

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2020065207701**

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

RE: Berkshire Global Advisors LP (Respondent)  
Member Firm  
CRD No. 124180

Pursuant to FINRA Rule 9216, Respondent Berkshire Global Advisors LP 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**

Berkshire has been a FINRA member since May 2003. Berkshire's headquarters is located in New York, New York. The firm currently has 36 registered representatives and three branch locations. The firm offers mergers and acquisitions and strategic advisory services.<sup>1</sup>

**OVERVIEW**

From October 2019 through the present, Berkshire failed to establish, maintain, and enforce a supervisory system, including written supervisory procedures (WSPs), reasonably designed to supervise outside brokerage accounts. As a result, Berkshire violated FINRA Rules 3110 and 2010.

**FACTS AND VIOLATIVE CONDUCT**

This matter originated from a FINRA cycle examination of Berkshire.

FINRA Rule 3110(a) requires members to “establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.”

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<sup>1</sup> For more information about the firm, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

FINRA Rule 3110(b) provides that “each member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.”

FINRA Rule 3110(d) requires each member to “include in its supervisory procedures a process for the review of securities transactions that are reasonably designed to identify trades that may violate the provisions of the Exchange Act, the rules thereunder, or FINRA rules prohibiting insider trading and manipulative and deceptive devices that are effected for the . . . accounts of a person associated with the member that are disclosed to the member pursuant to Rule 3210.” FINRA Rule 3110(d) further requires each member to “conduct promptly an internal investigation into any such trade to determine whether a violation of those laws or rules has occurred.”

A violation of FINRA Rule 3110 also constitutes a violation of FINRA Rule 2010, which requires a member, in the conduct of its business, to observe high standards of commercial honor and just and equitable principles of trade.

FINRA Rule 3210 requires associated persons to obtain the prior written consent of their employer firm before opening or establishing an account at another member. As stated in Regulatory Notice 16-22, “[s]ound supervisory practices require that a member firm monitor personal accounts opened or established outside of the firm by its associated persons” and “[m]ore broadly . . . members are responsible for establishing and maintaining systems for the supervision of their associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. As such, members’ reviews of the outside transactions of their associated persons could relate to other facets of conduct under FINRA rules, not just FINRA Rule 3110(d).”

From October 2019 through the present, Berkshire’s WSPs required associated persons to obtain prior written consent from the firm before opening outside brokerage accounts with other member firms and also required the firm to obtain and review duplicate statements for all disclosed outside brokerage accounts. Berkshire’s WSPs failed, however, to identify any steps the firm would take to verify that it actually received and reviewed duplicate statements for each disclosed outside brokerage account. The WSPs also failed to provide guidance on how the firm would detect and investigate potential securities-related violations.

In practice, Berkshire did not have a reasonably designed process to ensure that the firm had up-to-date records of outside brokerage accounts maintained by its associated persons or that the firm received duplicate statements for each disclosed outside account. Although the firm required that its associated persons submit annual certifications disclosing their outside brokerage accounts, the firm had no system in place to confirm it received all required certifications. For example, for one year during the relevant period, seven associated persons failed to submit the required certification, and ten associated persons submitted certifications with incomplete disclosures, without reasonable follow-

up from the firm. As of January 2021, more than half of the firm's associated persons were maintaining one or more outside brokerage accounts that had not been disclosed to the firm. In addition, the firm maintained a list of outside brokerage accounts but did not regularly reconcile the list against the duplicate statements received by the firm. The firm had no system in place to notify associated persons or their supervisors that statements were missing and had no procedures for following up on missing statements. For example, with respect to a sample of 15 accounts disclosed by the firm's representatives, the firm failed to obtain and review six statements for December 2020.

Additionally, the firm's system to review the account statements it obtained was not reasonably designed. From October 2019 through August 2023, the firm's manual review of hundreds of monthly account statements was performed by a single individual, which was unreasonable given the volume of monthly statements subject to review.<sup>2</sup> Further, the manual review did not facilitate identification of patterns of activity over time or across accounts. Additionally, although the firm attempted to identify trades in securities that appeared on the firm's watch list, there were multiple instances of associated persons buying or selling watch list securities in disclosed outside brokerage accounts that were not detected or subject to further investigation by the firm given the firm's unreasonable manual review.

Therefore, Berkshire violated FINRA Rules 3110 and 2010.

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

- a censure;
- a \$100,000 fine; and
- an undertaking that, within 90 days of the date of the acceptance of this AWC, a member of Berkshire's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in the AWC, and implemented a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 3110(a), (b), and (d) regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Berkshire's remediation and implementation. FINRA staff may request further evidence of Berkshire's remediation and implementation, and Berkshire agrees to provide such evidence. Berkshire shall submit the certification to Jamie Stinson, Principal Counsel, FINRA Department of Enforcement, Brookfield Place, 200 Liberty Street, New York, NY 10281, or electronically to [Jamie.Stinson@finra.org](mailto:Jamie.Stinson@finra.org), with a copy to [EnforcementNotice@finra.org](mailto:EnforcementNotice@finra.org). Upon written request showing good cause, FINRA staff may extend this deadline.

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<sup>2</sup> The firm implemented an electronic monitoring system for review of representatives' disclosed outside brokerage accounts in August 2023.

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.

12/27/2024

Date



Berkshire Global Advisors LP  
Respondent

Print Name: R. Bruce Cameron

Title: Partner

Reviewed by:



Victor C. Bushell  
Counsel for Respondent  
Bushell, Sovak, Kane & Sash LLP  
274 Madison Avenue, Suite 1500  
New York, New York 10016

Accepted by FINRA:

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

01/23/2025

Date



Jamie Stinson  
Principal Counsel  
FINRA  
Department of Enforcement  
200 Liberty Street, 11th Floor  
New York, NY 10281