FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130363360 01

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

RE: Avila Capital Markets, Inc., Respondent
Registered Broker-Dealer
CRD No. 103941

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Avila Capital Markets, Inc. ("Respondent" 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, FINRA will not bring any future actions against the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A. Respondent 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 FINRA, or to which FINRA 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 FINRA:

BACKGROUND

Avila has been a FINRA member since August 2000. From January 1, 2011 through October 31, 2014 (the "Relevant Period"), Avila engaged in a general securities business. During the Relevant Period, more than 80% of Avila's revenue was attributable to the sale of Venezuelan bonds for customers. The Firm primarily executed trades for customers on a delivery-versus-payment/receipt-versus-payment ("DVP/RVP") basis. Avila's customers included foreign financial institutions ("FFIs"), high-net worth foreign nationals and private offshore investment companies established to hold investment assets. A majority of Avila's customers were located in Venezuela and other countries designated as high-risk jurisdictions for money laundering activity. Avila currently employs approximately nine registered persons. Avila is located in New York City.

RELEVANT DISCIPLINARY HISTORY

Avila has no disciplinary history.

OVERVIEW

During the Relevant Period, Avila facilitated the sale of over $2.5 billion in Venezuelan bonds for customers without having in place adequate anti-money laundering ("AML") procedures to assure that such transactions were reasonably scrutinized. Avila failed to establish and implement an adequate AML program and procedures tailored to its Venezuelan bond business or its foreign customer base. Avila also failed to adequately implement its AML procedures and reasonably monitor for, detect, and investigate red flags in connection with certain bond transactions and wire activity, indicative of potentially suspicious activities, and failed to determine whether or not to file a Suspicious Activity Report ("SAR").

Avila also, during the Relevant Period, failed to conduct adequate due diligence on FFI accounts. The Firm did not adequately assess, at account opening or thereafter, the money laundering risks posed by the FFI accounts, as required by 31 C.F.R. § 1010.610(a)(2), and failed to perform periodic reviews of account activity sufficient to determine consistency with information previously obtained about the type, purpose, and anticipated activity of the accounts, as required by 31 C.F.R. § 1010.610(a)(3). Avila also failed to conduct enhanced due diligence ("EDD") on three foreign bank customers located in countries designated as high-risk jurisdictions for money laundering activity, as required by 31 C.F.R. § 1010.610(b).

Avila's conduct violated FINRA Rules 3310(a) and (b) and 2010.

FACTS AND VIOLATIVE CONDUCT

1. Avila Failed to Establish or Implement an AML Compliance Program Reasonably Designed to Detect and Cause the Reporting of Suspicious Transactions

FINRA Rule 3310(a) requires firms to "[e]stablish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. §5318(g) [the Bank Secrecy Act] and the implementing regulations thereunder." The implementing regulation requires broker-dealers to file with the Financial Crimes Enforcement Network ("FinCEN") "a report of any suspicious transaction relevant to a possible violation of law or regulation."

NASD Notice to Members 02-21 ("NTM 02-21"), issued in 2002, provides guidance for AML compliance programs, including that firm must: tailor their AML programs to fit their business model and customer base; monitor for red flags of suspicious activity that suggest money laundering; and perform additional due diligence after detecting "red flags" and determine whether or not to file a SAR.

During the Relevant Period, Avila failed to develop and implement an AML compliance program ("AMLCP") reasonably designed to detect and cause the reporting of suspicious transactions as required under the Bank Secrecy Act and its implementing regulations.

a. **Background**

i. **Venezuelan Currency Controls**

During the Relevant Period, the Venezuelan government, to control capital leaving its country, restricted the way Venezuelan firms and citizens could exchange Venezuelan bolivars for other currency, such as U.S. dollars, and restricted the movement of U.S. dollars into and out of Venezuela. From approximately June 9, 2010 through February 13, 2013, the Venezuelan government operated a currency exchange program called "Sistema de Transacciones con Titulos en Moneda Extranjera" ("SITME"). SITME provided a means for Venezuelan entities and individuals to obtain limited amounts of foreign currencies, such as U.S. dollars, for specified purposes, such as to purchase goods abroad. SITME involved the local purchase of approved U.S. dollar-denominated Venezuelan bonds in bolivars, transfer of the bonds to accounts outside of Venezuela, liquidation of the bonds for U.S. dollars, and wiring of the proceeds to other financial institutions outside of Venezuela. The Venezuelan government subjected SITME transactions to various requirements and limitations, which led to a black market for currency exchanges.

After SITME ended, on March 18, 2013, the Venezuelan government instituted a currency exchange system called "Sistema Complementario de Administracion de Divisas" (known as "SICAD"), which on March 10, 2014, was augmented by another currency exchange system called "Sistema Cambiario Alternativo de Divisas" (known as "SICAD II"). SICAD and SICAD II functioned similarly to SITME. At all relevant times, additional means used to exchange Venezuelan currency for U.S. dollars included Venezuelan primary and secondary offerings of U.S. dollar-denominated bonds, often issued by Petroleos de Venezuela, a Venezuelan government-owned oil company.

ii. **Known Related Money Laundering Risks Associated with Venezuela**

During the Relevant Period, the United States and international governmental organizations listed Venezuela as a concern for money laundering and terrorist financing, including in connection with currency exchanges. From October 2010 until February 2013, the Financial Action Task Force ("FATF"), an inter-governmental organization for combating money laundering and terrorist financing, issued eight advisories, repeatedly identifying Venezuela as having strategic deficiencies regarding AML and combating financing of terrorism. During that period, FinCEN issued similar advisories. Additionally, in October 2011, FinCEN issued a report concerning a trend in SAR filings involving currency-exchange activities that were designed to circumvent Venezuela's currency controls. Throughout the Relevant Period, the U.S. State Department and the United Nations Office on Drugs and Crime identified Venezuela as a drug-transit country vulnerable to money-laundering transactions that exploit Venezuela's currency controls.

b. Avila's Inadequate AML Procedures

During the Relevant Period, Avila understood that its FFI customers would primarily engage in activities involving the deposit and sale of Venezuelan bonds in order to access U.S. dollars. Indeed, the vast majority of the Firm's revenue was attributable to commissions from Venezuelan bond liquidations, which were concentrated among a small group of customer accounts. Indeed, 31 of Avila's customer accounts were responsible for over 80% of Avila's Venezuelan bond activity. Furthermore, 27 of those 31 accounts were for customers in jurisdictions that presented known money laundering risks, including 17 for customers from Venezuela and ten other accounts for customers from foreign jurisdictions considered tax and/or secrecy havens that prevent or limit access the collection of client identification information, such as Curacao, the Cayman Islands, Panama, the Bahamas, and the British Virgin Islands.

However, Avila failed to create an AMLCP that was reasonably tailored to its Venezuelan bond business or its foreign customer base.

Avila's written procedures did not specifically address Venezuelan bonds, foreign sovereign debt, the source of the bonds, or Venezuela-related risks. Furthermore, while several AML red flags and risk indicators in Avila's procedures were potentially applicable to its customers' activity (*e.g.*, an account or transaction for an offshore corporation in a known tax haven), the AML red flags and risk indicators were not tailored to the size, location, business activities, and the types of foreign customer accounts maintained by the Firm.

c. Avila Failed to Adequately Implement Its AML Procedures

Avila's AML procedures required that Avila monitor for potential money laundering by using available exception reports or by reviewing a sufficient amount of account activity to permit identification of patterns of unusual transactions. The Firm, however, did not use exception reports to detect red flags regarding bond transactions. Instead, Avila manually reviewed trade blotters and customer account statements to detect unusual activity, without any benchmarks or parameters to guide those reviews, and did not review for specific AML red flags.

Avila did not routinely inquire into the source of the Venezuelan bonds coming into customer accounts, including whether they were from SITME or the SICAD systems. Accordingly, Avila did not monitor for red flags of possible misuse of the SITME or SICAD systems or other signs that certain Venezuelan bond transactions might be for an illegitimate purpose, such as money laundering.

Avila also did not monitor for red flags relating to money movements in DVP/RVP accounts. While Avila received an exception report that flagged money movements to and from high-risk jurisdictions relating to non-DVP/RVP customer accounts (accounts holding securities or money at Avila's clearing firm), Avila closed exceptions flagged by that report without reasonable scrutiny. Specifically, Avila did not adequately consider or inquire into the risks presented, the source of incoming funds, and the reason for movement of funds.

d. Avila Failed to Reasonably Monitor for, Detect, Investigate and Follow-up on Red Flags of Potentially Suspicious Activity

During the Relevant Period, Avila also failed to reasonably monitor for, detect, investigate and follow-up on red flags of potentially suspicious activity in connection with certain customer accounts. The following examples are illustrative:

- Customers engaged in transactions that lacked business sense or apparent investment strategy, or were inconsistent with their stated business strategies.

  Customers Transferred SITME-Issued Bonds to Venezuelan Entities:

  On October 25, 2011, an FFI customer located in Venezuela received SITME bonds having a face value of $6 million from a state-owned Venezuelan bank. The next day, the FFI transferred the bonds to a custodial entity in Venezuela. The movement of the bonds through the FFI customer's account, without any corresponding bond sales or other bond activity at Avila, lacked business sense or an apparent investment strategy, and was a red flag of potentially suspicious activity, including possible money laundering. Additionally, Avila received documents indicating that the FFI, away from Avila, sold the bonds to two other Venezuelan FFI customers of Avila for U.S. dollars. The use of U.S. dollars by the FFIs to purchase SITME bonds lacked business sense or an apparent investment strategy and was inconsistent with their expected activity – liquidation of Venezuelan bonds for conversion of bolivars to U.S. dollars. That activity was a red flag of potentially suspicious activity, involving unexpected transactions with no apparent business purpose.

  On November 3, 2011, the same FFI received, from a state-owned Venezuelan bank, Venezuelan bonds with a face value of $5 million. Within four days of receipt of the bonds, the FFI transferred the bonds to various parties. Avila did not obtain documents regarding the transactions occurring away from Avila. However, the movement of the bonds through the FFI customer's account, without any bond sales or other bond activity at Avila, lacked business sense or an apparent investment strategy, and was a red flag of potentially suspicious activity, including possible money laundering.

  Customers Engaged in Questionable Cross-Trades:

  On three separate occasions in 2012, one Venezuelan FFI customer sold over $300,000 in Venezuelan bonds to another FFI customer located in Barbados. The pattern of cross-trades between the unrelated parties was a red flag of potentially suspicious activity, including possible money laundering.

  On May 23, 2013, there were nine cross-trades of various corporate bonds totaling approximately $4 million, between customer accounts in the name of an FFI and a private offshore investment company with overlapping ownership. Eight of the

trades were reported to the marketplace and constituted a substantial percentage of the daily total market volume in each security, with two trades representing between 99% and 100% of the daily market volume in those stocks. These circumstances were red flags of potentially suspicious activity, including pre-arranged trading possibly designed to artificially support the price of the securities or otherwise distort the market for the bonds.

On October 23, 2013, there was a pre-arranged trade involving corporate bonds totaling over $65,000, between customer accounts in the name of the same FFI and another private offshore investment company with identical beneficial ownership, which was reported to the marketplace. The trade was a red flag of potentially suspicious activity, possibly designed to artificially support the price of the securities or otherwise distort the market for the bonds.

Bonds Were Received and Promptly Delivered Out Without Explanation:

On April 6, 2011, an FFI customer located in Venezuela received over $800,000 in Venezuelan bonds into its Avila account and, days later, transferred the bonds to an account it held in Switzerland, a high-risk jurisdiction for money laundering. The customer's movement of the bonds through its Avila account to a high-risk jurisdiction for money laundering, without any bond sales at Avila, was inconsistent with the customer's expected activity of executing Venezuelan bond sales transactions at Avila, and was a red flag of potentially suspicious activity, including possible money laundering.

- Customers engaged in wire transfers involving jurisdictions identified as money-laundering risks or bank-secrecy havens, which wires had no apparent business purpose or were inconsistent with the customers' stated business strategies.

  On April 23, 2013, a corporate customer, located in Venezuela, received a wire of approximately $1.5 million originating from its bank account in Guernsey, a high-risk jurisdiction for money laundering. The wire transfer from that high-risk jurisdiction had no apparent business purpose, and was a red flag of potentially suspicious activity, including possible money laundering.

  On July 23, 2013, another FFI customer received a wire of $2.5 million originating from its account at a different broker-dealer and, the next day, wired out $2 million to the customer's account at a bank in Panama, a high-risk jurisdiction for money laundering, without any corresponding securities activity at Avila. The close-in-time wire activity lacked any apparent business purpose, and was a red flag of potentially suspicious activity, including possible money laundering.

On May 11 and 23, 2012, an FFI customer wired in a total of over $50 million from its bank account in Switzerland, a high-risk jurisdiction for money laundering. The large deposit of the funds from a high-risk jurisdiction was a red flag of potentially suspicious activity, including possible money laundering.

- Customers were subjects of news reports indicating possible criminal, civil, or regulatory violations.

  Two FFIs located in Venezuela were subjects of reports in 2009 that Iran used the FFIs to evade U.S. sanctions. Avila was aware of the allegations in the reports but failed to adequately investigate and respond to the heightened risks those customers presented.

Avila failed to adequately detect, investigate, and/or respond to any of the above-referenced red flags to determine whether the filing of a SAR was necessary.

By failing to establish and implement an AMLCP reasonably designed to detect and cause the reporting of suspicious transactions, the Firm violated FINRA Rules 3310(a) and 2010.

2. **Avila Conducted Inadequate Due Diligence on FFI Accounts and EDD on Certain Foreign Bank Accounts**

FINRA Rule 3310(b) requires each member firm to establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the BSA and the implementing regulations thereunder, including 31 C.F.R. § 1010.610.

Section 1010.610(a) requires financial institutions (including broker-dealers) to establish and implement due diligence policies, procedures, and controls to assess the AML risk posed by FFI correspondent accounts based upon a consideration of all relevant factors. The relevant factors include, but are not limited to, the following: (i) the nature of the FFI's business and the markets it serves; (ii) the type, purpose and anticipated activity of such correspondent account; and (iii) the nature and duration of the covered financial institution's relationship with the FFI. The regulation also requires covered financial institutions to "appl[y] risk-based procedures and controls to each such correspondent account reasonably designed to detect and report known or suspected money-laundering activity, including a periodic review of the correspondent account activity sufficient to determine consistency with information obtained about the type, purpose, and anticipated activity of the account."

Moreover, Section 1010.610(b) requires that covered financial institutions (including broker-dealers) perform EDD on correspondent accounts of foreign banks that meet certain criteria, including operating pursuant to an offshore banking license. The EDD requirements include, among other things, monitoring transactions by those foreign banks for potential money laundering.

Avila failed to conduct adequate due diligence on its FFI customers' accounts. Avila did not adequately assess, at account opening or thereafter, the money laundering risks posed by the FFI

accounts in accordance with 31 CFR § 1010.610(a) and failed to perform periodic reviews of activity to determine consistency with information obtained about the type, purpose, and anticipated activity of the accounts. Importantly, the Firm did not know, investigate, or assess (i) whether the named customers were acting for themselves or for the benefit of undisclosed underlying customers, (ii) the type of anticipated bond activity (including the source of the bonds – *e.g.*, whether the bonds were obtained through a government program with limitations and requirements or by other means), or (iii) the purpose of the anticipated bond activity (such as for currency conversion). Moreover, the Firm did not perform periodic reviews to determine whether each FFI customer's account activity was consistent with its expected activity. Avila also failed to conduct EDD on three foreign banks located in Curacao and Venezuela, countries designated high-risk jurisdictions for money-laundering activity. Specifically, Avila did not monitor transactions to, from, or through the accounts in a manner reasonably expected to detect money laundering and suspicious activity as required by 31 C.F.R. § 1010.610(b).

By failing to perform adequate due diligence on FFI accounts and EDD on certain foreign bank accounts, the Firm violated FINRA Rules 3310(b) and 2010.

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

1. A censure;

2. A fine of $350,000; and

3. The following undertaking:

a. Avila shall:

i. Retain, within 60 days of the date of the Notice of Acceptance of this AWC, an Independent Consultant, not unacceptable to FINRA staff, to conduct a comprehensive review of the adequacy of the Firm's policies, systems, and procedures (written and otherwise) and training relating to compliance with FINRA Rule 3310 and the requirements of the Bank Secrecy Act, 31. U.S.C. §5311, *et. seq.*, and the regulations promulgated thereunder, including, but not limited to, those related to: (1) monitoring for, identifying, investigating, and responding to red flags of suspicious transactions in general and specifically with respect to (a) Venezuelan bond transactions, (b) foreign wires to or from jurisdictions designated by FATF or FinCEN as high-risk for money laundering, and (c) customers from jurisdictions designated by FATF or FinCEN as high-risk for money laundering; and (2) establishing and implementing due diligence policies, procedures and controls relating to its FFI correspondent accounts, as required by 31 C.F.R. § 1010.610(a), and performing EDD

on correspondent accounts of foreign banks that meet certain criteria, as required by 31 C.F.R. § 1010.610(b).

The Independent Consultant's review must include the period from at least November 1, 2014 through the date of the Notice of Acceptance of this AWC;

ii. The Independent Consultant, any firm with which the Independent Consultant is affiliated or of which he/she is a member, and any person engaged to assist the Independent Consultant in performance of his/her duties, shall not have provided consulting, legal, auditing or other professional services to, or had any affiliation with, Respondent during the two years prior to the date of the Notice of Acceptance of this AWC;

iii. Exclusively bear all costs, including compensation and expenses, associated with the retention of the Independent Consultant;

iv. Cooperate with the Independent Consultant in all respects, including by providing staff support. Avila shall place no restrictions on the Independent Consultant's communications with FINRA staff and, upon request, shall make available to FINRA staff any and all communications between the Independent Consultant and the Firm and documents reviewed by the Independent Consultant in connection with his or her engagement. Once retained, Avila shall not terminate the relationship with the Independent Consultant without FINRA staff's written approval; Avila shall not be in and shall not have an attorney-client relationship with the Independent Consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the Independent Consultant from transmitting any information, reports or documents to FINRA;

v. At the conclusion of the review, which shall be no more than 120 days after the date of the Notice of Acceptance of this AWC, require the Independent Consultant to submit to the Firm and FINRA staff a Written Report. The Written Report shall address, at a minimum, (i) the adequacy of the Firm's policies, systems, procedures, and training relating to compliance with FINRA Rule 3310 and the requirements of the Bank Secrecy Act, 31. U.S.C. §5311, *et. seq.*, and the regulations promulgated thereunder, including, but not

limited to, those related to: (1) monitoring for, identifying, investigating, and responding to red flags of suspicious transactions in general and specifically with respect to (a) Venezuelan bond transactions, (b) foreign wires to or from jurisdictions designated by FATF or FinCEN as high-risk for money laundering, and (c) customers from jurisdictions designated by FATF or FinCEN as high-risk for money laundering, and (c) Avila's foreign customer base; and (2) establishing and implementing due diligence policies, procedures, and controls relating to its FFI correspondent accounts, as required by 31 C.F.R. § 1010.610(a), and performing EDD on correspondent accounts of foreign banks that meet certain criteria, as required by 31 C.F.R. § 1010.610(b);
(ii) a description of the review performed and the conclusions reached, and (iii) the Independent Consultant's recommendations for modifications and additions to the Firm's policies, systems, procedures, and training; and

vi. Require the Independent Consultant to enter into a written agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any other employment, consultant, attorney-client, auditing or other professional relationship with Avila, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the Independent Consultant is affiliated in performing his or her duties pursuant to this AWC shall not, without prior written consent of FINRA staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Avila or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

b. Within 60 days after delivery of the Written Report, Avila shall adopt and implement the recommendations of the Independent Consultant or, if it determines that a recommendation is unduly burdensome or impractical, propose an alternative procedure to the Independent Consultant designed to achieve the same objective. The Firm shall submit such proposed alternatives in writing simultaneously to the Independent Consultant and FINRA staff. Within 30 days of receipt of any proposed alternative procedure, the Independent Consultant shall: (i) reasonably evaluate the

alternative procedure and determine whether it will achieve the same objective as the Independent Consultant's original recommendation; and (ii) provide the Firm with a written decision reflecting his or her determination. The Firm will abide by the Independent Consultant's ultimate determination with respect to any proposed alternative procedure and must adopt and implement all recommendations deemed appropriate by the Independent Consultant.

c. Within 30 days after the issuance of the later of the Independent Consultant's Written Report or written determination regarding alternative procedures (if any), Avila shall provide FINRA staff with a written implementation report, certified by an officer of Avila, attesting to, containing documentation of, and setting forth the details of the Firm's implementation of the Independent Consultant's recommendations.

d. Upon written request showing good cause, FINRA staff may extend any of the procedural dates set forth above.

Avila agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Avila has submitted an Election of Payment form showing the method by which the Firm proposes to pay the fine imposed.

Avila specifically and voluntarily waives any right to claim that the Firm is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 acceptance or rejection of this AWC.

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 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 FINRA or any other regulator against the Firm;

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 the subject matter thereof 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: (i) Respondent's testimonial obligations; or (ii) Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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 or its staff.

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 Avila has agreed to its 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 Avila to submit it.

Avila Capital Markets, Inc., Respondent

11/7/2014
Date (mm/dd/yyyy)

By: _____

Dennis Lopez
[Print Name]

President
[Title]

Reviewed by:

_____
Mitchell Herr, Esq.
Counsel for Respondent
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701 Brickell Avenue, Suite 3300
Miami FL 33131
Phone: (305)789-7736

Accepted by FINRA:

September 27, 2016
Date

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

Gary A. Chodosh
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FINRA Department of Enforcement
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