

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080133538-01**

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: GVC Capital LLC (f/k/a Bathgate Capital Partners LLC), Respondent
Broker-Dealer
CRD No. 38923

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, GVC Capital LLC (f/k/a Bathgate Capital Partners LLC) (the "firm" of "BCPI") 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:

BACKGROUND

The firm became a member of FINRA in 1995, and its registration remains in effect. Before January 5, 2010, the firm was known as Bathgate Capital Partners LLC. It has no relevant disciplinary history.

SUMMARY

This matter is the result of a review by the Office of Fraud Detection and Market Intelligence of the firm's marketing of the securities of Cytocore, Inc., from January to March 2008.

FACTS AND VIOLATIVE CONDUCT

1. From approximately January 23 to March 7, 2008, BCPI acted as a placement agent in a PIPE ("private investment in public equity") offering under Regulation D of the Securities Act of 1933 by Cytocore, Inc. ("CYOE"), a company whose securities were quoted on the Over-the-Counter Bulletin Board. CYOE is a clinical diagnostics company engaged in the design, development and commercialization of screening and diagnostic products for women's healthcare. In early 2008, its business focused on the development of screening and diagnostic systems that could detect certain types of cancer, in particular, cervical cancer.
2. From approximately January 23 to February 13, 2008, BCPI distributed via e-mail an Executive Summary dated January 2008 prepared by CYOE to approximately 25 of its customers. The e-mails constituted "communications with the public" and "sales literature," as the terms are defined in NASD Rule 2210(a).
3. The Executive Summary said that the company "will be cash flow positive and profitable from operations in the third quarter of 2008." It contained projections that CYOE's stock price would increase to \$25.50 in 2009, \$51.50 in 2010, and \$67.90 in 2011. It also projected revenues in 2008 of \$24,894,000, increasing to \$63,000,000 in 2009, \$112,746,000 in 2010, \$235,475,000 in 2011, and \$400,031,000 in 2012.
4. CYOE's stock price in January 2008 ranged from \$1.75 to \$3.12 per share. It reached a high of \$3.96 per share on February 5, 2008, and then steadily declined during the remainder of 2008. From September 10, 2008, until the end of 2008, it traded below \$1.00 per share. In 2009, it traded between \$0.08 and \$0.75 per share.
5. The Executive Summary failed to contain any discussion of the risks associated with investing in CYOE. For example, it failed to disclose that the company's current audited financial statements said that the company's history of losses raised substantial doubt concerning its ability to continue as a going concern. Nor did the Executive Summary disclose that CYOE had an accumulated deficit of \$85,413,000 as of December 31, 2007, had never made a profit, and that its business was dependent on sales of a single product, or product line. The Executive Summary did not disclose that CYOE's revenues in 2006 were \$94,000, and in 2007 they were \$83,000, while its net losses totaled \$6,566,000 in 2006 and \$7,919,000 in 2007, according to its Form 10-KSB for the year ending December 31, 2007.
6. Accordingly, the firm's communications were not based on principles of fair dealing and good faith, were not fair and balanced, and did not provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. In its e-mail communications with its customers,

the firm omitted material facts or qualifications that, in the light of the context of the material presented, caused the communications to be misleading. The firm's communications also predicted or projected performance and made exaggerated or unwarranted claims, opinions or forecasts about CYOE.

7. The conduct described herein constitutes violations of NASD Rules 2110 and 2210(d)(1)(A) and (D).

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

A censure and a fine of \$13,500.

The firm agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. The firm has submitted an Election of Payment form showing the method by which it propose 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 sanctions 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 Complaint issued specifying the allegations against the firm;
- 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, 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 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

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 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 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 FINRA Rule 8313; 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 undersigned, on behalf of the firm, 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 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.

11/29/10
Date

Respondent
GVC Capital LLC

By: [Signature]

Name: KICKER BARANE

Title: SR. MAN PARTNER

Reviewed by:

[Signature]
Steven W. McDonald,
Counsel for Respondent

Berliner McDonald P.C.

Accepted by FINRA:

Dec 17, 2010
Date

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

Michael J. Dixon

Michael J. Dixon
Senior Counsel
Department of Enforcement