was drafted and distributed to all employees responsible for complying with trade reporting rules. Educational sessions were conducted with traders and supervisors. New procedures were implemented on June 1, 2007 and drastic changes were done to the supervisory system of the reporting activity.

Furthermore, Bulltick has implemented a program in which traders are fined for reporting late and as-of trades. The following is the language that is used in a letter sent to all employees informing them of the late reporting penalties:

For late reporting on TRACE and ACT:

\$50 for every late report the first time

\$100 for every late report the second time

\$200 for every late report the third time

3 day suspension without pay for making late reports more than 4 times in a 12 month period.

Every sanction fine and censure will be reported to the employee's file and can go against his/her record. Please make sure you read and understand the written supervisory procedures and that you are familiar with industry rules and regulation.

Not knowing the rules will be NO excuse.

An excerpt from the trade reporting manual regarding late trade reporting and supervision is attached.

Please feel free to contact me at (305) 533-1541 if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Catalina Cadavid', with a large, stylized flourish at the end.

Catalina Cadavid
Chief Compliance Officer
Bulltick Capital Markets
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