



DISCIPLINARY DECISION

**Cboe BZX Exchange, Inc
Star No. 20170530827/File No. USE-1780
Bay Crest Partners, LLC**

Pursuant to Exchange Rule 8.3, attached to and incorporated as part of this Decision is a Letter of Consent.

Applicable Rules

- BZX Rules 2.5 – Restrictions and 5.1 – Written Procedures.

Sanction

- A censure and a monetary fine in the amount of \$5,000.

Effective Date

February 26, 2020

/s/ Greg Hoogasian

Greg Hoogasian, CRO, SVP

Cboe BZX Exchange, Inc.
LETTER OF CONSENT
Star No. 20170530827
File No. USE-1780

In the Matter of:

Bay Crest Partners, LLC
40 Wall Street
42nd Floor
New York, NY 10005

Respondent

Pursuant to the provisions of Cboe BZX Exchange, Inc. ("BZX" or the "Exchange") Rule 8.3, Bay Crest Partners, LLC ("Bay Crest" or the "Firm") submits this Letter of Consent for the purposes of proposing a settlement of the alleged rule violations described below.

The Firm neither admits nor denies the findings for Star No. 20170530827/File No. USE-1780 and the stipulation of facts and findings described herein do not constitute such an admission.

BACKGROUND

1. During all relevant periods herein, Bay Crest was acting as a registered Broker-Dealer and was an Exchange member registered to conduct business on the Exchange. The Firm's registrations remain in effect.
2. This matter originated from an examination conducted by FINRA's Trading and Financial Compliance Examinations group ("TFCE") for the period December 17, 2016 through June 15, 2017 (the "Review Period").¹

¹ In addition to the Exchange, the TFCE review was conducted on behalf of the following national securities exchanges and self-regulatory organizations: Cboe EDGX Exchange, Inc. ("EDGX"), The NASDAQ Stock Market LLC ("Nasdaq"), the New York Stock Exchange LLC ("NYSE"), NYSE American LLC ("NYSE American"), and the Financial Industry Regulatory Authority ("FINRA") (collectively, the "SROs").

VIOLATIVE CONDUCT

Applicable Rules

3. During all relevant periods herein, the following rules were in full force and effect: Exchange Rules 2.5 – Restrictions and 5.1 – Written Procedures.
4. During all relevant periods herein, Exchange Rule 2.5, Interpretations and Policies .01(d) provided, in relevant part: “Each Principal with responsibility over securities trading activities on the Exchange” is required to “become qualified and registered as a Securities Trader Principal.” The rule also required “the Series 57 as a prerequisite to the Series 24” for Securities Trader Principals.
5. During all relevant periods herein, Exchange Rule 5.1 required members to “establish, maintain and enforce written procedures which will enable it to supervise properly the activities of associated persons of the Member and to assure their compliance with applicable securities laws, rules, regulations and statements of policy promulgated thereunder, with the rules of the designated self-regulatory organization, where appropriate, and with Exchange Rules.”

Failing to Qualify and Register Principal as a Securities Trader Principal

6. During the Review Period, the Firm’s Chief Compliance Officer (“CCO”), a Firm principal by virtue of her position as CCO, had supervisory responsibility over the securities trading activities of the Firm’s 11 Securities Traders, but had not passed the Series 57 or registered as a Securities Trader Principal.
7. The acts, practices and conduct described in Paragraph 6 constitute a violation of Exchange Rule 2.5, Interpretations and Policies .01(d) by the Firm, in that the Firm failed to qualify and register with the Exchange a principal with supervisory responsibility over Securities Traders as a Securities Trader Principal.

Failing to Establish, Maintain and Enforce Written Procedures

8. During the Review Period, the Firm failed to enforce written procedures to enable it to assure that personnel with supervisory responsibility over Securities Traders were properly qualified and registered with the Exchange as Securities Trader Principals.
9. The acts, practices and conduct described in Paragraph 8 constitute a violation of Exchange Rule 5.1.

SANCTIONS

10. The Firm does not have any prior relevant disciplinary history specifically related to the qualification and registration of its principals or supervision thereof.
11. In light of the alleged rule violations described above, the Firm consents to the imposition of the following sanctions:
 - a. A censure; and
 - b. A monetary fine of \$5,000 to be paid to the Exchange.

If this Letter of Consent is accepted, the Firm acknowledges that it shall be bound by all terms, conditions, representations and acknowledgements of this Letter of Consent, and, in accordance with the provisions of Exchange Rule 8.3, waives the right to review or to defend against any of these allegations in a disciplinary hearing before a Hearing Panel. The Firm further waives the right to appeal any such decision to the Board of Directors, the U.S. Securities and Exchange Commission, a U.S. Federal District Court, or a U.S. Court of Appeals.

The Firm waives any right to claim bias or prejudgment of the Chief Regulatory Officer ("CRO") in connection with the CRO's participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including acceptance or rejection of this Letter of Consent. The Firm further waives any claim that a person violated the ex parte prohibitions of Exchange Rule 8.16, in connection with such person's participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including its acceptance or rejection.

The Firm agrees to pay the monetary sanction(s) upon notice that this Letter of Consent has been accepted and that such payment(s) are due and payable. The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO, pursuant to Exchange Rule 8.3. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations against the Firm.

The Firm understands and acknowledges that acceptance of this Letter of Consent will become part of its disciplinary record and may be considered in any future actions brought by Cboe or any other regulator against the Firm. The Letter of Consent will be published on a website maintained by the Exchange in accordance with Exchange Rule 8.18.

The Firm understands that it may not deny the charges or make any statement that is inconsistent with the Letter of Consent. The Firm may attach a Corrective Action Statement to this Letter of Consent that is a statement of demonstrable corrective steps taken to prevent future misconduct. Any such statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of the Exchange or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this Letter of Consent and has been given a full opportunity to ask questions about it; that it has agreed to the Letter of Consent's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.

Date: 2/14/20

Bay Crest Partners, LLC

By: 

Name: William P. Mulligan, Jr

Title: CEO