



DISCIPLINARY DECISION

Cboe BZX Exchange, Inc.

Star No. 20200652382-02/File No. USE-2332-05/URE-43-05

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 \$6,667.

Effective Date

September 14, 2022

/s/ Greg Hoogasian

Greg Hoogasian, CRO, EVP

Cboe BZX Exchange, Inc.
LETTER OF CONSENT
Star No. 2020065238202/File No. USRI-2332-05/URE-43-05

In the Matter of:

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

Subject

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

The Firm neither admits nor denies that violations of Exchange Rules have been committed, 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. The Firm’s registrations remain in effect.
2. This matter arises from the 2020 cycle examination of the Firm conducted by FINRA’s Department of Market Regulation.

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(e) provided, in relevant part, that a member Firm’s Financial Operations Principal must have a Financial and Operations Principal Examination, Series 27, qualification.
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.”

Qualification of Financial Operations Principal

6. From June 15, 2017 to March 2, 2020, the associated person who acted as the Firm’s Financial and Operations Principal at the Firm was not registered with Cboe in the Financial Operations Principal category, nor qualified to act in the Financial Operations Principal category because she did not have a Financial and Operations Principal Examination, Series 27, qualification.
7. The acts, practices and conduct described in Paragraph 6 constitute a violation of Exchange Rule 2.5, Interpretations and Policies .01(e) by the Firm, in that the Firm failed to qualify and register with the Exchange a Financial Operations Principal who had a Series 27 qualification.

Written Supervisory Procedures (“WSPs”)

8. From June 15, 2017 to November 10, 2020, the Firm failed to establish, maintain, and enforce WSPs, and a system for applying such procedures, reasonably designed to prevent and detect violations of applicable Exchange Rules that require the appropriate qualification and registration of the Firm’s personnel. Specifically, the Firm’s WSPs did not require a review of the qualifications of Firm personnel, and further, while the WSPs required the Firm to conduct a monthly review of registrations, the review process was not reasonable as the report relied upon to conduct the review did not include whether employees were registered with any Self-Regulatory Organizations.
9. The acts, practices and conduct described in Paragraph 8 constitute a violation of Exchange Rule 5.1.

SANCTIONS

10. The Firm has relevant disciplinary history specifically related to registrations and qualifications. Specifically, in Matter No. 20170530827, FINRA, BZX, EDGX, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, and NYSE American LLC fined Bay Crest \$19,500 for failing to qualify and register a principal as a Securities Trader Principal and for failing to enforce the Firm’s WSPs to ensure that the employee was properly registered.
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 in the amount of \$6,667.¹

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 prejudice 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.

¹ This settlement relates to other settlements the Firm reached with Cboe EDGA Exchange, Inc.; Cboe EDGX Exchange, Inc., and Nasdaq ISE, LLC.

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: September 8, 2022

Bay Crest Partners, LLC

By  _____

Name: william Mulligan

Title: CEO