

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044288201**

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

RE: Bilal Basrai, Respondent
Former Registered Representative
CRD No. 2990346

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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

Bilal Basrai entered the securities industry when he became associated with a member firm in 1997. Basrai was later associated with several other firms and in several additional capacities before becoming registered with LBMZ Securities, Inc. in April 2013 as a General Securities Principal, General Securities Representative, Limited Representative – Investment Banking, and Research Analyst.

On August 14, 2015, LBMZ Securities, Inc. filed a Form U5 notice terminating Basrai's registration, disclosing that Basrai had been discharged by the firm due to a "loss of confidence based on personal trading, which LBMZ management learned may have involved possession of non-public information." Basrai is not currently registered or associated with any member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Basrai has no prior disciplinary history.

OVERVIEW

Basrai failed to provide the documents and information requested pursuant to FINRA Rule 8210, and has indicated that he intends to fail to appear for on-the-record testimony pursuant to FINRA 8210, in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210 authorizes FINRA, in the course of its investigations, to require persons associated with a FINRA member to "provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation"

In connection with an investigation into, among other things, whether Basrai engaged in insider trading in violation of the federal securities laws and FINRA rules, on July 24, 2015, FINRA staff sent a letter pursuant to FINRA Rule 8210 to Basrai requesting that Basrai provide documents and information on or before August 7, 2015. On August 6, FINRA Staff was contacted by counsel for Basrai, who requested an extension to the deadline for responding to the July 24 request. FINRA staff agreed to extend the deadline until August 21, 2015. On August 13, FINRA staff, pursuant to FINRA Rule 8210, sent a letter to Basrai's counsel requesting that Basrai appear for on-the-record testimony on September 2, 2015.

On August 19, 2015, Basrai's counsel contacted FINRA staff to advise that Basrai would not be providing the requested documents or appearing for testimony. Basrai has not provided any documents or information in response to the July 24, 2015 request. By this agreement, Basrai acknowledges that he received FINRA's request for on-the-record testimony and that he will not appear for such testimony at any time.

By failing to provide the documents and information that were requested pursuant to FINRA Rule 8210 and by refusing to appear for testimony as requested pursuant to FINRA Rule 8210, Basrai violated FINRA Rules 8210 and 2010.

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

- A bar from associating with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in

Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I 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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, 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.

I 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

I understand that:

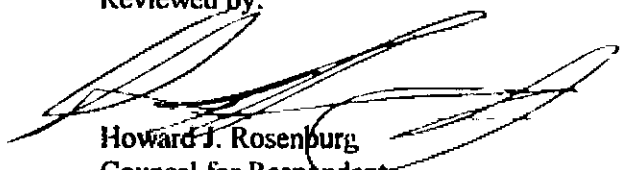
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I 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. I 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 my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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

9/1/15
Date (mm/dd/yyyy)

Bilal Basrai
Bilal Basrai, Respondent

Reviewed by:

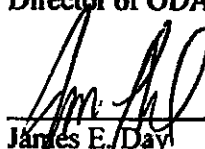


Howard J. Rosenberg
Counsel for Respondent
Kopecky Schumacher Bleakley Rosenberg P.C.
203 North LaSalle Street, Suite 1620
Chicago, IL 60601
312-380-6631

Accepted by FINRA:

9/30/11
Date

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



James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
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