

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015048101801**

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

RE: Bulltick, LLC, Respondent
Member Firm
CRD No. 104005

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Bulltick, LLC ("Bulltick" or 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 Bulltick alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Bulltick 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

Bulltick is headquartered in Miami, Florida and has been a FINRA member since 2000. Bulltick has two branches and approximately 40 registered representatives. The Firm primarily provides direct market access ("DMA") trading for U.S. and Latin American institutional customers.

OVERVIEW

In 2015 Bulltick's written supervisory procedures did not adequately document the process and procedure for allocating certain of its customers' desk-executed trades to ensure that trade allocations were accurate. Bulltick also permitted the head of an equities trading desk to supervise his own trading in his personal accounts and in a proprietary firm account. As a result, Bulltick violated FINRA Rules 3110(a) and 2010.

FACTS AND VIOLATIVE CONDUCT

Trade Allocations

From January 2015 to December 2015 (the “relevant period”), most Bulltick clients’ trades were effected directly by the firm’s clients through DMA arrangements. Bulltick utilizes an order execution management system (“EMS”) through which its clients can place equities DMA trades. Customers are also able to place an equities order by telephone or instant message with a Bulltick trader, who is then able to place and execute the order on behalf of customers using the same EMS (hereinafter, “desk-entered customer orders”). When traders place orders in the EMS, the executions are typically assigned to accounts within the EMS which have been set up by the Firm and which relate to the customer that placed the order.

Although most desk-entered customer orders are assigned to customer accounts when they are entered, during the relevant period, on some occasions, Bulltick’s Argentina Arbitrage Desk (the “Argentina Desk”) placed desk-entered customer orders into a generic EMS account which was not assigned to a specific customer and which the Argentina Desk also occasionally used for Firm proprietary orders.¹ In these instances, the Argentina Desk would later allocate the trade to the respective customer’s account(s). With respect to these desk-executed customer orders, Bulltick did not create any contemporaneous record to reflect whether the trade was for a customer or proprietary, and if for a customer, which customer. Rather, the firm relied on informal processes to later complete the allocations to the client or Firm accounts, if applicable.

FINRA Rule 3110 requires members to establish and maintain a system to supervise the activities of each associated person reasonably designed to achieve compliance with applicable securities laws and regulations and FINRA rules. During the relevant period, Bulltick’s written supervisory procedures did not adequately document the process and procedure for allocating desk-executed customer orders that were initially processed into the EMS generic account to ensure trade allocations were accurate. Failing to require a contemporaneous record indicating which desk-executed customer order in the generic EMS account corresponds to which customer, and instead completing the allocations after-the-fact, creates the potential for errors in the final allocations. Thus, Bulltick’s supervisory procedures and systems were inadequate to ensure against potentially inaccurate or unlawful trade allocations in violation of FINRA Rules 3110(a) and 2010.

¹ A review of a sample set of transactions during 2015 showed fewer than 100 desk-executed customer orders that had the potential for inaccurate or improper trade allocations out of tens of thousands of transactions. FINRA did not identify evidence of unlawful trade allocations during the relevant period.

Self-Supervision

As described above, during the relevant period the head trader on the Firm's Argentina Desk occasionally performed trades on behalf of customers. He also traded in his own accounts and performed proprietary trades for the Firm. In those circumstances where he placed trades for Firm customers, himself, or the Firm, the head trader was also permitted to review and approve those trades on his own.

FINRA Rule 3110(b)(6) generally requires a firm's supervisory procedures to prohibit associated persons who perform supervisory functions from supervising their own activities. Alternatively, FINRA Rule 3110(b)(6)(C)(a) may allow self-supervision under certain limited circumstances, but the Firm must document the relevant factors if this exemption is utilized. Although Bulltick's procedures required transactional review of account activity of a supervisor by a person senior to or independent of the supervisor, during the relevant period the Argentina Desk's head trader was permitted to self-supervise and Bulltick did not document any factors under FINRA Rule 3110(b)(6) (C)(a) that would have permitted him to do so. Bulltick therefore violated FINRA Rules 3110(a) and 2010.

B. Bulltick also consents to the imposition of the following sanctions:

1. A censure;
2. A fine in the amount of \$10,000.

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

Bulltick specifically and voluntarily waive 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

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

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

- 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, Bulltick specifically and voluntarily waives 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.

Bulltick 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

Bulltick understands that:

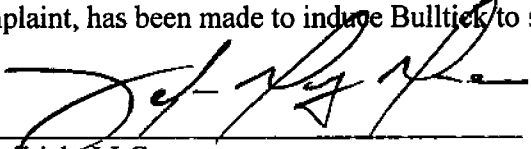
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against it; and
- C. If accepted:
 - 1. this AWC will become part of Bulltick's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 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. Bulltick 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. Bulltick 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 Bulltick's: (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.

- D. Bulltick may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Bulltick 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.

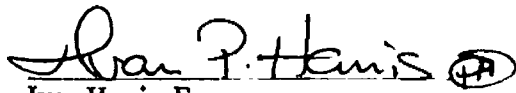
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Bulltick has agreed to its provisions voluntarily; and that no offer, 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 Bulltick to submit it.

01/30/2017
Date (mm/dd/yyyy)


Bulltick, LLC
Respondent

By: JEFFERSON MOREIRA - CCO

Reviewed by:

A handwritten signature in cursive script, reading "Ivan P. Harris", followed by a circled "PA" monogram.

Ivan Harris, Esq.

Counsel for Respondent Bulltick LLC

Morgan, Lewis & Bockius LLP

200 South Biscayne Boulevard

Suite 5300

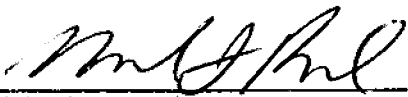
Miami, FL 33131-2339

305.415.3000

Accepted by FINRA:

2/22/17
Date

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



Michael J. Rogal
Senior Counsel
FINRA Department of Enforcement
15200 Omega Drive
3rd Floor
Rockville, MD 20850-3241