

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023076998201**

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

RE: BMI Capital International LLC (Respondent)
Member Firm
CRD No. 154670

Pursuant to FINRA Rule 9216, Respondent BMI Capital International LLC (BMI) 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 in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

BMI Capital International LLC became a FINRA member in July 2011. The firm has 10 registered representatives operating from its sole office in New York, NY. The firm is engaged primarily in an investment banking business.¹

OVERVIEW

On 64 days between June 2022 and May 2023, BMI conducted a securities business while failing to maintain its minimum required net capital, in violation of Section 15(c)(3) of the Securities Exchange Act of 1934, Exchange Act Rule 15c3-1, and FINRA Rules 4110(b)(1) and 2010. During the same period, the firm prepared and maintained inaccurate net capital-related books and records, and in April 2023, filed an inaccurate quarterly Financial and Operational Combined Uniform Single (FOCUS) Report, in violation of Exchange Act § 17(a), Exchange Act Rules 17a-3 and 17a-5, and FINRA Rules 4511 and 2010.

For these violations, the firm is censured and fined \$15,000.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA cycle examination of BMI.

¹ For more information about the firm, visit BrokerCheck® at www.finra.org/brokercheck.

BMI conducted a securities business while failing to maintain its minimum required net capital.

Exchange Act § 15(c)(3) and Exchange Act Rule 15c3-1 require broker-dealers to maintain certain minimum levels of net capital. An SEC Interpretation of Exchange Act Rule 15c3-1(c)(2) requires broker-dealers to use the accrual method of accounting, including when calculating net capital. FINRA Rule 4110(b)(1) requires member firms to suspend all business operations during any period in which they are not in compliance with applicable net capital requirements, as set forth in Exchange Act Rule 15c3-1. Pursuant to FINRA Rule 4110(e)(1), subordinated loans must be approved by FINRA in order to receive beneficial regulatory capital treatment. Violations of Exchange Act § 15(c)(3), Exchange Act Rule 15c3-1, and FINRA Rule 4110(b)(1) are also violations of FINRA Rule 2010, which requires members, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.”

On 64 days between June 2022 and May 2023, BMI conducted a securities business while under its required minimum net capital of \$5,000. During this period, BMI at times fell below its required minimum net capital as a result of its failure to timely accrue certain liabilities. For example, from March 30 through May 7, 2023, the firm failed to timely accrue a fixed monthly fee owed to a service provider, compensation owed to a firm registered representative, and an interest payment on an outstanding loan. Also, during the period from August 5 through 26, 2022, the firm mistakenly treated a subordinated loan as capital before it was approved by FINRA. The firm’s failures resulted in net capital deficiencies up to \$12,000.

Therefore, BMI violated Exchange Act § 15(c)(3), Exchange Act Rule 15c3-1, and FINRA Rules 4110 and 2010.

BMI maintained inaccurate books and records and filed an inaccurate FOCUS report.

Exchange Act § 17(a) and Exchange Act Rule 17a-3(a)(2) require broker-dealers to make and maintain ledgers reflecting all assets and liabilities, income and expense and capital accounts. Exchange Act Rule 17a-3(a)(11) requires broker-dealers to prepare net capital computations “at least once a month.” Exchange Act Rule 17a-5(a) requires every broker-dealer to prepare and file monthly or quarterly FOCUS reports containing certain accounting and financial information, including the firm’s minimum required net capital, net capital, and excess net capital.

FINRA Rule 4511(a) requires each FINRA member to make and preserve books and records as required under FINRA rules and the Exchange Act and applicable Exchange Act rules. Inherent in the obligation to make and preserve books and records is the requirement that they be accurate.

Violations of Exchange Act § 17(a), Exchange Act Rules 17a-3 and 17a-5, and FINRA Rule 4511 are also violations of FINRA Rule 2010.

From June 2022 through May 2023, BMI prepared and maintained inaccurate general ledgers and net capital computations. As described above, BMI failed to timely accrue various liabilities and mistakenly treated a subordinated loan as capital before it was approved by FINRA. The firm therefore miscalculated and overstated its net capital. Consequently, the firm also inaccurately recorded net capital information on its quarterly FOCUS report for the first quarter of 2023.

Therefore, BMI violated Exchange Act § 17(a), Exchange Act Rules 17a-3 and 17a-5, and FINRA Rules 4511 and 2010.

B. Respondent 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. FINRA's Finance Department will contact Respondent regarding payment. 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 an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall become effective on a date set by FINRA.

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 its acceptance or rejection.

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 action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter 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. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- 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.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's 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 understands and acknowledges that it is permitted to retain an attorney at its expense to review and provide legal advice regarding the AWC before agreeing to the language and signing the AWC; that FINRA does not represent or advise it and Respondent cannot rely on FINRA for legal advice; that Respondent 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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

5-6-2026
Date


BMI Capital International LLC
Respondent

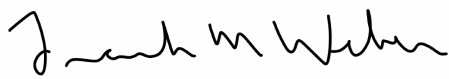
Print Name: Don Pollard

Title: Compliance

Accepted by FINRA:

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

June 10, 2026
Date


Frank M. Weber
Senior Counsel
FINRA
Department of Enforcement
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