

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023077012601**

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

RE: Brentwood Capital Advisors LLC (Respondent)
Member Firm
CRD No. 118712

Pursuant to FINRA Rule 9216, Respondent Brentwood Capital Advisors LLC 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

Brentwood has been a FINRA member since June 2002. The firm has its headquarters and sole office in Nashville, Tennessee, and employs approximately 25 registered representatives. Brentwood primarily provides merger and acquisition (M&A) services to customers in the healthcare and technology industries, including advising those customers with respect to capital raising activity such as private placements of securities.¹

OVERVIEW

Between January 2021 and December 2025, Brentwood failed to establish and implement an anti-money laundering (AML) compliance program reasonably designed to identify and verify the identities of the beneficial owners of its legal entity customers, in violation of FINRA Rules 3310(b) and 2010.

Between January 2018 and January 2024, Brentwood failed to establish and implement a written AML compliance program that provided for annual (on a calendar-year basis) independent AML testing, and the firm conducted no independent AML testing between 2018 and 2023, in violation of FINRA Rules 3310(c) and 2010.

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

For these violations, Brentwood is censured and fined \$45,000.

FACTS AND VIOLATIVE CONDUCT

This matter arose from a FINRA cycle examination of the firm.

FINRA Rule 3310 requires member firms to develop and implement a written AML program reasonably designed to achieve and monitor the firm's compliance with the requirements of the Bank Secrecy Act (BSA) and implementing regulations promulgated by the U.S. Department of the Treasury. FINRA Rule 3310(b) further requires firms' AML programs to establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the BSA and its implementing regulations. Violations of FINRA Rule 3310 also are violations of FINRA Rule 2010, which requires members to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

The BSA's implementing regulation 31 C.F.R. § 1010.230 requires broker-dealers to establish and maintain written procedures reasonably designed to identify and verify the identities of beneficial owners of legal entity customers and to include such customer due diligence procedures in their AML programs.² Broker-dealers must obtain the names, dates of birth, addresses, and identification numbers of their legal entity customers' beneficial owners at the time a new account is opened.³ Broker-dealers may rely on the information supplied by the legal entity customer regarding the identity of its beneficial owner or owners, provided they have no knowledge of facts that would reasonably call into question the reliability of such information.

For verification of beneficial owners of legal entity customers, broker-dealers' procedures must contain the elements required for verifying individual customers under the Customer Identification Program regulation.⁴ Broker-dealers must also establish procedures for making and maintaining a record of all information obtained under their beneficial owner identity verification procedures. Such records must include, for identification, any identifying information obtained; and for verification, a description of any document relied on, of any non-documentary methods and the results of any measures undertaken, and of the resolution of each substantive discrepancy.

FINRA Rule 3310(c) requires the AML program of each FINRA member that executes transactions for customers, holds customer accounts, or introduces customer accounts to provide for annual (on a calendar-year basis) independent testing by member personnel or by a qualified outside party. FINRA Rule 3310 Supplementary Material .01(c) provides

² 31 C.F.R. § 1010.230. For purposes of these requirements, a beneficial owner is defined to include each individual directly or indirectly owning 25 percent or more of the equity interests of the customer plus a single individual with significant responsibility to control, manage, or direct the customer, such as an executive officer or senior manager; and legal entity customers are defined to exclude certain categories of legal entities, including, for example, SEC-registered investment advisers and investment companies.

³ See 31 C.F.R. § 1010.230(b)(1).

⁴ See 31 C.F.R. § 1010.230(b)(2).

[REDACTED]

that independent testing may not be conducted by the firm's designated AML compliance person.

From January 2021 to December 2025, Brentwood failed to establish and implement procedures reasonably designed to identify and verify the identities of the beneficial owners of its legal entity customers. The firm failed to identify and verify the identities of at least 15 legal entity customers of its M&A and capital raising advisory services. In response to FINRA's investigation, the firm began to identify and verify the identities of such customers consistently in September 2024 and revised its procedures to clarify the firm's responsibility to do so in December 2025.

Additionally, between at least January 2018 and January 2024, the firm's policies and procedures did not require independent testing of its AML compliance program. In practice, the firm delegated testing to its AML Compliance Officer, resulting in a 2019 test that was not independent. The firm did not conduct any AML tests in 2018, 2020, 2021, 2022, or 2023. In January 2024, the firm updated its procedures to require annual (on a calendar-year basis) independent AML testing and conducted an independent AML test.

By failing to establish and implement procedures reasonably designed to identify and verify the identities of beneficial owners of legal entity customers, the firm violated FINRA Rules 3310(b) and 2010. By failing to establish and implement procedures that provided for independent testing of its AML program and failing to conduct such testing for at least six years, the firm violated FINRA Rules 3310(c) and 2010.

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

- a censure and
- a \$45,000 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 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 be 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 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.

April 7, 2026

Date

Thomas Cook Wyly

Brentwood Capital Advisors LLC
Respondent

Print Name: Thomas Cook Wyly

Title: Senior Partner

Reviewed by:

Nicholas J. Losurdo

Nick Losurdo
Counsel for Respondent
Kirkland & Ellis LLP
200 Clarendon St.
Boston, MA 02116

Accepted by FINRA:

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

April 14, 2026

Date

Sanhita Sen

Sanhita Sen
Principal Counsel
FINRA
Department of Enforcement
Brookfield Place, 200 Liberty St.
New York, NY 10281