

**BEFORE THE SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC**

In the Matter of the Application of Bournehill Investment Services, Inc.

For Review of Action Taken by FINRA
File No. 3-22221

**BOURNEHILL INVESTMENT SERVICES, INC.’S ANSWER IN OPPOSITION TO
FINRA’S MOTION TO DISMISS THE APPLICATION FOR REVIEW AND TO
STAY BRIEFING**

I. INTRODUCTION

Bournehill Investment Services, Inc. (“Bournehill” or “the Firm”) has requested that Securities and Exchange Commission (“the SEC”) review a final FINRA action expelling the firm. FINRA has moved to dismiss the application on the grounds that Bournehill failed to challenge the action under FINRA rules. Bournehill files this Answer in opposition to FINRA’s motion to dismiss the application and requests the SEC hear the Firm’s appeal based the fact that the Firm is availing itself of the processes that are afforded under Federal Law.

II. BACKGROUND

In August 2022, Bournehill was notified that they had become subject to FINRA Rule 3170 (“the Taping Rule”), due to the recent registration of two (2) representatives who were from a previously expelled Firm, Worden Capital Management. The owners of Bournehill, Mr. Jerry Bileski (CRD No. 2896596; “Bileski”) and Mr. Gregory Bodkin (CRD No. 3008389; “Bodkin”), were familiar with both representatives from their own time at Worden Capital. It should be noted that neither Bileski, nor Bodkin were implicated in any of the wrong doings which led to the expulsion of Worden Capital. It should also be noted that the two (2) representatives registered with Bournehill, triggering the Taping Rule, were implicated in any of the wrong doings which led to the expulsion of Worden Capital.

Bournehill availed itself of the appeal process, instituting fairly stringent written procedures which would have effectively made Bournehill a Taping Firm, but without the connotation or “Scarlet Letter” effected by the Taping Rule being implemented. For reference, the Firm has provided its documentation of this to the SEC for its review, to show that the Firm takes these matters very seriously.

In November 2022, the Firm’s request for exemption from the requirements of the rule was rejected by FINRA, as every other member Firm who had requested such had been denied. The Firm appealed to the National Adjudicatory Council (“NAC”). Despite having what could be called a reasonable supervisory system in place to record and monitor phone calls as prescribed by the rule, Bournehill’s appeal was denied, again, as has every other Firm who has ever appealed their exemption to the NAC.

Due to the restrictive nature of the Taping Rule, the Firm was forced to pause its business as its representatives were not completely comfortable with the requirements, even though they were willing to work within them. As such, the Firm made arrangements with another broker/dealer to move its business to, and began to determine what way forward there might be. As the Firm’s owners mulled this issue, the calendar turned and the Annual Audit became an issue. As the Firm had terminated its Financial and Operational Principal in December, and they had discussed not renewing with their auditor earlier than this, the Firm began to consider filing a BDW to end its relationship with FINRA and the SEC. However, there were several inquiries to purchase the broker/dealer by outside persons, leaving the Firm’s ownership in virtual “limbo”, trying to stay within the rules while also trying to determine if the potential buyer was serious about their considerations.

The Firm requested an extension to complete their audit, which was granted by FINRA. It was shortly after this that the Firm’s buyer decided not to proceed with the purchase of the company. Upon learning of this, the Firm contacted its RMA and their supervisor to discuss the process of BDW. At that time, the Firm’s ownership learned that they would still be required to file an annual audit even if the Firm had filed a BDW. Once again, the Firm began to search for a qualified PCAOB auditor, and came to a verbal agreement with them on August 27, 2024, just one day after FINRA expelled the Firm for not completing its audit. This was not learned until approximately August 30, 2024, when the Firm received the notification via FedEx.

III. FINRA's MISLEADING ARGUMENTS

FINRA states in its motion that “[T]he record demonstrates that Bournehill received proper notice of these proceedings in accordance with FINRA’s rules, but that it took no action until after it was expelled from FINRA membership.” FINRA has no proof of the steps that Bournehill was taking during this period. In fact, FINRA’s motion proves nothing more than that they wish to deprive their member firms and, by extension, their member representatives of the due process afforded them under the securities rules and regulations. Based on facts not in evidence, FINRA would have the Commission believe that Bournehill simply dismissed the organization’s various correspondence and methods, without concern for what could happen to its membership. However, this is patently false, as the Firm was in constant communication with its FINRA Regulatory Analyst, who was replaced very early on in this process, and their direct line supervisor, discussing the process that Bournehill was going through to rectify the situation. At no time was the Firm told that they could request a lift of the suspension imposed for failing to file the audit while they negotiated with various PCAOB certified auditors to help the Firm in completing the audit process. If the Firm had been made aware of this, they would have availed themselves. As it happens, Bournehill was able to come to an agreement with its previously engaged auditor to complete the audit, as noted within the Firm’s appeal and incorporated exhibits; but the agreement was reached after the Firm’s expulsion was decided by FINRA.

IV. CONCLUSION

FINRA’s motion concludes with a statement, “[T]he firm did not exhaust, let alone engage in, FINRA’s process for challenging the expedited proceeding against it.” As demonstrated by the numerous conversations with the RMA and their direct line supervisor, as well as the evidence presented in the form of the engagement agreement, the Firm did not fail to engage in this process, but was hamstrung by several constraints, not the least of which is the exorbitant cost associated with conducting a PCAOB audit as a small firm. At all times, Bournehill and its owners have tried to do things the proper and right way, to distance themselves from the past firms which have now evidently tarnished the reputations of Bournehill, as well as Mr. Bileski and Mr. Bodkin, the latter of which was a former FINRA and NASD-R employee, and the former of which had an unblemished

twenty (20) year career in the industry prior to associating with the wrong firm. We humbly ask that the SEC deny FINRA's motion to dismiss and allow Bournehill's appeal to be heard properly, so that it may determine its own fate.

Respectfully submitted

/s/ Gregory P. Bodkin
GREGORY BODKIN,
Chief Compliance Officer
Bournehill Investment Services, Inc.
626 RXR Plaza
Uniondale, NY 11556
(516) 744-2124 ext. 102
gbodkin@bournehillis.com

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
OFFICE OF THE SECRETARY**

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In the Matter of

Appeal of expulsion under FINRA Rule 9552(h)

Bournehill Investment Services, Inc.
(CRD No. 104003)

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CERTIFICATE OF SERVICE

Pursuant to the SEC's Rules of Practice and FINRA Rule 9135, I hereby certify that on this 2nd day of December, 2024, I caused the Answer in Opposition to the Motion to Dismiss the Application of Bournehill Investment Services, Inc. and additional exhibits in the above referenced matter to be sent via email to the following: Colleen Durbin, Associate General Counsel at colleen.durbin@finra.org; Michelle Parker of the FINRA Office of General Counsel at michelle.parker@finra.org; and, Melanie Campbell of the FINR Office of General Counsel at melanie.campbell@finra.org. I also caused the same documents in the above referenced matter to be sent via email to be filed with FINRA's National Adjudicatory Council, at nac.casefilings@finra.org. Lastly, I caused the same documents to be filed on the SEC's Electronic Filing System (eFAP) and to be sent to the following address for the SEC:

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

Dated: December 2, 2024

Respectfully submitted,

/s/Gregory P. Bodkin
Gregory P. Bodkin
Bournehill Investment Services, Inc.