

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20160508322 01**

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

RE: Brickell Global Markets, Inc., Respondent
CRD No. 104316

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Brickell Global Markets, Inc. ("BGM" 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 BGM alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. BGM 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

BGM has been a member of FINRA since March 6, 2001. BGM is headquartered in Miami, Florida, and presently has one branch location with 12 registered representatives. It conducts business in equities, corporate debt, mutual funds, options, U.S. government securities, private placements, proprietary trading, and underwriting.

RELEVANT DISCIPLINARY HISTORY

BGM has no relevant disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

From December 7, 2015 through March 14, 2016 (the "Relevant Period"), due to BGM's accounting treatment of a potential settlement payment to resolve a customer dispute, BGM conducted a securities business while failing to maintain its required minimum net capital in violation of Section 15(c) of the Securities Exchange Act of 1934 ("Exchange Act"), SEC Rule 15c3-1 thereunder, and FINRA Rule 2010. As a result of this issue, BGM filed inaccurate Financial and Operational Combined Uniform Single ("FOCUS") Reports in violation of Section 15(c) of the Exchange Act, SEC Rule 17a-5 thereunder,

and FINRA Rule 2010, and maintained inaccurate books and records in violation of Section 17(a) of the Exchange Act, SEC Rule 17a-3 thereunder, and FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

Section 15(c) of the Exchange Act and SEC Rule 15c3-1 require broker-dealers to maintain certain minimum levels of net capital. Section 15(c) of the Exchange Act and SEC Rule 17a-5(a)(2) require broker-dealers to file accurate FOCUS Reports. Section 17(a) of the Exchange Act, SEC Rule 17a-3 and FINRA Rule 4511(a) require broker-dealers to make and keep accurate books and records relating to its business.

During the Relevant Period, BGM's required regulatory minimum net capital ranged from \$354,184 to \$488,686. BGM conducted a securities business during the Relevant Period while it did not meet its net capital requirements. During the Relevant Period, the Firm's net capital deficiencies ranged from \$706,857 to \$995,874.

The deficiencies occurred after BGM improperly treated a \$2.4 million insurance receivable, related to its settlement of a customer lawsuit, as an allowable asset for purposes of calculating its net capital. Under SEC Rule 15c3-1(2)(iv)(D), a firm must deduct any insurance claim from its net capital that: (1) after seven business days from the date the loss giving rise to the claim is discovered, is not covered by an opinion of outside counsel that the claim is valid and is covered by insurance policies presently in effect; and (2) after twenty business days from the date the loss giving rise to the claim is discovered and that is accompanied by an opinion of outside counsel, has not been acknowledged in writing by the insurance carrier as due and payable. BGM's insurance claim was not covered by an opinion of outside counsel, in the timeframe specified under the Rule, that the claim was valid and covered by insurance policies then in effect. Nor, in the timeframe specified under the Rule, was the claim acknowledged in writing by the insurance carrier as due and payable. Yet BGM did not deduct the insurance receivable from its net capital.

Due to its erroneous net capital computation, BGM filed inaccurate FOCUS Reports for the months ended December 2015, January 2016, and February 2016. In addition, for the same reason, BGM maintained an inaccurate general ledger during the Relevant Period.

By virtue of the foregoing, BGM violated Section 15(c) of the Exchange Act, SEC Rules 15c3-1 and 17a-5 thereunder, Section 17(a) of the Exchange Act, SEC Rule 17a-3 thereunder, and FINRA Rules 4511 and 2010.

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

- a censure; and
- a \$15,000 fine.

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

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction 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 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, Respondent 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.

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

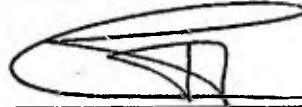
Respondent understands that:

- 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 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. 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 (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. 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 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 Respondent, 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 Respondent 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.

10-9-2017
Date (mm/dd/yyyy)



Brickell Global Markets, Inc.

Reviewed by:

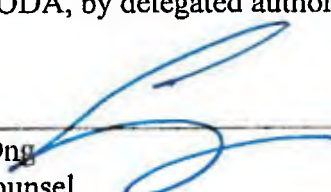


Daniel Stabile
Counsel for Respondent
Shutts & Bowen LLP
200 South Biscayne Boulevard, Suite 4100
Miami, FL 33131
Tel: (305) 415-9063

Accepted by FINRA:

11/1/17
Date

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



Emmet P. Ong
Principal Counsel
FINRA Department of Enforcement
Brookfield Place
200 Liberty Street
New York, NY 10281-1003
Tel: (646) 315-7423; Fax: (301) 527-4977
emmet.ong@finra.org