

BATS EXCHANGE, INC.
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140409237

TO: BATS Exchange, Inc.
c/o Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Finance 500, Inc., Respondent
Broker-Dealer
CRD No. 12981

Pursuant to Rule 8.3 of the Rules of BATS Exchange, Inc. ("BATS"), Finance 500, Inc. ("Finance 500" or the "Firm") 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, BATS will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The Firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of BATS, or to which BATS is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by BATS:

BACKGROUND

The Firm has been a member of BATS since August 18, 2008. Its registration with BATS remains in effect. The Firm has no relevant prior disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. Rule 17a-5(d)(6) of the Securities and Exchange Act of 1934 requires a broker-dealer to file a copy of its annual audit report with any self-regulatory organization of which the broker-dealer is a member.
2. Though it was a member of BATS at the time, Finance 500 failed to provide to BATS a copy of its annual audit for the fiscal year ending on December 31, 2012 as required by Rule 17a-5(d)(6).
3. By reason of the foregoing, Finance 500 violated Rule 17a-5(d)(6) of the Securities and Exchange Act of 1934.

- B. The Firm also consents to the imposition of the following sanctions:

Censure and a fine in the amount of \$2,500.

The Firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposed to pay the fine imposed.

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 sanctions imposed herein shall be effective on a date set by BATS.

II.

WAIVER OF PROCEDURAL RIGHTS

The Firm specifically and voluntarily waives the following rights granted under BATS Rules:

- A. To have a Statement of Charges issued specifying the allegations against the Firm;
- B. To be notified of the Statement of Charges 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 Appeals Committee of BATS' Board of Directors and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the Firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer ("CRO"), in connection with such person's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The Firm further specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of BATS Rule 8.16, 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

The Firm 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 CRO, pursuant to BATS Rule 8.3;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Firm; and
- C. If accepted:
 - 1. this AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by BATS or any other regulator against the Firm;
 - 2. this AWC will be published on a website maintained by BATS in accordance with BATS Rule 8.11, *Interpretations and Policies .01*. In addition, this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the Firm's disciplinary record; and
 - 3. The Firm 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. The Firm may not take any position in any proceeding brought by or on behalf of BATS, or to which BATS is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which BATS is not a party.
- D. The Firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Firm 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 BATS, nor does it reflect the views of BATS, its staff or anyone acting on its behalf.

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 AWC and has been given a full opportunity to ask questions about it; that it 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

12-15-14
Date

Finance 500, Inc.
Respondent

By: Robert L. Hicks

Name: Robert L. Hicks

Title: President/CEO

Reviewed by:

Kevin K. Hull

Kevin K. Hull
Counsel for Respondent
Broker-Dealer Law Group
9891 Irvine Center Drive, Suite 200
Irvine, CA 92618
(949) 478-4855

Accepted by BATS:

12/19/2014
Date

Tamara Schademann
Tamara Schademann
Chief Regulatory Officer
BATS Exchange, Inc.

ELECTION OF PAYMENT FORM

The Firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

- A Firm check or bank check for the full amount; or
- Wire transfer;

Respectfully submitted,

12-15-14
Date

Finance 500, Inc.
Respondent

By: Robert L. Hicks

Name: Robert L. Hicks

Title: President/CEO