



BOURNEHILL INVESTMENT SERVICES INC.

MEMBER FINRA/SIPC

VIA Electronic submission to www.sec.gov/efap; via email to alan.lawhead@finra.org and nac.casefilings@finra.org; and first class mail to address below

September 26, 2024

Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street, NE, Room 10915
Washington, DC 20549-1090

and

Alan Lawhead, Esq.
Office of General Counsel
FINRA
1700 K Street, NW
Washington, DC 20006

Re: Appeal of FINRA's expulsion of Bournehill Investment Services, Inc. under FINRA Rule 9552(h)

To Whom It May Concern:

Bournehill Investment Services, Inc ("Bournehill" or "the Firm") requests a hearing before the U.S. Securities and Exchange Commission ("the SEC" or "the Commission") to appeal the expulsion of the Firm under Financial Industry Regulatory Authority ("FINRA") Rule 9552(h), effective August 26, 2024. The Firm received notice of the expulsion via Federal Express ("FedEx") package received at the building's mailroom on August 28, 2024, and delivered to Bournehill on August 30, 2024. In accordance with the SEC's Rules of Fair Practice (17 CFR 201.100-201.1106) we are filing our appeal via electronic filing as described in the expulsion notice. We are also copying all required persons and entities connected with this matter via the manner instructed in said expulsion notice. The Firm is unaware of any FINRA case number connected with this proceeding and, as such, is unable to reference one in this response. The main point of contact for this appeal request will be the undersigned, Gregory Bodkin, Chief Compliance Officer. The address for service is 626 RXR Plaza, Uniondale, NY 11556 and the phone numbers for contact are 516-744-2124 x102 or 516-312-1226 (cell phone).

Background

On August 30, 2024, Bournehill's executives received notice that the Firm had been expelled from FINRA membership, pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Notice of Suspension, dated May 23, 2024. Ostensibly, the expulsion is the result of the Firm's failure to complete an annual audit in a timely manner, as indicated in the May 23, 2024 letter. The Firm would like to request its appeal be granted and it be given an opportunity to

complete the audit, as it had been dutifully engaged in vetting auditors to replace its previous auditor, with whom the Firm had parted ways in late 2023.

Statement of facts regarding the audit process for Bournehill

On November 2, 2023, the Firm was notified that its current PCAOB auditor, Jennifer Wray, CPA, was disengaging with Bournehill due to confusion over outstanding payments owed to the company. Shortly thereafter, on or about December 20, 2023, the Firm disengaged with its outside FinOp, Tiffany Riordan (through DFP Partners, Inc.) as it was in the process of reviewing options related to its continued business and was looking to reduce expenses. At the time, the Firm determined that Gregory Bodkin would handle the duties of FinOp until he either passed his qualifying examination or a new FinOp was identified and contracted with.

Early in 2024, as the Firm was reviewing its options related to continuing business, it was also exploring options to sell the Firm. In January, 2024, the Firm had an agreement in principle to sell Bournehill to another entity, which would have put the onus on the purchasers to have the audit completed. Unfortunately, this verbal agreement fell through in mid-March, and the Firm requested an extension to file its audit, as it resumed vetting PCAOB auditors that might fit the Firm's limited budget at the time. The extension was granted by FINRA on April 2, 2024, with the audit being due on or about May 1, 2024.

First Cause for Action – the Firm was diligently working to resolve the issues indicated in the May 23, 2024 suspension notice

Shortly before the May 1, 2024 audit due date, Bournehill executives had made the difficult decision that it would file Form BDW. At that time, the Firm requested a phone conversation with its Risk Monitoring Analyst and Risk Monitoring Director, Elena Domasica and Stephen Poirier, respectively. During this conversation, the executives of Bournehill discussed their intentions with the FINRA representatives. At that time, Ms. Domasica and Mr. Poirier indicated that a BDW could would likely still require an audit to be completed, as the Firm could be subject to all requirements of it, prior to the filing. The Firm began to re-engage with PCAOB auditors it had talked with previously about potentially engaging with the Firm for a one-time audit. As these discussions progressed over the next sixty to seventy-five (60-75) days, no auditors were willing to do the work for an amount that the Firm could afford, with some asking as much as \$45,000 to conduct the audit.

Around mid-June, 2024, the Firm was contacted by a 3rd party about the sale of the company to an interested buyer. Initial discussions were not fruitful; however, over time. An agreement in principle was reached, with various conditions set forth. At this time, having no other options, the Firm reached out to Ms. Wray, its prior auditor, to discuss her re-engagement with the Firm. On August 26, 2024, Ms. Wray and the Firm came to an agreement on re-engagement and Ms. Wray forwarded the Engagement Letter to Bournehill executives on September 9, 2024. At this time Ms. Wray is in the process of reviewing certain records which she had requested in connection with the audit process and we hope to have the audit completed in the short term, although there is no confirmed completion date yet. As such, the Firm is complying with the requirements of the rule and are in the process of completing the requirement. Due to a

misunderstanding of the rules and process, the Firm believed it needed to have the auditor engaged prior to requesting the termination of the suspension. As we now understand it, The Firm could have requested the termination of the suspension while attempting to engage the auditor. It was this confusion which led to the expiration of the three (3) month period to request termination of the suspension.

Second Cause for Action – FINRA apparently failed to follow procedures outlined by its own rules

FINRA Rule 9552(a) states that if a member within FINRA’s jurisdiction fails to provide information, any report, material, etc., “FINRA staff may provide written notice to such member or person specifying the nature of the failure and stating that the failure to take corrective action within 21 days after service of the notice will result in suspension of membership or of association of the person with any member.” In this specific instance, it appears FINRA staff failed to provide such notice to Bournehill prior to the institution of the suspension notice on May 23, 2024. Therefore, the Firm was not provided the notice that they had twenty-one (21) days to take corrective action before a suspension would be instituted on the Firm. The Firm is able to confirm receipt of the May 23, 2024 suspension notice, received via FedEx on or about May 25, 2024 to the building’s mailroom; however, no prior notice was received by the Firm or any person or entity authorized to accept such mailing for process of service. In apparently failing to follow the process outlined in Rule 9552, FINRA deprived Bournehill of its due process and as such, the Firm was disadvantaged, making the suspension notice null and, by extension, the expulsion of Bournehill should be nullified.

Conclusion

Bournehill, and its principals, believe that they have always had the best intentions in this venture. Having been associated with various broker/dealers, the principals always felt that they had a firmer understanding of what was right and what was wrong as it relates to customer care and proper supervision of representatives. The principals of Bournehill still hold this to be the case; the client is the foundation of the brokerage business and their protection and trust is of the utmost importance in the industry. At all times, Bournehill has conducted itself in this manner and would like to continue to serve the investing public moving forward. Based on the arguments contained in this appeal, the Office of the Secretary should grant Bournehill’s appeal for reinstatement.

Very truly yours,


GREGORY BODKIN,
Chief Compliance Officer