

January 3, 2017

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

3-17767



To Whom It May Concern,

McBarron Capital LLC (McBarron) is appealing, the attached, FINRA Expedited Proceeding No. DFC160001 Star No. 2016052185.

The grounds for the appeal are as follows.

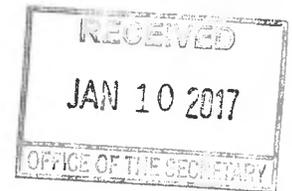
- 1) FINRA acting through Mr. Michael Dixon, FINRA's Hearing Officer took improper actions against McBarron in failing to properly consider and then failing to grant McBarrons' request for a hearing in the above referenced matter.
- 2) The order issued by Mr. Dixon on November 21, 2016 requiring a written response due December 5, 2016 was prejudicial in knowingly giving McBarron insufficient time in which to provide a written response to this notice.
- 3) McBarrons' response to the Office of Hearing Officers made on December 5, 2016 was proper and made in good faith and rejected by Mr. Dixon without proper consideration.
- 4) Mr. Dixon's decision to seek a FINRA expedited decision in this matter violated McBarrons' FINRA membership right to a hearing.
- 5) Mr. Dixon showed no cause as to why an expedited decision was needed in this matter.
- 6) Mr. Dixon's cancellation of McBarrons' membership on December 8, 2016 resulted in the immediate termination of two employees registrations without prior notice.
- 7) Mr. Dixons' cancellation of McBarrons' registrations caused significant financial harm to the McBarron and its employees.
- 8) Mr. Dixon by his actions in this matter knowingly violating both McBarrons' and its employee rights to a due process by failing to hold a hearing in this matter.

Thank you,



James Crifa

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS



REGULATORY OPERATIONS,

Complainant,

v.

McBARRON CAPITAL LLC,
(CRD No. 131431),

Respondent.

Expedited Proceeding
No. DFC160001

STAR No. 20160521585

Hearing Officer—MJD

NOTICE OF EXPEDITED DECISION

The Hearing Officer's decision in this expedited proceeding dated December 8, 2016 ("Decision") is enclosed. This Decision was not called for review by the National Adjudicatory Council ("NAC"), pursuant to Rule 9559(q), and therefore it shall be effective upon service and shall constitute the final action of FINRA in this proceeding.

Appeal Rights

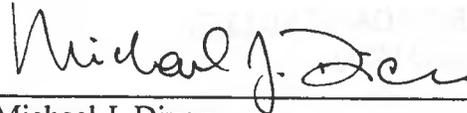
You may appeal this Decision to the U.S. Securities and Exchange Commission ("Commission"). To do so, you must file an application with the Commission within 30 days of your receipt of this Decision. You also must send a copy of your Application to FINRA Office of General Counsel, together with copies of all documents you file with the Commission. If you send any documents to the Commission by facsimile or overnight mail, you shall provide copies by like means to FINRA Office of General Counsel. The filing of an application for review shall not stay the effectiveness of final FINRA action, unless the Commission otherwise orders.

Your Application must identify the expedited proceeding case number and set forth in summary form a brief statement of the grounds for your appeal. You also must include an address where you may be served and a telephone number where you may be reached during business hours. If your address or phone number changes, you must advise the Commission and FINRA Office of General Counsel. If an attorney represents you, he or she must file a Notice of Appearance with your Application. The addresses of the Commission and FINRA Office of General Counsel are:

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

Alan Lawhead, Director – Appellate Group
FINRA
Office of General Counsel
1735 K Street, NW
Washington, DC 20006

Questions concerning the appeal process should be directed to the Office of the Secretary at the Commission at (202) 551-5400.



Michael J. Dixon
Hearing Officer

Dated: December 8, 2016

Copies to: McBarron Capital LLC (via overnight courier, electronic and first-class mail)
Ann-Marie Mason, Esq. (via electronic and first-class mail)
Meredith MacVicar, Esq. (via electronic mail)
Deon McNeil-Lambkin, Esq. (via electronic mail)

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

REGULATORY OPERATIONS,

Complainant,

v.

McBARRON CAPITAL LLC,
(CRD No. 131431),

Respondent.

Expedited Proceeding
No. DFC160001

STAR No. 20160521585

Hearing Officer—MJD

EXPEDITED DECISION

December 8, 2016

Respondent failed to file a proper hearing request as required by Rules 9553(e) and 9559. Thus, Respondent's request for hearing is rejected, and the Notice of Intent to Cancel Membership constitutes final FINRA action pursuant to Rule 9553(f).

Appearances

For the Complainant: Deon McNeil-Lambkin, Esq., Meredith MacVicar, Esq., and Ann-Marie Mason, Esq., for Regulatory Operations, Financial Industry Regulatory Authority.

For the Respondent: James Crafa, Executive Representative and Chief Executive Officer of McBarron Capital LLC.

DECISION

I. Background

On October 31, 2016, Respondent McBarron Capital LLC filed a Uniform Request Withdrawal from Broker-Dealer Registration (Form BDW). On November 1, 2016, FINRA staff sent Respondent a Notice of Intent to Cancel Membership ("Notice") pursuant to FINRA Rule 9553. FINRA staff cited Article IV, Section 5, of FINRA's By-Laws, which requires that all indebtedness due to FINRA be paid in full before a termination from membership can be deemed effective. The Notice informed Respondent that outstanding fees owed totaled \$5,257.24.¹

The Notice also informed Respondent that cancellation of its registration would become effective on November 22, 2016, unless, before that date, the firm demonstrates that it has: (1) paid the balance in full; (2) entered into a fully-signed written installment payment plan with FINRA and that payments due under the agreement are current; (3) timely filed an action to

¹ According to the Notice, the amount owed includes a \$3,186.93 Member Regulation annual fee, a \$370.31 fee associated with the Central Registration Depository, and a member surcharge of \$1,700 assessed in connection with a FINRA arbitration proceeding.

vacate or modify any award that was issued in the arbitration proceeding(s), and such motion has not been denied; or (4) filed for bankruptcy protection and the outstanding fees have not been deemed by a federal court to be non-dischargeable.

The Notice further informed Respondent that it had the right to request a hearing with the Office of Hearing Officers before the November 22, 2016 effective date. Pursuant to Rules 9553(d) and 9559(c), a timely request for a hearing stays the effective date of the cancellation of registration. Pursuant to Rule 9553(e), the request for a hearing must set forth with specificity any and all defenses to the FINRA action. If the request for a hearing is not timely filed, the Notice constitutes final FINRA action.

II. Procedural History

On November 21, 2016, Respondent filed a request for a hearing with the Office of Hearing Officers in response to the Notice. I rejected Respondent's request for a hearing because it did not set forth defenses as required by Rules 9553(e) and 9559.² On November 23, 2016, I issued an order instructing Respondent to file a hearing request conforming to Rules 9553(e) and 9559 no later than 5:00 p.m. on December 5, 2016. The order informed Respondent that if it failed to file a rule-compliant request for a hearing the Notice would become the final FINRA action pursuant to Rule 9553(f) and the cancellation of its membership would become effective at the opening of business on December 6, 2016.

On December 5, 2016, at 2:59 p.m., the Office of Hearing Officers received an email from Respondent requesting an additional 30-day extension of time within which to file a rule-compliant request for a hearing.

On December 5, 2016, at 5:11 p.m., I issued an order denying Respondent's request for a 30-day extension of time and I instructed Respondent to file a hearing request conforming to the applicable rules with the Office of Hearing Officers by midnight.

III. Conclusion

Respondent failed to file the hearing request by midnight, December 5, 2016.

On December 6, 2016, at 11:51 a.m., the Office of Hearing Officers received an email from Respondent. In the email, Respondent stated that it "denies the charge as set forth in this matter" and that its "affirmative defense is that actions tak[en] by FINRA in collusion with the SEC and New York State were done for the purpose of rendering McBarron financially

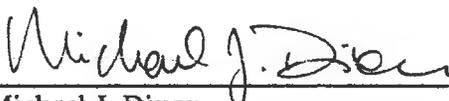
² In its request for a hearing received November 21, 2016, Respondent stated that the purpose of the hearing is to "request a delay in the effective date of the cancellation of [Respondent's] FINRA membership, until such time as the full amount of monies due FINRA for fees and charges owed by [Respondent] can be fully determined." Respondent added that because the amount owed "can only be determined after the remaining open, pending, and new FINRA related matters are brought to volition [sic], the extension needs to cover the time period necessary for [Respondent] to complete the BDW process." Respondent also said it wanted a hearing for the purpose of getting additional time to acquire "funds needed to meet [its] financial obligations." These statements do not set forth with specificity defenses to FINRA's action, as required by Rule 9553(e).

insolvent.” Respondent’s December 6 request for a hearing does not meet the requirements of Rule 9553(e) because it fails to set forth a permissible defense. It is instead a collateral attack on the validity of the fees assessed. Collateral attacks are not allowed in this forum because a Hearing Officer is not permitted to reconsider fees imposed on a member firm.³ Respondent’s email is also untimely.

Thus, Respondent’s request for hearing is rejected, and the Notice constitutes final FINRA action pursuant to Rule 9553(f).

IV. Order

McBarron Capital LLC’s FINRA membership is canceled effective with the issuance of this Decision.



Michael J. Dixon
Hearing Officer

Copies to: McBarron Capital LLC (via overnight courier, electronic and first-class mail)
 Ann-Marie Mason, Esq. (via electronic and first-class mail)
 Meredith MacVicar, Esq. (via electronic mail)
 Deon McNeil-Lambkin, Esq. (via electronic mail)

³ See OHO Order 06-56 (DFC060004) (Dec. 20, 2006), at 2 n.1, <http://www.finra.org/sites/default/files/OHODecision/p018440.pdf> (citing *John G. Pearce*, 52 S.E.C. 796, 798 (1996)).