

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011678303**

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

RE: Brookville Capital Partners LLC, Respondent, formerly known
as New Castle Financial Services LLC
BD No. 102380

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Brookville Capital Partners LLC, formerly known as New Castle Financial Services LLC (also referenced as "New Castle," the "Firm," or "Respondent") 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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:

BACKGROUND

1. New Castle has been registered as a broker dealer with FINRA and the Securities and Exchange Commission ("SEC") since August 2000. At all relevant times, the Firm has conducted securities transactions for retail customers and engaged in private placements. The Firm's main office is in Uniondale, New York. The Firm currently has two branch offices and approximately 40 registered persons.

RELEVANT DISCIPLINARY HISTORY

2. On August 18, 2008, the Connecticut Department of Banking entered a Consent Order against New Castle in Case No. CO-2008-7486-S, based on allegations that the Firm operated an unregistered branch office in Connecticut, employing at least four individuals who were not registered,

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and offering and selling securities to four Connecticut residents and allowing one resident to pre-sign incomplete forms. Pursuant to that Order, (a) various restrictions were placed on the Firm's conduct of business in Connecticut, and (b) the Firm was fined \$50,000. The Firm has no other relevant disciplinary history.

OVERVIEW

3. From October 2005 through August 21, 2008, New Castle, acting through SK, the Firm's Chief Compliance Officer ("CCO"), failed to establish and implement an adequate Anti-Money Laundering ("AML") program and related procedures, adequately identify, investigate and respond to red flags of suspicious activities, timely file a Suspicious Activity Report, and for 2006, failed to provide AML training for Firm personnel.
4. From September 2007 through March 2008, New Castle, acting through Charles Duff ("Duff"), a registered representative of the Firm, improperly facilitated the distribution of approximately 20 million shares of various unregistered securities. New Castle, acting through Duff and SK, should have, but failed to, perform adequate searching inquiries and take necessary steps to ensure that the transactions did not involve distributions of unregistered securities and/or restricted securities.
5. In December 2007, New Castle, acting through Anthony Lodati ("Lodati"), a registered representative and principal of the Firm, sold securities to 50 public investors using a private placement memorandum that omitted to disclose a convicted felon's association with the issuer, a material fact to any reasonable investor.
6. From approximately August 1, 2006 through February 1, 2007, New Castle, acting through Michael Reilly ("Reilly"), a registered representative of the Firm, operated an unregistered branch office in Danbury, Connecticut, in violation of the restriction on business expansion contained in its membership agreement.
7. At various times from June 2008 through October 2009, New Castle, acting through various Financial and Operations Principals ("FINOPs"), failed to maintain accurate financial books and records, filed inaccurate Financial and Operational Combined Uniform Single ("FOCUS") reports, and operated a securities business while under minimum net capital requirements.
8. During the period November 8, 2006 through March 1, 2007, New Castle, acting through registered representative Jesse Hinkley ("Hinkley"), who was located in the unregistered Connecticut branch office, engaged in improper telephone solicitations by making materially false representations and omitting material facts, in connection with the offer of

securities, and by using misleading telemarketing scripts that were not approved by a registered principal.

9. The Firm, acting through SK and certain other compliance officers, also failed to:

- Forward to an escrow agent customer funds received in connection with seven contingency offerings by noon of the next business day after receipt of such funds during the period September 2007 through March 2008;
- Adequately review and approve customer correspondence from October 15, 2007 through March 31, 2008;
- Timely and accurately report customer complaints for the periods January 25, 2007 through March 31, 2008 and September 1, 2008 through May 1, 2009;
- Timely update Uniform Applications for Securities Industry Registration or Transfer (Forms U4) and Uniform Termination Notices for Securities Industry Registration (Forms U5) for the periods January 1, 2007 through March 31, 2008 and September 1, 2008 through May 1, 2009;
- Comply with the Firm Element of the Continuing Education Requirement for calendar year 2006;
- Conduct an annual compliance meeting in 2006; and
- Establish an adequate business continuity plan during the period October 2007 through March 2008, and consequently, lost access to certain customer records upon termination of its relationship with a particular clearing firm.

10. From February 2005 through May 2009, additional supervisory deficiencies were as follows:

- From February 2005 through August 2008, New Castle's written supervisory procedures failed to establish adequate procedures for review of producing managers' customer account activities.
- Before March 14, 2008, the Firm failed to have written procedures for identifying producing managers that should be subject to heightened supervision and then from March 12, 2008 through June 2008, failed to place producing managers Kevin Brennan ("Brennan") and JC on heightened supervision.

- From August 2006 through June 2008, New Castle, acting through various individuals, MP (from August 2006 to around January 2008, while he was President of the Firm), Lodati (from February to June 2008, who has been President of the Firm since February 2008), and SK (from August 2006 to August 2008), failed to (a) clearly assign each registered person to an appropriately registered representative and/or principal responsible for supervising that person's activities, and (b) designate principals with actual authority to carry out the supervisory responsibilities over the Firm's business.
- From August 1, 2006 through February 1, 2007, New Castle, acting through supervising principal Brennan, failed to reasonably supervise registered representatives Reilly, Hinkley and GD, who worked out of the unregistered Connecticut branch office.
- From August 1, 2006 through February 1, 2007, New Castle, acting through MP and SK, failed to establish and maintain a supervisory system reasonably designed to supervise the sales activities of Firm personnel conducted outside of the Firm's registered offices.
- From January 4, 2007 through April 3, 2008, New Castle, acting through SK, failed to implement adequate procedures to ensure that the Firm did not telephone persons who stated they did not wish to receive calls and/or who registered on the national do-not-call registry. During that time period, the Firm, acting through SK, also failed to adequately update and maintain a do-not-call list.
- From September 2007 through March 2008, New Castle, acting through Lodati and SK, failed to establish and maintain a supervisory system for determining whether customer securities were properly registered or exempt from registration.
- During the period January 2006 through April 31, 2009, the Firm, acting through various supervisors, failed to perform required heightened supervision over 14 individuals.

FACTS AND VIOLATIVE CONDUCT

AML

11. From at least October 2, 2006 through May 21, 2007, New Castle, acting through SK, failed to establish and implement policies, procedures and internal controls reasonably designed to achieve and monitor the Firm's compliance with the Bank Secrecy Act (31 U.S.C. 5311, et seq.) and the implementing regulations thereunder (hereafter the "Bank Secrecy Act"). Specifically, the Firm lacked procedures for responding to requests by the Financial Crimes Enforcement Network of the United States Department

of the Treasury (FinCEN) under Section 314(a) of the USA PATRIOT Act for information relating to money laundering or terrorist activity. Moreover, before February 13, 2007, no one at the Firm accessed FinCEN's database to review FinCEN requests, and consequently, no one searched the Firm's records to determine whether it maintained or had maintained any account for, or had engaged in any transaction with, any individual, entity, or organization named in FinCEN's requests.

12. From May 21, 2007 through August 21, 2008, the Firm, acting through SK, failed to implement policies, procedures and internal controls reasonably designed to detect and cause the timely reporting of suspicious transactions with FinCEN through Suspicious Activity Reports, as required by 31 C.F.R. 103.19, to achieve compliance with the Bank Secrecy Act. At the time, the Firm's procedures required, among other things, monitoring trading and wire transfers (including their origin and destination) for transactions that lacked financial sense or were unusual for the particular customer. However, the Firm failed to identify red flags in connection with the following suspicious account activity, did not timely investigate or review the red flags, and failed to timely report the suspicious activity:

- In or around September 2007, registered representative Duff opened approximately ten accounts at New Castle for customers associated with DB, a stock promoter. The Firm, through Duff, knew that DB had been convicted of two counts of criminal securities fraud in 1998 involving manipulation of bio-tech stocks, and had been barred in 2000 by the SEC from associating with any broker or dealer. Up until at least March 2008, these ten accounts at New Castle received thinly traded penny stocks, which positions were typically sold through the Firm within a few days, with proceeds amounting to approximately \$10,000,000, wired out of the accounts. These wires represented approximately 80% of all outgoing wire activity at New Castle during January through March 2008.

13. For calendar year 2006, the Firm, acting through SK, did not provide AML training for Firm personnel.
14. By reason of the conduct described in paragraphs 11 through 13, New Castle violated NASD Conduct Rules 3011(a), 3011(b), 3011(c) 3011(e) and 2110.

Unregistered Securities

15. Section 5 of the Securities Act of 1933 ("Section 5") prohibits the sale of securities in interstate commerce without an effective registration

statement, unless an exemption applies. Moreover, under Section 5, before selling unregistered securities, a broker-dealer has a duty to conduct a searching inquiry to determine that the securities are exempt from registration.

16. From September 2007 through March 2008, New Castle, acting through Duff, using instrumentalities of interstate commerce, caused to be executed customer orders in, and facilitated the distribution of, approximately 20 million shares of unregistered securities in four different thinly traded, low-priced, bio-tech stocks. Duff knew that the customers selling the securities were associated with DB and that DB and/or DB related customers were affiliated with, consultants for and/or had controlling interest in, the issuers and/or had other financial relationships with the issuers.
17. DB related customers typically deposited physical certificates or electronically delivered shares of millions of securities into their New Castle accounts and, within a few days, sold the shares and wired out the sale proceeds. By way of example, during the above-referenced time period, two accounts at New Castle for DB related customers received from accounts at other brokerage firms and/or received directly from Stem Cell Innovations ("SCLL") over 4.11 million shares of unregistered shares of that thinly-traded, low-priced, bio-tech stock. Within a few days, the accounts sold these shares.
18. These circumstances, which involved four different issues and a total of approximately 20 million shares of unregistered securities, raised the question of whether the selling customers were acting as statutory underwriters and/or intermediaries for controlling persons or statutory underwriters, and whether Duff was thereby facilitating the unregistered distribution of these securities. New Castle, acting through Duff and SK, should have, but failed to, perform adequate searching inquiries and take necessary steps to ensure that the transactions did not involve improper distributions of unregistered and/or restricted securities.
19. By reason of the conduct described in paragraphs 16 through 18, New Castle acted in contravention of Section 5 of the Securities Act of 1933, and accordingly, violated NASD Conduct Rule 2110.
20. From approximately September 2007 through March 2008, New Castle, acting through Lodati and SK, failed to establish and maintain a supervisory system to address the Firm's responsibilities for determining whether customer securities were properly registered or exempt from registration under Section 5. By reason of the foregoing, New Castle violated NASD Conduct Rules 3010 and 2110.

Unregistered Branch Office

21. From approximately August 1, 2006 through February 1, 2007, New Castle, acting through registered representative Reilly, operated an unregistered branch office in Danbury, Connecticut, in direct violation of the restriction on business expansion contained in New Castle's membership agreement with FINRA.
22. At the time in question, New Castle had a main office in Melville, New York, and an authorized branch office in East Meadow, New York. During that time, the Firm's membership agreement contained a specific restriction against any further business expansion without FINRA's prior approval.
23. Supervising principal Brennan did not question the location, or review the trade related activities, of registered representatives Reilly, Hinkley and GD, who were regularly absent from the Firm's registered offices and operating and conducting a securities business out of the unregistered Connecticut branch. Indeed, Reilly was permitted to routinely call in information to New Castle's main office for the purpose of opening customer accounts and effecting customer securities transactions. New Castle, acting through Brennan, failed to reasonably supervise those individuals.
24. By reason of the conduct described in paragraphs 21 through 23, New Castle violated NASD IM-1000-4, Membership and Registration Rule 1017(a)(5), and NASD Conduct Rules 3010 and 2110.
25. From August 1, 2006 through February 1, 2007, New Castle, acting through MP and SK, failed to establish and maintain a supervisory system reasonably designed to supervise the sales activities of Firm personnel conducted outside of the Firm's registered offices, which allowed for the operation of the unregistered, unsupervised Connecticut branch office. By reason of the foregoing, New Castle violated NASD Conduct Rules 3010 and 2110.

Financial-Related Deficiencies

26. On Monday, June 30, 2008, pursuant to SEC Rule 15c3-1(a)(2)(c)(iii)(B), the Firm's minimum net capital requirement was \$100,000 as a consequence of engaging in ten or more transactions in that calendar year for its own investment account. On that date, New Castle, acting through BM, a FINOP at the Firm, failed to maintain its \$100,000 minimum net capital requirement while conducting a securities business. On that date, New Castle maintained a net capital of (\$57,415), resulting in a \$157,415

net capital deficiency. By reason of the foregoing, New Castle violated SEC Rules 15c3-1 and NASD Conduct Rule 2110.

27. During the period June through July 2008, New Castle, acting through BM, maintained inaccurate books and records by accruing unrealized revenue associated with private placements as current assets. More specifically, in June 2008, New Castle accrued assets of more than \$50,000 for a private placement that did not close until July 23, 2008. Additionally, in July 2008, New Castle accrued assets of more than \$200,000 for another private placement that did not close until August 8, 2008. By reason of the foregoing, New Castle violated SEC Rule 17a-3(a)(11) and NASD Conduct Rules 3110 and 2110.
28. New Castle, acting through BM, as a consequence of accruing unrealized revenue as current assets, prepared and filed inaccurate FOCUS reports for June and July of 2008. By reason of the foregoing, New Castle violated SEC Rule 17a-5 and NASD Conduct Rules 3110 and 2110.
29. From approximately August through September 2008, New Castle, acting through Lodati, the Firm's head FINOP at that time, maintained inaccurate books and records by accruing unrealized revenues as current assets. More specifically, in August 2008, New Castle accrued assets of over \$100,000 in connection with a private placement that did not close because the Firm did not meet a required minimum commitment. As a consequence, New Castle, acting through Lodati, prepared and filed inaccurate FOCUS reports for August and September of 2008. By reason of the foregoing, New Castle violated SEC Rule 17a-3(a)(11), SEC Rule 17a-5 and NASD Conduct Rules 3110 and 2110.
30. In September 2008, New Castle, acting through Lodati, violated SEC Rule 17a-3(a)(11) by improperly classifying an infusion of approximately \$90,000 between September 17 and 19, 2008, as contributed capital when it was actually a third party loan. By reason of the foregoing, New Castle violated SEC Rule 17a-3(a)(11) and NASD Conduct Rules 3110 and 2110.
31. In April 2009, New Castle, acting through TN, a FINOP at the Firm, failed to adequately document and account for repayment of approximately \$172,226 in employee advances and/or loans. Additionally, New Castle, in April 2009, acting through TN, failed to timely accrue approximately \$61,000 in liabilities. By reason of the foregoing, New Castle violated SEC Rule 17a-3(a), NASD Conduct Rules 3110 and FINRA Rule 2010.
32. On Tuesday, October 20, 2009, pursuant to SEC Rule 15c3-1(a)(2)(c)(iii)(B), the Firm's minimum net capital requirement was \$100,000 as a consequence of engaging in ten or more transactions in that

calendar year for its own investment account. New Castle, acting through LZ, failed to maintain its \$100,000 minimum net capital requirement while conducting a securities business. On that date, New Castle maintained a net capital of \$68,757 resulting in a \$31,243 net capital deficiency. By reason of the foregoing, New Castle violated SEC Rules 15c3-1 and FINRA Rule 2010.

Private Placements

33. From September 2007 through March 2008, New Castle, acting through SK, failed to forward to an escrow agent a total of \$350,000 in customer funds received in connection with seven contingency offerings by noon of the next business day after receipt of such funds. By reason of the foregoing, New Castle violated SEC Rules 15c3-3(k)(2)(ii) and 15c2-4 and NASD Conduct Rule 2110.
34. On December 20, 2007, New Castle, acting through Lodati, sold shares of Chromadex, Inc. securities to 50 public investors using a private placement memorandum that omitted DB's association with the issuer, a material fact. Such fact was material due to DB's disciplinary history which included a criminal securities fraud conviction in 1998 involving manipulation of bio-tech stocks, and a bar in 2000 by the SEC from associating with any broker or dealer. By reason of the foregoing, New Castle violated NASD Conduct Rule 2110.

Telemarketing/Do-Not-Call List

35. During the period November 8, 2006 through March 1, 2007, New Castle, acting through registered representative Hinkley, who was located in the unregistered Connecticut branch office, engaged in improper telephone solicitations by making materially false representations, including unwarranted price predictions, and omitting material facts, in connection with the offer of securities to four potential customers. The Firm, acting through Hinkley, in connection with the referenced solicitations, used misleading telemarketing scripts that were not approved by a registered principal. By reason of the foregoing, New Castle violated NASD Conduct Rules 2210(b) and (d) and 2110.
36. From January 4, 2007 through April 3, 2008, New Castle, acting through SK, failed to implement adequate procedures throughout the Firm to comply with the general telemarketing requirements contained in NASD Conduct Rule 2212(a) to ensure that the Firm did not telephone persons who previously stated they did not wish to receive calls from the Firm and/or who had registered their telephone number on the Federal Trade Commission's national do-not-call registry. During that time period, SK failed to adequately update and maintain a do-not-call list. By reason of

the foregoing, New Castle violated NASD Conduct Rules 2212(d) and 2110.

Heightened Supervision

37. Over the period January 2006 through April 31, 2009, New Castle, acting through various supervisory principals, failed to follow the Firm's procedures regarding heightened supervision with respect to 14 different registered representatives. By reason of the foregoing, New Castle violated NASD Conduct Rules 3010 and 2110 and FINRA Rule 2010.

Correspondence

38. From October 15, 2007 through March 31, 2008, the Firm, acting through SK, failed to have adequate procedures for the review and approval of correspondence with the public, including, but not limited to emails, relating to the Firm's investment banking and securities business. Additionally, New Castle, acting through SK, failed to follow the Firm's written procedures by not reviewing and approving all outgoing electronic correspondence. By reason of the foregoing, the Firm violated NASD Conduct Rules 3010 and 2110.

Customer Complaints

39. For the period January 25, 2007 through March 31, 2008, New Castle, acting through SK, failed to create and maintain adequate records of customer complaints for 26 (46%) of a total of 57 complaints received, failed to report statistical and summary information concerning those 26 customer complaints, inaccurately reported statistical and summary information regarding 17 (54%) of the complaints reported, and reported statistical and summary information regarding five of the customer complaints 20 to 103 days late. For the period September 2008 through May 1, 2009, New Castle, acting through RC, another CCO, failed to create and maintain adequate records of customer complaints for 6 (10.5%) of a total of 57 customer complaints and inaccurately reported statistical and summary information regarding 7 (12%) of the complaints reported. By reason of the foregoing, New Castle violated NASD Conduct Rules 3070, 3110, and 2110 and FINRA Rule 2010.

Form Filings

40. For the period January 1, 2007 through March 31, 2008, the Firm, acting through SK, failed to timely update approximately 50 Forms U4 and U5 upon learning of the facts and circumstances giving rise to the amendments. Over 62% of the Forms U4 and U5 filed during that period were late, with 15 filings over 30 days late. Additionally, for the period

September 1, 2008 through May 1, 2009, the Firm, acting through RC, failed to timely update 4 of 6 Forms U4. By reason of the foregoing, the Firm violated FINRA By-Laws Article V, Sections 2(c) and 3 and NASD Conduct Rule 2110 and FINRA Rule 2010.

Continuing Education

41. In calendar year 2006, New Castle, acting through SK, failed to take adequate steps to comply with the Firm Element of the Continuing Education Requirement set forth in NASD Membership and Registration Rule 1120(b). For that year, the Firm did not conduct an annual needs analysis or develop a written training plan. By reason of the foregoing, New Castle violated NASD Membership and Registration Rule 1120(b) and NASD Conduct Rule 2110.

Business Continuity

42. From on or around October 1, 2007 through approximately March 31, 2008, New Castle, acting through SK, failed to maintain an adequate business continuity plan for significant business disruption, which was evidenced when the Firm's former clearing firm terminated its relationship with the Firm, rendering books and records for seven customers inaccessible. By reason of the foregoing, New Castle violated SEC Rule 17a-4 and NASD Conduct Rules 3510, 3110 and 2110.

Other Supervisory Deficiencies

43. From February 2005 through approximately March 14, 2008, New Castle's written supervisory procedures failed to (a) identify producing managers for review and supervision of their customer account activity, and (b) assign a person either senior to, or otherwise independent of, the producing manager to perform such supervisory reviews. By reason of the foregoing, New Castle violated NASD Conduct Rules 3012 and 2110.
44. Before March 14, 2008, the Firm, acting through SK, failed to have written procedures reasonably designed to ensure that the Firm calculate, on a rolling, twelve-month basis, whether heightened supervision requirements were triggered with respect to any producing managers, as required by NASD Conduct Rule 3012(a)(2)(C). Even after establishing applicable written procedures, from March 14, 2008 through June 2008, the Firm failed to correctly perform such calculations, and as a result, failed to place producing managers Brennan and JC on heightened supervision. By reason of the foregoing, New Castle violated NASD Conduct Rules 3012 and 2110.

45. From August 2006 through June 2008, New Castle, acting through MP (from August 2006 through around February 2008), Lodati (from February through June 2008) and SK (from August 2006 through August 2008), failed to clearly assign each registered person to an appropriately registered representative and/or principal responsible for supervising that person's activities as required by NASD Conduct Rule 3010(a)(5). Indeed, the Firm's records did not accurately reflect the Firm's actual supervisory structure and Firm personnel were confused regarding who was responsible for supervising whom. By reason of the foregoing, New Castle violated NASD Conduct Rules 3010 and 2110.
46. In calendar year 2006, New Castle, acting through SK, failed to conduct an annual compliance meeting. By reason of the foregoing, New Castle violated NASD Conduct Rules 3010(a)(7) and 2110.

B. New Castle also consents to the imposition of the following sanctions:

1. New Castle to be censured;
2. New Castle to be fined \$200,000;¹
3. New Castle shall:
 - a) Retain, within 60 days of the date of 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 following areas:
 1. AML rules and regulations;
 2. Compliance with Section 5 of the Securities Act of 1933;
 3. Financial requirements, including maintaining accurate financial books and records, maintaining required minimum net capital, and filing accurate FOCUS reports;
 4. Compliance with rules and regulations relating to private placements;
 5. Maintaining customer complaints, reporting those complaints timely and accurately, and filing Forms U4 and U5 timely;

¹ Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine against the Firm in this case after it considered, among other things, the Firm's revenues and financial resources. See Notice to Members 06-55.

6. Supervision of:
- (i) Each registered person by a clearly designated and appropriately qualified person or persons with requisite supervisory powers;
 - (ii) Activity of personnel conducted outside of the Firm's registered offices;
 - (iii) Persons subject to heightened supervision requirements;
 - (iv) Producing managers; and
 - (v) Correspondence with the public.
- b) Exclusively bear all costs, including compensation and expenses, associated with the retention of the Independent Consultant.
- c) Cooperate with the Independent Consultant in all respects, including by providing staff support. New Castle 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, New Castle shall not terminate the relationship with the Independent Consultant without the FINRA staff's written approval; New Castle 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.
- d) At the conclusion of the review, which shall be no more than 120 days after the date of Notice of Acceptance of this AWC, require the Independent Consultant to submit to the Firm and FINRA staff an Initial Written Report. The Initial Written Report shall address, at a minimum:
- (i) the adequacy of the Firm's policies, systems, procedures and training relating to the following areas:
 - 1. AML rules and regulations;
 - 2. Compliance with Section 5 of the Securities Act of 1933;
 - 3. Financial requirements, including maintaining accurate financial books and records, maintaining required minimum net capital, and filing accurate FOCUS reports;

4. Compliance with rules and regulations relating to private placements;
5. Maintaining customer complaints, reporting those complaints timely and accurately, and filing Forms U4 and U5 timely; and
6. Supervision of:
 - a. Each registered person by a clearly designated and appropriately qualified person or persons with requisite supervisory powers;
 - b. Activity of personnel conducted outside of the Firm's registered offices;
 - c. Persons subject to heightened supervision requirements;
 - d. Producing managers; and
 - e. Correspondence with the public.
- (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
- e) 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 New Castle, 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 the FINRA staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with New Castle 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.
- f) Within 60 days after delivery of the Initial Written Report, New Castle 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 the FINRA staff. Within 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.

- g) Within 30 days after the issuance of the later of the Independent Consultant's Initial Written Report or written determination regarding alternative procedures (if any), New Castle shall provide the FINRA staff with a written implementation report, certified by an officer of New Castle, attesting to, containing documentation of, and setting forth the details of the Firm's implementation of the Independent Consultant's recommendations.
 - h) New Castle shall further retain the Independent Consultant to conduct a follow up review and submit a written Final Report to the Firm and to the FINRA staff no later than one year from Notice of Acceptance of this AWC. In the Final Report, the Independent Consultant shall address the Firm's implementation of the systems, policies, procedures and training and make any further recommendation he or she deems necessary. Within 60 days of receipt of the Independent Consultant's Final Report, New Castle shall adopt and implement recommendations contained in the Final Report.
 - i) Upon written request showing good cause, the FINRA staff may extend any of the procedural dates set forth above.
- 4. New Castle agrees and undertakes to have each of its associated persons (excluding persons having solely ministerial responsibilities) complete 16 hours of AML continuing education training within 120 days of FINRA's acceptance of this AWC.
 - 5. Additionally, New Castle agrees and undertakes to fully and promptly cooperate with FINRA in any and all investigations and/or disciplinary proceedings, of any person, concerning conduct at and/or relating to New Castle in connection with past events set forth in this AWC. In connection with such cooperation:
 - New Castle agrees, without the necessity of a FINRA Rule 8210 request, to produce promptly information and documents as

requested by FINRA staff.

- New Castle agrees that notice by FINRA staff requesting its cooperation may be served on the Firm by regular mail or facsimile, at the Firm's current mailing address, as reflected in the Central Registration Depository ("CRD").

New Castle agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. New Castle has submitted an Election of Payment form showing the method by which the Firm proposes to pay the fines imposed.

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against Respondent;
- 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, Respondent 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.

Respondent further specifically and voluntarily waives 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

Respondent 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 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands 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 undersigned, on behalf of Brookville Capital Partners LLC, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Firm has 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 Respondent to submit it.

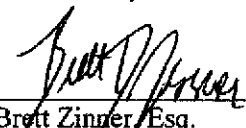
Brookville Capital Partners LLC, Respondent

4/16/10
Date

By: 

Anthony F. Lodati, President and
Chief Executive Officer

Reviewed by:


Brett Zinner, Esq.
Law Offices of Brett D. Zinner, P.C.
Counsel for Respondent
633 Third Avenue, 8th Floor
New York, New York 10017
(212) 784-5880; Fax No. (888) 275-5004

Accepted by FINRA:

6/7/10
Date

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

Gary A Chodosh (KC)

Gary A. Chodosh, Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza
New York, New York 10006
(212) 858-4771; Fax No. (202) 721-6564
gary.chodosh@finra.org

Kathleen S. Lynch

Kathleen S. Lynch, Senior Regional Counsel
FINRA Department of Enforcement
Two Jericho Plaza
Jericho, New York 11753
(516) 949-4217; Fax No. (516) 949-4217
kathleen.lynch@finra.org