

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006006958101**

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

RE: Bulltick LLC
BD No. 104005

Javier Guerra
(CRD 4166443)

Victor Robles
(CRD 4490918)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondents Bulltick LLC, Javier Guerra, and Victor Robles 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 Bulltick LLC, Javier Guerra, or Victor Robles alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Bulltick LLC, Javier Guerra, and Victor Robles 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

Bulltick LLC has been registered as a broker-dealer with FINRA since September 2000. Bulltick is wholly-owned by Bulltick Capital Markets, LP. Bulltick's main office is in Mexico City, Mexico. The firm maintains branch offices in Miami, Florida, Sao Paulo, Brazil, Buenos Aires, Argentina, and Bogota, Colombia. The firm's main business is to act in an agency capacity for its customers in Latin America and Europe, assisting customers with conversions of United States listed ADRs with corresponding foreign traded securities. As of December 22, 2010, the firm had 31 registered representatives.

Javier Guerra ("Guerra") first became registered as a Series 27 Financial and Operations Principal (FINOP) in February 2000. He was registered as a FINOP with Bulltick from February 2000 until March 9, 2009, when he ceased working for Bulltick.

Victor Robles ("Robles") is an Accountant for Bulltick. He first became registered as a Series 28 Introducing Broker-Dealer/Financial and Operations Principal in September 2001 and has been registered in the same capacity with Bulltick since April 2005. He reported to Guerra.

RELEVANT DISCIPLINARY HISTORY

In July 2006, Bulltick was censured and fined \$10,000 by the National Futures Association for failing to timely file the firm's financial reports for the period of June 2003 to September 2005. In September 2006, pursuant to Letter of Acceptance, Waiver and Consent No. E0620040146101, Bulltick was censured and fined \$10,000 for failing to fully comply with the requirements of its AML program and violated NASD recordkeeping requirements by opening bank accounts that did not fully comply with the firm's CIP requirements. In December 2007, pursuant to Letter of Acceptance, Waiver and Consent No. 2005002257901, Bulltick was censured and fined \$10,000 by FINRA for trade reporting violations and for supervision violations. In that matter, the firm undertook to revise its written supervisory procedures. In September 2008, pursuant to Letter of Acceptance, Waiver and Consent No. 2007010658001, Bulltick was censured and fined \$7,500 by FINRA for failing to transmit trades to a NASDAQ trade reporting facility within 90 seconds after execution during the period January through April 2007.

Guerra and Robles have no relevant disciplinary history.

OVERVIEW

From February 23, 2006 to April 30, 2007, Bulltick failed to provide timely notice either prior or subsequent to making certain unsecured loans, as required under SEC Rule 15c3-1(e)(1). Bulltick did not provide prior notice on 70 occasions and did not provide subsequent notice on 12 occasions. Robles and Guerra were responsible for providing that notice on behalf of Bulltick. From May 2005 through May 2006, Bulltick failed to maintain adequate net capital as required under SEC Rule 15c3-1(a). During that period, the firm's net capital deficiencies ranged between at least \$900,000 to at least \$13.7 million. Between February 2005 and through April 2006, Bulltick paid transaction-based compensation to a nonregistered foreign person without meeting the necessary conditions under NASD Rule 1060(b). Between May 2005 and September 2006, Bulltick failed to adequately maintain certain books and records as required under NASD Rule 3110. Between May 2007 and March 2009, Guerra engaged in an outside business activity while at Bulltick without providing notice to the firm in writing about that outside business activity. Finally, from February 2006 to April 2007, the firm failed to maintain adequate supervisory systems and failed to adequately supervise employees in the filing of notices required under SEC Rule 15c3-1(e)(1) and SEC Rule 15c3-1(a).

FACTS AND VIOLATIVE CONDUCT

Failure to Provide Timely Notice

Rule 15c3-1(e)(1) promulgated under the Securities and Exchange Act of 1934, required Bulltick to provide FINRA, its "Examining Authority," (i) two-days notice *prior* to making any loans to its parent that exceeded, in the aggregate in any 30 calendar day period, 30 percent of its excess net capital and (ii) two-days notice *after* making any loan to its parent that exceeded, in the aggregate in any 30 calendar day period, 20 percent of its excess net capital.

From February 23, 2006 through April 30, 2007, Bulltick made certain unsecured loans to its parent that exceeded the parameters set forth in SEC Rules 15c3-1(e)(1)(i) and (ii), thereby triggering its reporting obligation. From time to time during this time period, Bulltick, through Guerra and Robles provided notices to FINRA at the beginning of the month of loans that it anticipated making during the course of the month. However, these notices did not comply with the requirements of Rule 15c3-1(e)(1). Accordingly, Bulltick did not provide adequate advance notice of loans that exceeded the 30 percent threshold on 70 separate occasions and did not provide subsequent notice of unsecured loans that exceeded the 20 percent threshold on 12 separate occasions. Both Guerra and Robles, as FINOPs at Bulltick, were responsible for providing the required notices on behalf of Bulltick but failed to do so.

As a result of the foregoing conduct, Respondent Bulltick violated Rules 15c3-1(e)(1)(i) and (ii) of the Securities Exchange Act of 1934 and NASD Rule 2110 and Respondents Guerra and Robles violated NASD Rule 2110 by causing a violation of Rules 15c3-1(e)(1)(i) and (ii) of the Securities Exchange Act of 1934.

Operating with a Net Capital Deficiency

SEC Rule 15c3-1(a) requires every broker or dealer to have and maintain a certain level of net capital. In years 2005 and 2006, Bulltick was required to maintain a net capital requirement of \$100,000. From the month ended May 31, 2005 through the month ended May 31, 2006, Bulltick initially reported having net capital each reporting period ranging from a low of \$1,298,359 to a high of \$7,503,204. As Bulltick discovered in 2010, it had inadequate excess net capital between May 2005 and May 2006 because it failed to include in its net capital calculation certain positions in Latin American and other debt securities held in Firm accounts at its clearing firms. Bulltick did not report these positions as assets on its balance sheet or apply haircuts to these positions in its computation of net capital.

Because of these errors, from the period May 2005 to May 2006, Bulltick's net capital deficiencies ranged from at least \$900,000 to at least \$13.7 million. By mid-September 2006, all of the positions relevant to the net capital deficiency had either paid down their principal or were sold by the firm.

As a result of the foregoing conduct, Respondent Bulltick violated SEC Rule 15c3-1(a) and NASD Rule 2110.

***Payments of Transaction-based Compensation to Nonregistered Foreign Persons
without Meeting Necessary Conditions***

NASD Rule 1060(b) allows a firm to pay a nonregistered foreign person transaction related compensation only if, among other things, the firm has assured itself that the finder is not required to register as a broker-dealer, the customer received a document that discloses the compensation arrangement, payments to the finder are reflected in the firm's books, and confirmation of each transaction indicates that a finder's fee is being paid.

In 2005, Bulltick engaged in securities transactions in which the commissions for these transactions were split between Bulltick and a nonregistered foreign person with the nonregistered foreign person usually receiving 90 percent of the commissions and Bulltick getting the balance. In addition to making the initial referrals, the nonregistered foreign person, along with Bulltick, among other things, negotiated the terms of the transactions which Bulltick then executed. Bulltick also did not properly reflect the payment to the finder on the firm's books and records and also did not disclose the compensation arrangement as required.

As a result of the foregoing conduct, Respondent Bulltick violated NASD Rules 1060(b) and 2110.

Failure to Report Outside Business Activities (Guerra)

NASD Rule 3030 prohibits persons registered with a member firm from being employed by or accepting compensation from any other person as a result of any business activity, other than passive investment, unless the registered individual has provided prompt, written notice to the member. From May 2007 until March 2009, Guerra engaged in outside investment activities through a limited liability company that used Bulltick's address. He did not provide prompt written notice of these business activities to Bulltick. Respondent Guerra therefore violated NASD Rules 3030 and 2110.

Failure to Adequately Maintain Books and Records

NASD Rule 3110 requires that each member "shall make and preserve books, accounts, records, memoranda and correspondence in conformity with applicable rules..." Bulltick did not maintain adequate books and records concerning the transactions and payments to the nonregistered foreign person including (1) documents related to the processing of the transactions, such as electronic or paper order tickets and trade confirmations; (2) documents evidencing supervision of the processed transactions; (3) a fully executed copy of the Consulting Agreement negotiated by the firm with the nonregistered foreign person; and (4) correspondence concerning the splitting of transaction-based commissions.

Bulltick also did not maintain adequate books and records concerning proprietary positions held by the firm at two separate clearing firms between May 2005 and September 2006. This includes but is not limited to: (1) failing to reflect the positions on any internal books and records of the firm; (2) failing to maintain documents related to the processing of the transactions

such as the electronic or paper order tickets and the trade confirmations; (3) failing to maintain documents related to the supervision of the transactions; and (4) failing to appropriately reflect the firm's liabilities and assets on financial documentation maintained by the firm.

As a result of the foregoing conduct, Respondent Bulltick violated NASD Rules 3110 and 2110.

Failure to Maintain Adequate Supervisory Procedures and Systems

NASD Rule 3010(a) requires that each member "establish and maintain a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with the Rules of this Association." In February 2006, NASD staff advised Bulltick that its procedures related to the SEC Rule 15c3-1(e) were not reasonably designed to achieve compliance with that rule and needed to be amended. Between February 2006 and April 2007, the firm failed to amend its procedures to establish supervisory procedures reasonably designed to ensure compliance with SEC Rule 15c3-1(e).

As a result of the foregoing conduct, Respondent Bulltick violated NASD Rules 3010 and 2110.

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

Bulltick:

Censure, and Fine of \$300,000.

Guerra:

Fine of \$20,000, and suspension from association with any member firm in any capacity for 10 business days.

Robles:

Fine of \$10,000 and suspension from association with any member firm in any capacity for 5 business days.

Respondents agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. They have submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondents Guerra and Robles understand that if they are barred or suspended from associating with any FINRA member, they become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, they may not be associated with any FINRA member in any capacity, including

clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents Bulltlick, Guerra and Robles specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations;
- 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, Respondents Bulltlick, Guerra and Robles specifically and voluntarily waive any right to claim bias or prejudice 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.

Bulltlick, Guerra and Robles 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

Respondents 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 Bulltick, Guerra, or Robles; and
- C. If accepted:
 - 1. This AWC will become part of each Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Bulltick, Guerra, or Robles;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about their disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313;
 - 4. Respondents 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. Respondents 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 Respondents' rights to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party;
- D. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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.

Respondents certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that they 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 them to submit it.

Date

Javier Guerra

Date

Victor Robles

Date 03/07/11

Respondent
Bulltick, LLC

By: Joami Schaefer, cco

Reviewed by:

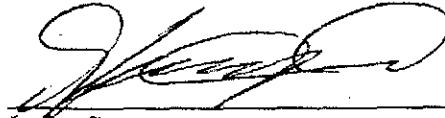
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March 8, 2011
Date


Javier Guerra

Date

Victor Robles

Date

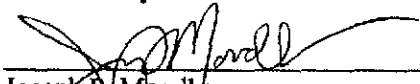
Respondent
Bulltick, LLC

Reviewed by:

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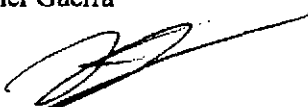
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Date

March 4, 2011
Date

Javier Guerra



Victor Robles

Date

Respondent
Bulltick, LLC

Reviewed by:

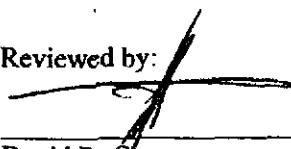
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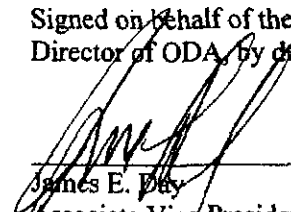


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Accepted by FINRA:

3/22/11
Date

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



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