

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
CLG050022

TO: Market Regulation Department
NASD

RE: Fulcrum Global Partners LLC, Respondent
Broker-Dealer
CRD No. 104455

Pursuant to Rule 9216 of NASD Code of Procedure, Fulcrum Global Partners LLC (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future action against the firm alleging violations based on the same factual findings.

The firm understands that:

1. Submission of this AWC is voluntary and will not resolve this matter until it has been reviewed and accepted by NASD's Market Regulation Department and National Adjudicatory Council ("NAC") Review Subcommittee or Office Disciplinary Affairs ("ODA"), pursuant to Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
3. If accepted:
 - a. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against the firm;
 - b. this AWC will be made available through NASD's public access program in response to public inquiries about the firm's disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 1300 IM-8310-2; and
 - d. the firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, that contradicts, g.

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directly or indirectly, any allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects the firm's testimonial obligations or rights or its or factual positions in litigation or other legal proceedings in which NASD is not a party.

FLCR also understands that its experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC

FLCR has been a member of NASD since March 9, 2001. FLCR has the following disciplinary history:

- On March 25, 2004, an AWC became final in which FLCR was censured and fined \$75,000 for violating the rules applicable to the supervision of trading by the firm's employees and interest involving the firm's employees and the treatment of rumors by the firm's sales analysts.

I.

WAIVER OF PROCEDURAL RIGHTS

FLCR specifically and voluntarily waives the following rights granted under NASD Disciplinary Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the member;
- B. To be notified of the Formal Complaint and have the opportunity to respond to 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, FLCR specifically and voluntarily waives any right to claim bias or prejudice on the part of the General Counsel, 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 in the consideration of this AWC, including acceptance or rejection of this AWC.

FLCR further specifically and voluntarily waives any right to claim that a person's or body's ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9145 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 of this AWC.

1. FLCR failed on six occasions to provide written notification disclosing to its customer that the transaction was executed at an average price.
2. FLCR failed on one occasion to provide written notification disclosing to its customer its correct capacity in the transaction.
3. The conduct described in paragraphs one and two constitutes separate and distinct violations of SEC Rule 10b-10.
4. FLCR failed to submit required information to OATS concerning 10 transactions in OATS-eligible securities.
5. The conduct described in paragraph four above constitutes separate and distinct violations of NASD Marketplace Rule 6955(a) and a violation of NASD Rule 2110.
6. FLCR failed to report to ACT the correct symbol indicating whether the transaction was a buy, sell, sell short, sell short exempt or cross for the transactions in eligible securities.
7. FLCR failed to report to ACT the correct symbol indicating whether the transaction was executed in a principal, riskless principal or agency capacity.
8. The conduct described in paragraphs six and seven constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).
9. FLCR reported through ACT seven last sale reports of transactions in NASDAQ National Market securities it was not required to report.
10. The conduct described in paragraph nine constitutes separate and distinct violations of NASD Marketplace Rule 4632(b).
11. FLCR's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of NASD, concerning: registration of associated persons with NASD; the obligation, pursuant to the duty of best execution, to assess regularly and rigorously the quality of competing market centers for execution of orders; SEC Rule 11Ac1-5; transaction reporting; ACT compliance; NASD Rule 10a-1; and the OATS rules. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) identification of the person(s) responsible for supervision with respect to the applicable rule(s); a statement of the supervisory step(s) to be taken by the identified person(s); a statement as to how often such person(s) should take such step(s); and (2) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented.

12. The conduct described in paragraph 11 constitutes a violation of NASD Conduct Rules 2110 and 3010.

- B. FLCR also consents to the imposition, at a maximum, of the following sanctions:

A censure, a \$17,000 fine (composed of a \$2,000 fine for the violations of Rule 10b-10, a \$2,500 fine for the violations of the ACT rules, a \$2,500 fine for the violations of the transaction reporting rules, a \$5,000 fine for the violations of the OATS rules and a \$5,000 fine for the violations of the supervision rules) and an undertaking to revise the FLCR's written supervisory procedures to address the areas described in paragraph 11. Within 30 business days of acceptance of this AWC by the NAC, a registered principal of the Respondent shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850 a signed, dated letter, providing the following information: (1) a reference to the matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph eight and, (3) the date the revised procedures were implemented.

The sanctions imposed herein shall be effective on a date set by NASD staff.

III.

OTHER MATTERS

- A. FLCR understands that it may attach a Corrective Action Statement to this AWC, a statement of demonstrable corrective steps taken to prevent future misconduct. FLCR 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 fact and is not a finding by NASD, nor does it reflect the views of NASD or its staff.
- B. FLCR agrees to pay any monetary sanctions imposed on it upon notice that the fine has been accepted and that such payments are due and payable, and has attached an Election of Payment form showing the method by which the firm proposes to pay the fine imposed.
- C. FLCR specifically and voluntarily waives any right to claim that FLCR is not liable now or at any time hereafter, any monetary sanction imposed in this matter.

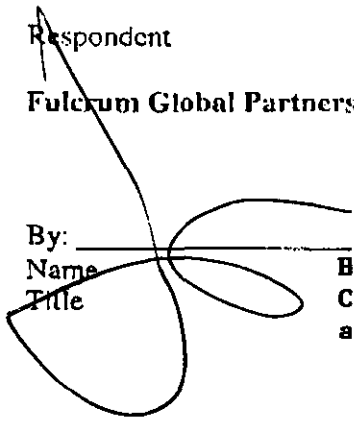
FLCR certifies that the firm has read and understands all of the provisions of this MVC. I has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce FLCR to submit it.

Respondent

Fulcrum Global Partners L.P.

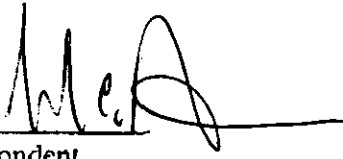
1/24/2005

Date

By: 

Name
Title

Back Office
Chief Operating Officer
and General Counsel

Reviewed by: 

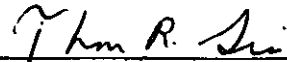
Counsel for Respondent

Joel C. Haims, Esq.
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104-0000
Telephone: (212) 468-8000
Counsel for Respondent

Accepted by NASD:

3/10/05

Date



Thomas R. Gira
Senior Vice President
Market Regulation Department

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

Attachment
Standard Election of Payment Form

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