

## BrokerCheck Report

### BRICKELL GLOBAL MARKETS, INC.

CRD# 104316

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).

**BRICKELL GLOBAL MARKETS, INC.**

CRD# 104316

SEC# 8-52776

**Main Office Location**

1395 BRICKELL AVE  
SUITE 490  
MIAMI, FL 33131

**Mailing Address**

1395 BRICKELL AVE  
SUITE 490  
MIAMI, FL 33131

**Business Telephone Number**

732-713-9607

**Report Summary for this Firm**

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

**Firm Profile**

This firm is classified as a corporation.

This firm was formed in Florida on 02/23/2000.

Its fiscal year ends in December.

**Firm History**

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

**Firm Operations**

This brokerage firm is no longer registered with FINRA or a national securities exchange.

**Disclosure Events**

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	5

The number of disclosures from non-registered control affiliates is 1



## Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.

<b>Date firm ceased business:</b>	05/01/2020
<b>Does this brokerage firm owe any money or securities to any customer or brokerage firm?</b>	Yes
<b>Number of customers owed funds or securities:</b>	191
<b>Amount of money owed to customer:</b>	\$8,131,429.59
<b>Amount of money owed to brokerage firm:</b>	\$0.00
<b>Market value of securities owed to customer:</b>	\$55,707,476.98
<b>Market value of securities owed to brokerage firm:</b>	\$0.00
<b>Payment arrangement:</b>	ON APRIL 13, 2020, THE FIRM SENT TO ITS ENTIRE DATABASE OF CUSTOMERS A POSITIVE CONSENT LETTER APPROVED BY FINRA PURSUANT TO A CMA TO TRANSFER THEIR ACCOUNTS TO MIURA CAPITAL LLC. AS OF APRIL 30, 2020, THE FIRM HAS RECEIVED 136 CONSENT LETTERS RETURNED TO AGREE TO TRANSFER THEIR ACCOUNTS TO MIURA CAPITAL OR TO ANOTHER BROKER-DEALER OF THEIR CHOOSING. IT IS THE FIRM'S EXPECTATION THAT BY JUNE 30, 2020, ALL ACCOUNTS WILL HAVE BEEN TRANSFERRED TO MIURA CAPITAL, ANOTHER BROKER-DEALER OR BY REQUEST OF THE CUSTOMER TO LIQUIDATE AND CLOSE THE ACCOUNT AND SEND A CHECK TO THE ACCOUNTS BENEFICIAL OWNER.



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 02/23/2000.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

**BRICKELL GLOBAL MARKETS, INC.**

**Doing business as BRICKELL GLOBAL MARKETS, INC.**

**CRD#** 104316

**SEC#** 8-52776

### Main Office Location

1395 BRICKELL AVE  
SUITE 490  
MIAMI, FL 33131

### Mailing Address

1395 BRICKELL AVE  
SUITE 490  
MIAMI, FL 33131

### Business Telephone Number

732-713-9607



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** BANESCO USA

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Position** SHAREHOLDER

**Position Start Date** 08/2019

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** CUCCIA, GARY JOHN

1386493

**Is this a domestic or foreign entity or an individual?** Individual

**Position** FINOP/CONTACT PERSON FOR FORM BDW/CCO/EXECUTIVE REPRESENTATIVE

**Position Start Date** 05/2020

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** ESCOTET, MARIA MERCEDES

**Is this a domestic or foreign entity or an individual?** Individual

**Position** DIRECTOR

**Position Start Date** 08/2019

**Percentage of Ownership** Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

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## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	ESCOTET, JUAN CARLOS 7185214
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	BANESCO USA
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	12/2005
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



## Firm Operations



### Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is no longer registered.**

**The firm's registration was from 03/06/2001 to 06/30/2020.**



## Firm Operations

### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 10 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities



## Firm Operations

### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	APEX CLEARING CORPORATION
<b>CRD #:</b>	13071
<b>Business Address:</b>	ONE DALLAS CENTER 350 N. ST. PAUL, SUITE 1300 DALLAS, TX 75201
<b>Effective Date:</b>	03/17/2017
<b>Description:</b>	BRICKELL GLOBAL MARKETS, INC. HAS ENTERED INTO A FULLY DISCLOSED AGREEMENT WITH APEX CLEARING CORPORATION

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## Firm Operations

### Industry Arrangements



#### This firm does have books or records maintained by a third party.

**Name:** GLOBAL RELAY COMMUNICATIONS INC.

**Business Address:** 220 CAMBIE STREET  
STE 200  
VANCOUVER, CANADA V6B 2M9

**Effective Date:** 03/14/2011

**Description:** BRICKELL GLOBAL MARKETS, INC. (FORMER E.S. FINANCIAL SERVICES, INC.) HAS ENTERED INTO AN ARRANGEMENT WITH GLOBAL RELAY COMMUNICATIONS INC. TO ARCHIVE ITS ELECTRONIC CORRESPONDENCE.

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#### This firm does have accounts, funds, or securities maintained by a third party.

**Name:** THE BANK OF NEW YORK MELLON

**Business Address:** ONE WALL STREET  
NEW YORK, NY 10286

**Effective Date:** 11/17/2006

**Description:** BRICKELL GLOBAL MARKETS, INC. (FORMER E.S. FINANCIAL SERVICES, INC.) HAS ENTERED INTO AN AGREEMENT WITH THE BANK OF NEW YORK MELLON TO MAINTAIN THE FIRMS RESERVE AND INVESTMENT ACCOUNTS.

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#### This firm does have customer accounts, funds, or securities maintained by a third party.

**Name:** THE BANK OF NEW YORK MELLON

**Business Address:** ONE WALL STREET  
NEW YORK, NY 10286

**Effective Date:** 11/17/2006

**Description:** BRICKELL GLOBAL MARKETS, INC. (FORMER E.S. FINANCIAL SERVICES, INC.) HAS ENTERED INTO AN AGREEMENT WITH THE BANK OF NEW YORK MELLON FOR THE CUSTODY OF THE FOLLOWING SECURITIES;  
- EUROCLEAR  
- DTC  
- FUNDSETTLE  
THESE ARE CONDUCTED ON AN OMNIBUS BASIS

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#### Control Persons/Financing

**This firm does not have individuals who control its management or policies through agreement.**

## Firm Operations

### Industry Arrangements (continued)

This firm does not have individuals who wholly or partly finance the firm's business.





## Firm Operations

### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is not, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**This firm is directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

**BANESCO USA is a National Bank and controls the firm.**

**Business Address:** 150 ALHAMBRA CIRCLE  
10TH FLOOR  
MIAMI, FL 33146

**Effective Date:** 08/30/2019

**Description:** BANESCO USA IS A BANK. ACQUIRED BRICKELL BANK AND IS SOLE SHAREHOLDER OF BRICKELL GLOBAL MARKETS, INC.

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Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	5	0

## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 5

**Reporting Source:** Regulator

**Current Status:** Final



<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL. THE FINDINGS STATED THAT THE DEFICIENCIES OCCURRED AFTER THE FIRM 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. THE FINDINGS ALSO STATED THAT DUE TO ITS ERRONEOUS NET CAPITAL COMPUTATION, THE FIRM FILED INACCURATE FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE (FOCUS) REPORTS. IN ADDITION, FOR THE SAME REASON, THE FIRM MAINTAINED AN INACCURATE GENERAL LEDGER.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	11/01/2017
<b>Docket/Case Number:</b>	2016050832201
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/01/2017
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$15,000. FINES PAID IN FULL ON NOVEMBER 10, 2017.
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<b>Reporting Source:</b>	Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA ALLEGED THAT THE FIRM ERRONEOUSLY TREATED AN INSURANCE RECEIVABLE AS AN ALLOWABLE ASSET FOR PURPOSES OF CALCULATING ITS NET CAPITAL. AS A CONSEQUENCE OF THE FIRM'S ACCOUNTING TREATMENT, FINRA ALLEGED THAT THE FIRM VIOLATED SECTIONS 15(C) AND 17(A) OF THE EXCHANGE ACT AND CERTAIN RELATED SEC AND FINRA RULES.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	11/01/2017
<b>Docket/Case Number:</b>	2016050832201
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/01/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO: (I) A CENSURE, (II) A \$15,000 FINE. THE FIRM PAID THE FINE ON 11/10/17.

#### Disclosure 2 of 5

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC ADMIN RELEASE 34-77056/FEBRUARY 4, 2016: THE SECURITIES AND EXCHANGE COMMISSION (COMMISSION) DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AGAINST E.S. FINANCIAL SERVICES, INC. N/K/A BRICKELL GLOBAL MARKETS, INC. THIS MATTER INVOLVES VIOLATIONS OF SECTION



17(A) OF THE EXCHANGE ACT AND RULE 17A-8 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO COMPLY WITH THE REPORTING, RECORDKEEPING AND RECORD RETENTION REQUIREMENTS IN REGULATIONS IMPLEMENTED UNDER THE BANK SECRECY ACT, INCLUDING THE CUSTOMER IDENTIFICATION PROGRAM RULE (31 C.F.R. § 1023.220, THE "CIP RULE") BY RESPONDENT, A MIAMI-BASED BROKER-DEALER. IN JANUARY 2003, A CENTRAL AMERICAN BANK AT THE TIME AFFILIATED WITH RESPONDENT, OPENED A BROKERAGE ACCOUNT WITH RESPONDENT, ITS AFFILIATE, PURPORTEDLY FOR THE SOLE PURPOSE OF BROKERAGE TRADING BY THE CENTRAL AMERICAN BANK ITSELF. NO SUB-ACCOUNT HOLDERS OR OTHER BENEFICIAL OWNERS WERE IDENTIFIED ON THE CENTRAL AMERICAN BANK ACCOUNT APPLICATION. IN ACTUALITY, 13 ENTITIES THAT MAINTAINED ACCOUNTS WITH THE CENTRAL AMERICAN BANK WERE SUB-ACCOUNT HOLDERS OF THE CENTRAL AMERICAN BANK ACCOUNT. THESE CENTRAL AMERICAN BANK CORPORATE ACCOUNTS WERE BENEFICIALLY OWNED BY 23 NON-U.S. CITIZENS WHO INTERFACED DIRECTLY WITH RESPONDENT'S REGISTERED REPRESENTATIVES TO SOLICIT SECURITIES TRADING ADVICE AND TO REQUEST ACCOUNT MAINTENANCE, SECURITIES ORDERS, AND EXECUTION THROUGH THE CENTRAL AMERICAN BANK ACCOUNT. UNTIL APPROXIMATELY AUGUST 2013, RESPONDENT FAILED TO ACCURATELY DOCUMENT ITS CIP PROCEDURES, COMPLY WITH THE COMMISSION'S CIP RULE, OR CREATE AND MAINTAIN THE REQUIRED BOOKS AND RECORDS FOR THE CENTRAL AMERICAN BANK ACCOUNT, THE CENTRAL AMERICAN BANK CORPORATE ACCOUNTS, OR THEIR BENEFICIAL OWNERS. DURING THIS TEN YEAR TIME-FRAME, THE BENEFICIAL OWNERS OF THE CENTRAL AMERICAN BANK CORPORATE ACCOUNTS EFFECTUATED SECURITIES TRANSACTIONS TOTALING APPROXIMATELY \$23.8 MILLION. AS A RESULT OF ITS CONDUCT, THE FIRM WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3(A)(3) AND (9), 17A-4(A), (B)(1), AND (J), AND 17A-8 THEREUNDER.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 02/04/2016

**Docket/Case Number:** 3-17099

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order



**Resolution Date:** 02/04/2016

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT AND COOPERATION AFFORDED THE COMMISSION STAFF. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE, TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: RESPONDENT IS CENSURED AND SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3(A)(3) AND (9), 17A-4(A), (B)(1), AND (J), AND 17A-8 THEREUNDER. RESPONDENT SHALL, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,000,000 TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY. RESPONDENT ACKNOWLEDGES THAT THE COMMISSION IS NOT IMPOSING A CIVIL PENALTY IN EXCESS OF \$1,000,000 BASED UPON ITS COOPERATION IN THIS COMMISSION INVESTIGATION. RESPONDENT SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SEC ALLEGED THAT RESPONDENT WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3(A)(3) AND (9) THEREUNDER; 17(A) OF THE EXCHANGE ACT AND RULES 17A-4(A),(B)(1), AND (J)THEREUNDER; 17(A) OF THE EXCHANGE ACT AND RULE 17A-8 THEREUNDER.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 02/04/2016

**Docket/Case Number:** FILE NO. 3-17099

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:** ADMINISTRATIVE PROCEEDINGS; CENSURE; CIVIL MONETARY PENALTY

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 02/04/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** UNDERTAKING TO HIRE AN INDEPENDENT CONSULTANT TO REVIEW ITS CIP/AML COMPLIANCE PROGRAM

**Sanction Details:** BRICKELL GLOBAL MARKETS,INC ("BGM") HAS PAID THE \$1,000,000.00 FINE ON FEBRUARY 23, 2016 IN ACCORDANCE WITH THE INSTRUCTIONS IN THE ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND DESIST PROCEEDINGS.

WITHIN 60 DAYS FROM ISSUANCE OF THE ORDER RESPONDENT HAS UNDERTAKEN TO HIRE AN INDEPENDENT CONSULTANT, NOT UNACCEPTABLE TO COMMISSION STAFF, TO REVIEW ITS CIP/AML COMPLIANCE PROGRAM FOR A PERIOD OF TWO YEARS. AT THE END OF A 90 DAY REVIEW, THE CONSULTANT WILL SUBMIT TO THE STAFF AND TO RESPONDENT A WRITTEN REPORT. RESPONDENT WILL PROVIDE STAFF WITH A WRITTEN IMPLEMENTATION REPORT DETAILING ITS ADOPTION AND



IMPLEMENTATION OF THE CONSULTANT'S RECOMMENDATIONS. BEGINNING FROM THE DATE RESPONDENT OFFICIALLY IMPLEMENTS THE CONSULTANT'S RECOMMENDATIONS THE CONSULTANT WILL THEREAFTER MONITOR AND REVIEW RESPONDENT'S COMPLIANCE WITH HIS/HER RECOMMENDATION FOR A PERIOD OF TWO YEARS. DURING THIS PERIOD THE CONSULTANT WILL SUBMIT TO STAFF EVERY SIX MONTHS A WRITTEN REPORT ADDRESSING RESPONDENT'S COMPLIANCE WITH HIS/HER RECOMMENDATION. CERTIFY, IN WRITING, COMPLIANCE WITH THE UNDERTAKINGS SET FORTH ABOVE. THE CERTIFICATION SHALL IDENTIFY THE UNDERTAKING, PROVIDE WRITTEN EVIDENCE OF COMPLIANCE IN FORM OF A NARRATIVE, AND BE SUPPORTED BY EXHIBITS SUFFICIENT TO DEMONSTRATE COMPLIANCE.

#### Firm Statement

ON FEBRUARY 4TH, 2016 BGM WITHOUT ADMITTING OR DENYING THE FINDINGS CONTAINED IN THE ORDER, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, CONSENTS TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS.

#### Disclosure 3 of 5

##### Reporting Source:

Regulator

##### Current Status:

Final

##### Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT CHARGED CUSTOMERS A TRANSACTION FEE AND A CUSTODY FEE IN ADDITION TO A COMMISSION ON FIXED INCOME TRANSACTIONS. THE FINDINGS STATED THAT THE FOREGOING CHARGES WERE NOT REASONABLY RELATED TO ANY DIRECT HANDLING-RELATED SERVICES PERFORMED BY THE FIRM, OR HANDLING-RELATED EXPENSES INCURRED BY IT, IN PROCESSING TRANSACTIONS, BUT RATHER, WERE EFFECTIVELY ADDITIONAL COMMISSIONS FOR IT. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO DELIVER PROSPECTUSES TO CUSTOMERS WHO HAD PURCHASED COMMERCIAL PAPER OF ITS AFFILIATE AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WSPS TO ENSURE PROSPECTUS DELIVERY, IN CONTRAVENTION OF SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WSPS REGARDING EMAIL REVIEW. FINRA



FOUND THAT THE FIRM ALLOWED PERSONS WITHOUT TRADING AUTHORITY IN A BROKERAGE ACCOUNT OPENED BY A CENTRAL AMERICAN BANK TO DIRECT TRADING IN THE ACCOUNT. FINRA ALSO FOUND THAT THE FIRM MAINTAINED INACCURATE BOOKS AND RECORDS REFLECTING THAT TRANSACTIONS WERE SOLICITED, WHEN IN FACT, THE TRANSACTIONS WERE UNSOLICITED. IN ADDITION, FINRA DETERMINED THAT THE FIRM INACCURATELY COMPUTED ITS CUSTOMER RESERVE FORMULA WHICH RESULTED IN HINDSIGHT DEFICIENCIES AND FILED INACCURATE FOCUS REPORTS.

**Initiated By:** FINRA

**Date Initiated:** 11/23/2015

**Docket/Case Number:** 2015045608701

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** N/A

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/23/2015

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$275,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$275,000.  
FINE PAID IN FULL ON DECEMBER 15, 2015.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ESFS N/K/A BRICKELL GLOBAL MARKETS, INC. VOLUNTARILY SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WITHOUT



ADMITTING OR DENYING THE FINDINGS, TO RESOLVE MATTERS RELATED TO HANDLING FEE CHARGES (SEPT. 2011 - OCT. 2012), THE DELIVERY OF PROSPECTUSES (FEB. 2012 - FEB. 2014), SUPERVISION (NOV. 2012 - DEC. 2013), ORDER ACCEPTANCE (2003 - 2013), THE MAINTENANCE OF BOOKS AND RECORDS (JUNE 2013 - AUG. 2013), AND CUSTOMER RESERVE FORMULA COMPUTATIONS (2013). THE AWC HAS BEEN ACCEPTED BY FINRA. ALL OF THE ACTIVITY THAT WAS THE SUBJECT OF THE AWC OCCURRED PRIOR TO THE RENAMING OF ESFS AS BRICKELL GLOBAL MARKETS, INC.

**Initiated By:** FINRA

**Date Initiated:** 11/23/2015

**Docket/Case Number:** 2015045608701

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/23/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$275,000.00

**Other Sanctions Ordered:**

**Sanction Details:** BGM PAID THE \$275,000 FINE SET FORTH IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT VIA WIRE TRANSFER ON DECEMBER 15, 2015.

#### Disclosure 4 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FINRA RULE 2010, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 3010 - E.S. FINANCIAL SERVICES, INC. SERVED AS A PLACEMENT AGENT AND SOLICITED CERTAIN NON-U.S. PERSONS TO INVEST IN A COMMERCIAL PAPER PROGRAM OFFERED BY A FIRM AFFILIATE LOCATED OUTSIDE OF THE UNITED STATES. THE COMMERCIAL PAPER PROGRAM WAS OFFERED AND SOLD EXCLUSIVELY TO NON-U.S. PERSONS PURSUANT TO REGULATION S. AT CERTAIN TIMES, IN CONNECTION WITH THE FIRM'S



SALES OF THE INVESTMENTS, THE FIRM PROVIDED A CUSTOMIZED DOCUMENT TO EACH OF THE CUSTOMERS AND/OR PROSPECTIVE CUSTOMERS, IN WHICH THE FIRM INCLUDED THE PROGRAM IN THE CASH COMPONENT OF THE CUSTOMER'S PORTFOLIO ALONGSIDE U.S. TREASURIES AND OTHER COMMERCIAL PAPER PRODUCTS; PLACED THE PROGRAM WITHIN INVESTMENT OPTIONS DESCRIBED AS CONSERVATIVE; AND THAT THE MAIN OBJECTIVE OF INVESTING IN THIS CATEGORY WAS TO REDUCE GLOBAL RISK AS WELL AS TO GENERATE SOME INCOME. THE FIRM RECOMMENDED INVESTING IN THE PROGRAM OVER U.S. TREASURIES OR OTHER COMMERCIAL PAPER, IF THE CUSTOMER WANTED A HIGHER YIELDING OPTION. CONTRARY TO THE CONTENTS OF THE INVESTMENT PROPOSALS, THE PROGRAM WAS NOT A CASH COMPONENT, NOR WAS IT NECESSARILY A CONSERVATIVE, LOW-RISK INVESTMENT. THESE REPRESENTATIONS AMOUNTED TO FALSE, EXAGGERATED, OR UNWARRANTED STATEMENTS IN THESE MATERIALS. THE FIRM ALSO POSTED AN INFORMATION MEMORANDUM ON A PASSWORD-PROTECTED WEBSITE ACCESSIBLE TO CUSTOMERS; THE MEMORANDUM DID NOT ADEQUATELY DETAIL CERTAIN RISKS ASSOCIATED WITH INVESTING IN THE PROGRAM. THE FIRM FAILED TO CONDUCT ADEQUATE DUE DILIGENCE RELATING TO ITS SALES OF THE COMMERCIAL PAPER PROGRAM AND FAILED TO ADOPT, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES PERTAINING TO ITS SALE OF THE INVESTMENTS UNTIL NEARLY FOUR YEARS AFTER IT BEGAN SELLING THE INVESTMENTS. THE FIRM FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN DUE DILIGENCE PROCEDURES TAILORED TO ITS SALE OF THE INVESTMENTS. ALTHOUGH ALL OF THE INVESTMENTS WERE REPAYED ON A TIMELY BASIS AT MATURITY AND NO CUSTOMER LOST MONEY, THE FIRM'S FAILURE TO IMPLEMENT WRITTEN DUE DILIGENCE PROCEDURES NEVERTHELESS LED THE FIRM TO FAIL TO CONDUCT A REASONABLE INVESTIGATION CONCERNING VARIOUS MATTER CONCERNING THE INVESTMENTS.

**Initiated By:** FINRA

**Date Initiated:** 12/14/2012

**Docket/Case Number:** 2010024826501

**Principal Product Type:** Other

**Other Product Type(s):** COMMERCIAL PAPER PROGRAM

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 12/14/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$200,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$200,000. FINE PAID IN FULL ON 12/19/12.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** E.S. FINANCIAL SERVICES, INC. ("ESFS") SERVED AS A PLACEMENT AGENT AND SOLICITED CERTAIN NON-U.S. PERSONS TO INVEST IN A COMMERCIAL PAPER PROGRAM OFFERED BY A FIRM AFFILIATE LOCATED OUTSIDE OF THE UNITED STATES AND SOLD EXCLUSIVELY TO NON-U.S. PERSONS PURSUANT TO REGULATION S. IN CONNECTION WITH THESE SALES, THE FIRM AT TIMES PROVIDED A CUSTOMIZED INVESTMENT PROPOSAL TO CUSTOMERS AND/OR PROSPECTIVE CUSTOMERS, IN WHICH THE FIRM INCLUDED THE COMMERCIAL PAPER PROGRAM IN THE CASH COMPONENT OF THE CUSTOMER'S PORTFOLIO, CATEGORIZED THE PROGRAM AS A CONSERVATIVE INVESTMENT OPTION, AND SUGGESTED THAT THE MAIN OBJECTIVE OF INVESTING IN THIS CATEGORY WAS TO REDUCE GLOBAL RISK AS WELL AS TO GENERATE SOME INCOME. THE FIRM RECOMMENDED INVESTING IN THE PROGRAM OVER U.S. TREASURIES OR OTHER COMMERCIAL PAPER, IF THE CUSTOMER WANTED A HIGHER YIELDING OPTION. CONTRARY TO THE CONTENTS OF THE INVESTMENT PROPOSALS, THE PROGRAM WAS NOT A CASH COMPONENT, NOR WAS IT NECESSARILY A CONSERVATIVE, LOW-RISK INVESTMENT. THESE REPRESENTATIONS AMOUNTED TO FALSE, EXAGGERATED, OR UNWARRANTED STATEMENTS. THE FIRM ALSO POSTED AN INFORMATION MEMORANDUM ON A PASSWORD-PROTECTED WEBSITE ACCESSIBLE TO CUSTOMERS; THE MEMORANDUM DID NOT ADEQUATELY DETAIL CERTAIN RISKS ASSOCIATED WITH INVESTING IN THE COMMERCIAL PAPER PROGRAM. ESFS'S DUE DILIGENCE ALSO WAS



INSUFFICIENT RELATING TO ITS SALES OF THE PROGRAM, AND ESFS FAILED TO ADOPT, MAINTAIN AND ENFORCE ADEQUATE DUE DILIGENCE AND WRITTEN SUPERVISORY PROCEDURES PERTAINING TO ITS SALE OF THESE INVESTMENTS. ALTHOUGH ALL OF THE INVESTMENTS WERE REPAYED ON A TIMELY BASIS AT MATURITY AND NO CUSTOMER LOST MONEY, ESFS'S FAILURE TO IMPLEMENT WRITTEN DUE DILIGENCE PROCEDURES NEVERTHELESS LED THE FIRM TO FAIL TO CONDUCT A REASONABLE INVESTIGATION CONCERNING VARIOUS MATTERS CONCERNING THE INVESTMENTS. AS A RESULT, ESFS VIOLATED FINRA RULES 2010, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), AND 3010.

<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/14/2012
<b>Docket/Case Number:</b>	2010024826501
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	GES FINANCE COMMERCIAL PAPER PROGRAM
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	A CENSURE AND A \$200,000 FINE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/14/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$200,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ESFS PAID THE \$200,000 FINE SET FORTH IN THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT VIA WIRE TRANSFER ON DECEMBER 19,2012
<b>Firm Statement</b>	ESFS HAS SIGNED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH HAS BEEN ACCEPTED BY FINRA, TO RESOLVE MATTERS RAISED BY FINRA RELATED TO ADVERTISING, DUE DILIGENCE, AND SUPERVISION IN CONNECTION WITH ESFS'S PRIOR SALES OF SHORT-TERM NOTES ISSUED BY GES FINANCE LTD., AN AFFILIATE OF ESFS. ALL OF THESE NOTES WERE REPAYED ON A TIMELY BASIS AT MATURITY, AND NO CUSTOMER WHO INVESTED IN THEM LOST MONEY.

#### Disclosure 5 of 5

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(5), SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C3-3, SECTIONS (C), (D), (E), (F), AND (I); NASD RULES 2110 AND 3110: RESPONDENT MEMBER FIRM DID NOT MAINTAIN CURRENT AND ACCURATE BOOKS AND RECORDS REGARDING CUSTOMER'S SECURITIES HELD AT VARIOUS DEPOSITORY LOCATIONS; DID NOT ESTABLISH CUSTOMER SAFEKEEPING ACCOUNTS FOR THE SAFEKEEPING OF CUSTOMER FULLY PAID FOR AND EXCESS MARGIN SECURITIES AND DID NOT REDUCE SUCH SECURITIES TO POSSESSION OR CONTROL; DID NOT MAINTAIN AN ADEQUATE SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER, DID NOT OBTAIN AN ADEQUATE WRITTEN NOTIFICATION REGARDING SEGREGATION OF CASH AND/OR QUALIFIED SECURITIES DEPOSITED IN THE RESERVE BANK ACCOUNT; AND DID NOT FILE TELEGRAPHIC NOTICE OF CERTAIN RESERVE DEFICIENCIES IN THE RESERVE BANK ACCOUNT.

**Initiated By:** FINRA

**Date Initiated:** 12/31/2007

**Docket/Case Number:** 2006005964001

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/31/2007

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER



FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$10,000.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA ALLEGED THAT AT VARIOUS TIMES BETWEEN MAY 2005 AND JUNE 2006, APPLICANT VIOLATED SECTIONS 15(C) AND 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULES 17A-3 AND 15C3-3 THEREUNDER, AND NASD RULES 2110 AND 3110 IN CONNECTION WITH THE ESTABLISHMENT OF POSSESSION AND CONTROL OVER CUSTOMER FULLY PAID FOR AND EXCESS MARGIN SECURITIES AND THE SEGREGATION OF CASH AND/OR QUALIFIED SECURITIES.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/31/2007
<b>Docket/Case Number:</b>	2006005964001
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	FINE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/31/2007
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ON DECEMBER 31, 2007, WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS, APPLICANT CONSENTED TO A CENSURE AND THE IMPOSITION OF A FINE IN THE AMOUNT OF \$10,000.
<b>Firm Statement</b>	ON DECEMBER 31, 2007, WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS, APPLICANT CONSENTED TO A CENSURE AND THE IMPOSITION OF A FINE IN THE AMOUNT OF \$10,000.

Disclosure Events for Non-Registered Control Affiliates



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



## Disclosure Event Details

### Regulatory - Final

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	BANCO ESPIRITO SANTO S.A.
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC ALLEGED THAT BANCO ESPIRITO SANTO ("BES") VIOLATED THE BROKER-DEALER AND INVESTMENT ADVISER REGISTRATION PROVISIONS, AS WELL AS THE SECURITIES TRANSACTION REGISTRATION PROVISIONS OF THE FEDERAL SECURITIES LAWS (SECTIONS 5(A) AND 5(C) OF THE SECURITIES ACT, SECTION 159A) OF THE EXCHANGE ACT AND SECTION 203(A) OF THE ADVISERS ACT).
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	10/24/2011
<b>Docket/Case Number:</b>	FILE NO. 3-14599
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	EQUITY - OTC MUTUAL FUND(S) EQUITY LINKED NOTES OTHER
<b>Principal Sanction(s)/Relief Sought:</b>	Disgorgement
<b>Other Sanction(s)/Relief Sought:</b>	CIVIL MONETARY PENALTY
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	10/24/2011
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$6,963,518.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ON OCTOBER 24, 2011, WITHOUT ADMITTING OR DENYING SEC'S ALLEGATIONS, BES CONSENTED TO A CENSURE AND IMPOSITION OF A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$6,963,518.00
<b>Firm Statement</b>	ON OCTOBER 24, 2011, WITHOUT ADMITTING OR DENYING SEC'S ALLEGATIONS, BES CONSENTED TO A CENSURE AND IMPOSITION OF A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$6,963,518.00

## End of Report



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