

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

Department of Market Regulation,

Complainant,

v.

Christopher John Forbes
(CRD No. 727535),

Marie-Regina Forbes
(CRD No. 2106108),

Patricia Mary Forbes
(CRD No. 2241513), and

Raymond James Forbes
(CRD No. 1195375),

Respondents.

Disciplinary Proceeding
No. 20070092503-01

Hearing Officer – MAD

**ORDER ACCEPTING OFFER
OF SETTLEMENT**

Date: August 22, 2014

INTRODUCTION

Disciplinary Proceeding No. 20070092503-01 was filed on October 23, 2013, by the Department of Market Regulation of the Financial Industry Regulatory Authority (“FINRA” or “Complainant”). Respondents Christopher John Forbes, Marie-Regina Forbes, Raymond James Forbes, and Patricia Mary Forbes (collectively the “Forbes Respondents”) submitted an Offer of Settlement (“Offer”) to Complainant on August 12, 2014. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (“NAC”), a Review Committee of the NAC, or the Office of Disciplinary Affairs (“ODA”), have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings,

conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Christopher John Forbes, Marie-Regina Forbes, Raymond James Forbes, and Patricia Mary Forbes, have consented, without admitting or denying the allegations of the Complaint (as amended by the Offer), and solely for the purpose of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings of facts and violations consistent with the allegations of the Complaint (as amended by the Offer), and to the imposition of the sanctions set forth below, and fully understand that this Order will become part of Christopher John Forbes's, Marie-Regina Forbes's, Raymond James Forbes's, and Patricia Mary Forbes's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

The Complaint originated from an investigation conducted by the Trading Analysis Team and Legal Section of FINRA's Department of Market Regulation. As alleged in the Complaint, this case involves market manipulation in the form of marking the open and close and pre-arranged trading in an Over-the-Counter Bulletin Board ("OTCBB") security, SearchHelp Inc. ("SHLP"); the publication or circulation or reports of non bona fide purchases or sales of SHLP; inadequate supervision of the trading conduct at issue; a failure to retain the firm's (E.H. Smith Jacobs & Co., Inc. ("EHSC")) electronic communications; and an inadequate Anti-Money Laundering "(AML") Compliance Program. The actions taken, or failures to act, on the part of the Forbes Respondents occurred between January 1, 2007 and December 31, 2010 (the "review period").

Christopher John Forbes entered the securities industry in December 1983. He was a New York Stock Exchange (“NYSE”) Registered Competitive Market Maker (“RCMM”) of Christopher J. Forbes, LLC, an affiliate wholly-owned by EHSC. He was also a general securities representative of Raymond C. Forbes & Co., Inc., a FINRA registered affiliate of EHSC. He maintained a non-proprietary account titled, Christopher J. Forbes Non-RCMM, with EHSC, and had a desk in EHSC’s offices during the review period, which he used when he was not conducting business on the floor of the NYSE. During the relevant time period, Christopher John Forbes was an associated person or registered with a FINRA member firm. On August 7, 2014, Raymond C. Forbes & Co., Inc. filed a Form U5 terminating Christopher John Forbes’s registration. Although Christopher John Forbes is no longer registered or associated with a FINRA member, he remains subject to FINRA’s jurisdiction for purposes of this proceeding. Christopher John Forbes does not have any relevant disciplinary history.

Marie-Regina Forbes entered the securities industry in August 1989. She served as EHSC’s President, Chief Compliance Officer, Anti-Money Laundering Compliance Officer, Financial and Operations Principal, and one of the firm’s Equity Trading Supervisors. In these roles, she was the primary person responsible for reviewing the firm’s trading activity. During the relevant time period, Marie-Regina Forbes was registered as a general securities principal at EHSC, and is currently registered with a FINRA member firm. Marie-Regina Forbes does not have any relevant disciplinary history.

Raymond James Forbes entered the securities industry in March 1987. He managed EHSC’s proprietary traders, and was a proprietary trader. During the relevant time period, he was registered as a general securities principal and a general securities representative at EHSC, and was EHSC’s primary Equity Trading Supervisor responsible for managing trading risk. He

was never registered at Christopher J. Forbes, LLC. On February 5, 2014, FINRA terminated EHSC's registration after EHSC filed a full Form BDW on October 15, 2012. Although Raymond James Forbes is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws, because: (a) the Complaint was filed within two years after the date upon which he ceased to be registered or associated with a FINRA member, namely October 15, 2012, and (b) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member. Raymond James Forbes does not have any relevant disciplinary history.

Patricia Mary Forbes entered the securities industry in April 1992. She was the Vice President and Corporate Secretary for EHSC. In addition, she was a proprietary trader for EHSC. She monitored risk in the firm's proprietary trading accounts when Raymond James Forbes was absent. During the relevant time period, Patricia Mary Forbes was registered as a general securities principal at EHSC, and is currently registered with a FINRA member firm. Patricia Mary Forbes does not have any relevant disciplinary history.

RO entered the securities industry in November 1988, and was a proprietary trader at EHSC from May 14, 1996 through October 28, 2011. During the relevant time period, she was registered as a general securities representative at EHSC, and was supervised by Raymond Forbes. On October 28, 2011, EHSC filed a Form U5 terminating RO's registration. Although RO is no longer registered or associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws, because: (a) the Complaint was filed within two years after the date upon which she ceased to be registered or associated with a FINRA member, namely, October 28, 2011; and (b)

the Complaint charges her with misconduct committed while she was registered or associated with a FINRA member.

Summary of Allegations Against the Forbes Respondents

Market Manipulation

Beginning on or about February 1, 2007, and continuing through December 16, 2008, Respondents Christopher Forbes and RO, while an associated person at a FINRA member firm, used and employed deceptive, fraudulent, and manipulative devices and schemes involving the purchase and sale of an Over-the-Counter Bulletin Board (“OTCBB”) security, SearchHelp, Inc. (“SHLP”). More specifically, Respondent Christopher Forbes and RO, through accounts held at E.H. Smith Jacobs & Co., Inc. (“EHSC” or the “firm”), intentionally or recklessly marked the opening and closing prices of SHLP, and Christopher Forbes engaged in pre-arranged trading, in an attempt to create a false or misleading appearance of active trading relating to the market for SHLP and manipulate the price of SHLP, all in violation of NASD Rules 2110 and 2120 for conduct through December 14, 2008, and FINRA Rules 2010 and 2020 for conduct on and after December 15, 2008. In addition, Christopher Forbes and RO, in marking the opening and closing prices of SHLP, violated NASD Rules 2110 and 3310, IM-3310, and FINRA Rule 2010, by engaging in the publication or circulation of reports of non bona fide purchases or sales of SHLP.

In addition, from in or about January 2007, and continuing through December 31, 2010, Respondents Marie-Regina Forbes, Raymond Forbes, and Patricia Forbes failed to establish, maintain, and enforce systems and controls reasonably designed to supervise the activities of the firm’s registered representatives and associated persons, and failed to reasonably and properly supervise the trading activities of Respondents Christopher Forbes and other Respondent RO, so

as to achieve compliance with applicable securities laws and regulations and the rules of FINRA, all in violation of NASD Rule 2110 for conduct through December 14, 2008, FINRA Rule 2010 for conduct on and after December 15, 2008, and NASD Rule 3010.

Furthermore, Respondent Marie-Regina Forbes failed to ensure that reasonable steps were taken to retain the firm's electronic communications, in violation of NASD Rules 2110 and 3010, and also failed to develop and implement an adequate Anti-Money Laundering ("AML") Compliance Program at EHSC, in violation of NASD Rule 3011(a) for conduct through December 31, 2009, FINRA Rule 3310(a) for conduct on and after January 1, 2010, NASD Rule 2110 for conduct through December 14, 2008, and FINRA Rule 2010 for conduct on and after December 15, 2008.

During the relevant time period, Christopher Forbes and RO held as much as over 310,000 and 334,000 SHLP shares in their respective accounts at EHSC. In February 2007, the stock price of SHLP started to decline from \$0.45 a share to a low of \$0.051 a share in December 2010. As the price of SHLP began to decline in February 2007, Christopher Forbes and RO, in connection with the purchase or sale of SHLP, intentionally or recklessly engaged in a scheme to manipulate the price of SHLP to stabilize SHLP's share price and prevent further decline in SHLP's share price so that SHLP could be liquidated at beneficial prices.

More specifically, Christopher Forbes, in order to raise the price of SHLP, or prevent further declines in the price of SHLP, intentionally or recklessly induced or attempted to induce the purchase or sale of SHLP by:

- marking the open on two separate occasions;
- marking the close on 94 separate occasions; and

- engaging in pre-arranged trades with an EHSC proprietary account or an EHSC customer on nine separate occasions.

Other Respondent RO marked the open on three separate occasions and marked the close on 15 separate occasions. Due to the declining price trend in SHLP that continued through December 2010, the Respondents ultimately lost money trading SHLP.

Inadequate Supervision

During the relevant time period, Respondents Marie-Regina Forbes and Raymond Forbes supervised trading activity at the firm. On occasions during the relevant time period, Patricia Forbes assumed supervisory responsibility for the trading activity. The three Respondents, however, failed to adequately supervise the firm's proprietary traders and customers. In particular, the three Respondents essentially reviewed trading activity based on financial risk to the firm, as opposed to detecting and preventing potentially manipulative order and trading activity, and the publication of non bona fide transactions.

Additionally, Marie-Regina Forbes, from at least January 1, 2007 through May 31, 2008, was responsible for ensuring that reasonable steps were taken to retain the firm's electronic communications, but failed to do so. The archived communications that were sent, received, and deleted by all EHSC personnel for the period January 1, 2007 through May 31, 2008, were not maintained properly which resulted in the loss of potentially significant electronic data. The failure to appropriately ensure the retention of the required electronic communications adversely affected Market Regulation's review in this matter.

In addition to the foregoing, Respondent Marie-Regina Forbes, who was designated the "AML Supervisor" in the firm's written supervisory procedures, failed to develop and implement

an adequate written AML Compliance Program reasonably designed to achieve and monitor the firm's compliance with AML requirements.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

Manipulative Trading (Respondent Christopher John Forbes)

1. Christopher Forbes marked the close on 94 separate occasions in furtherance of the unlawful manipulative scheme, as set forth in Exhibit A, which is attached hereto and incorporated by reference. From February 1, 2007 through December 16, 2008, when SHLP's share price was in decline, Christopher Forbes, through a non-proprietary account that was held at the firm, on multiple trading dates throughout the review period, executed 94 transactions within 20 minutes of the market close, which constituted the last transaction in SHLP, and 70 of those transactions occurred within five minutes of the market close. Moreover, 73 of these last sale transactions occurred at prices higher than the previous transaction in SHLP.

2. For example, on February 1, 2007, at 15:57:04, Christopher Forbes purchased 11,500 SHLP shares at \$0.44 a share, an increase of \$0.03 a share from the prior trade price in the security. On May 9, 2007, at 15:58:45, Christopher Forbes purchased 1,000 SHLP shares at \$0.31 a share, an increase of \$0.02 a share from the prior trade price in the security. On February 8, 2008, at 15:56:47, Christopher Forbes purchased 200 SHLP shares at \$0.19 a share, an increase of \$0.02 a share from the prior trade price in the security. On August 27, 2008, at 15:57:38, Christopher Forbes purchased 200 SHLP shares at \$0.15 a share, an increase of \$0.01 from the prior trade price in the security.

¹ The findings herein are pursuant to the Forbes Respondents' Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

3. In addition to the foregoing, Christopher Forbes executed two transactions in SHLP within 11 minutes after the market open through an account that was held at the firm, which constituted the first transaction in the security on the subject trade date. Furthermore, the transactions were executed at prices that were equal to the price of the security when the market closed on the prior trade day.

4. On April 5, 2007, at 9:33:16, Christopher Forbes sold 10,000 SHLP shares at \$0.405 a share, which was equal to the price of the security when the market closed on the prior trade date. And, on June 18, 2008, at 9:40:41, Christopher Forbes sold 5,000 SHLP shares at \$0.172 a share, which was equal to the price of the security when the market closed on the prior trade date.

5. RO marked the close on 15 separate occasions, also in furtherance of the unlawful manipulative scheme, as set forth in Exhibit B, which is attached hereto and incorporated by reference. RO, through proprietary accounts at the firm, on multiple trading dates throughout the review period, executed 15 transactions in SHLP within 20 minutes of the market close, and six of those transactions occurred within three minutes of the market close. Moreover, 13 of these last sale transactions occurred at prices higher than the previous transaction in SHLP.

6. For example, on June 12, 2007, at 15:53:45, RO purchased 100 SHLP shares at \$0.315 a share, an increase of \$0.025 a share from the prior trade price in the security. On December 11, 2007, at 15:59:57, RO purchased 100 SHLP shares at \$0.16 a share, an increase of \$0.02 a share from the prior trade price in the security. On August 14, 2008, at 15:48:05, RO purchased 100 SHLP shares at \$0.15 a share, an increase of \$0.01 from the prior trade price in the security.

7. In addition, RO executed three transactions in SHLP within 14 minutes after the market open through a proprietary account at the firm, which constituted the first transaction in the security on the subject trade dates. Furthermore, the transactions were executed at prices higher than or equal to the price of the security when the market closed on the prior trade day.

8. On May 14, 2007, at 9:43:38, RO purchased 100 SHLP shares at \$0.35 a share, an increase of \$0.04 a share from price of the security when the market closed on the prior trade date. On December 31, 2007, at 9:42:50, RO purchased 1,000 SHLP shares at \$0.205 a share, an increase of \$0.015 a share from price of the security when the market closed on the prior trade date. Furthermore, on September 24, 2008, at 9:42:12, RO purchased 9,500 SHLP shares at \$0.055 a share, which was equal to the price of the security when the market closed on the prior trade date.

9. In an instant message, dated June 30, 2008, Raymond Forbes advised RO that he was “hearin [sic] a story that they may try to gun shlp into the bell . . .” RO responded “ok,” and Raymond Forbes responded to RO with “im [sic] kidding....” Raymond Forbes then stated to RO that Christopher Forbes “[i]s gonna [sic] gun it [SHLP].”

10. Approximately 30 minutes after the June 30, 2008 instant message was completed, starting at 15:50:30 and ending at 15:59:00, Christopher Forbes purchased a total of 15,000 SHLP shares at \$0.17 a share in three separate transactions. The purchase price for these transactions was equal to SHLP’s share price in the prior trades at the time.

11. Moreover, Christopher Forbes’s 15,000 share purchase accounted for 75% of the total volume (20,000 shares) in SHLP in the last 10 minutes prior to the market close on that date. In addition, his 5,000 share purchase at 15:59:00 constituted the last transaction in SHLP on the subject trade date and set the closing price in the security.

Pre-Arranged Trading

12. In addition to marking the close and open, and in furtherance of the scheme, Christopher Forbes also engaged in pre-arranged trading. From March 22, 2007 through December 12, 2008, Christopher Forbes, through an account that was held at EHSC, knowingly or recklessly executed through a national securities exchange nine pairs of matched orders or pre-arranged trades with an EHSC proprietary account or an EHSC customer. Moreover, the matched orders were typically executed only seconds apart, and at prices that were equal to the prior trade price for SHLP shares, thereby stabilizing the share price when it was in decline. All of the matched orders were entered into a third-party order management system and were executed through NYSE Arca.

13. For example, on March 26, 2007, Christopher Forbes entered three limit orders to sell SHLP shares that were matched against three limit orders to buy entered for an EHSC customer:

- At 9:56:54, Christopher Forbes placed a limit order to sell 10,000 SHLP shares at \$0.38 a share. Three seconds later, at 9:56:57, the EHSC customer placed a limit order to buy 10,000 SHLP shares at \$0.38 a share. The orders were executed at 9:56:58 at \$0.38 a share, which was \$0.01 less a share than the prior trade price for SHLP shares.
- At 9:57:31, Christopher Forbes placed a limit order to sell 1,000 SHLP shares at \$0.38 a share. Eleven seconds later, at 9:57:42, the EHSC customer placed a limit order to buy 10,000 SHLP shares at \$0.38 a share. The orders were executed at 9:57:43 at \$0.38 a share, which was equal to the prior trade price for SHLP shares.
- At 9:58:24, Christopher Forbes placed a limit order to sell 9,000 SHLP shares at \$0.38 a share. Three seconds later, at 9:58:27, the EHSC customer placed a limit order to buy 9,000 SHLP shares at \$0.38 a share. The orders were executed at 9:58:27 at \$0.38 a share, which was equal to the prior trade price for SHLP shares.

14. On March 29, 2007, at 10:05:22, an EHSC proprietary account entered a limit order to buy 5,000 SHLP shares at \$0.37 a share. Eight seconds later, at 10:05:30, Christopher Forbes entered a limit order to sell 5,000 SHLP at \$0.37 a share. The orders were executed at 10:05:31 at a price that was \$0.03 less than the prior trade price for SHLP shares.

15. On April 5, 2007, Christopher Forbes entered five limit orders to sell a total of 50,000 SHLP shares that were matched against five limit orders to buy 50,000 SHLP shares that were entered for an EHSC proprietary account. The 50,000 SHLP shares that were executed through matched orders constituted over 86% of the total share volume in SHLP (57,800) on April 5, 2007. In addition, each of the pairs of matched orders was executed at a price that was equal to the prior trade price for SHLP shares:

- At 9:33:12, Christopher Forbes placed a limit order to sell 10,000 SHLP shares at \$0.41 a share. Three seconds later, at 9:33:15, a limit order was placed for an EHSC proprietary account to buy 10,000 SHLP shares at \$0.41 a share. The orders were executed at 9:33:16 at an average price of \$0.405 a share.
- At 9:33:43, Christopher Forbes placed a limit order to sell 10,000 SHLP shares at \$0.41 a share. Three seconds later, at 9:33:46, a limit order was placed for an EHSC proprietary account to buy 10,000 SHLP shares at \$0.41 a share. The orders were executed at 9:33:46 at an average price of \$0.405 a share.
- At 9:34:12, Christopher Forbes placed a limit order to sell 10,000 SHLP shares at \$0.41 a share. Three seconds later, at 9:34:15, a limit order was placed for an EHSC proprietary account to buy 10,000 SHLP shares at \$0.41 a share. The orders were executed at 9:34:16 at an average price of \$0.405 a share.
- At 9:34:44, Christopher Forbes placed a limit order to sell 10,000 SHLP shares at \$0.41 a share. Three seconds later, at 9:34:48, a limit order was placed for an EHSC proprietary account to buy 10,000 SHLP shares at \$0.41 a share. The orders were executed at 9:34:48 at an average price of \$0.405 a share.
- At 9:35:13, Christopher Forbes placed a limit order to sell 10,000 SHLP shares at \$0.41 a share. Three seconds later, at 9:35:16, a limit order was placed for an EHSC

proprietary account to buy 10,000 SHLP shares at \$0.41 a share. The orders were executed at 9:35:17 at an average price of \$0.405 a share.

16. Based on the conduct described above, Christopher Forbes, in connection with the purchase or sale of an OTCBB security, directly or indirectly, intentionally or recklessly induced the purchase or sale of a security by means of a manipulative, deceptive or other fraudulent device or contrivance in violation of NASD Rules 2110 and 2120 for conduct through December 14, 2008, and FINRA Rules 2010 and 2020 for conduct on and after December 15, 2008.

**Publishing Non Bona Fide Purchases or Sales
(Respondent Christopher Forbes)**

17. From February 1, 2007 through December 16, 2008, Respondent Christopher Forbes engaged in marking the open and close activity, and matched order activity, all of which resulted in the publication or circulation of reports of non bona fide purchases or sales of SHLP, in violation of NASD Rules 2110 and 3310, IM-3310, and FINRA Rule 2010.

**Inadequate Supervision
(Respondents Marie-Regina Forbes, Raymond Forbes, and Patricia Forbes)**

18. During the relevant time period, Respondents Marie-Regina Forbes and Raymond Forbes supervised trading activity at the firm. On occasions during the relevant time period, Patricia Forbes assumed supervisory responsibility for the trading activity.

19. During that period, the three Respondents failed to adequately supervise the firm's proprietary traders and customers. Instead of reviewing trading activity to detect and prevent potentially manipulative order and trading activity, the three Respondents primarily reviewed trading activity, by and through the firm's proprietary traders, based on financial risk to EHSC.

20. Marie-Regina Forbes, Raymond Forbes, and Patricia Forbes failed to reasonably and properly supervise the activities of Respondents Christopher Forbes and RO, so as to detect and prevent manipulative trading activities, involving marking the open and close and pre-arranged trading, and the publication of non bona fide transactions, as alleged herein.

21. By reason of the foregoing conduct, Marie-Regina Forbes, Raymond Forbes, and Patricia Forbes violated NASD Rule 2110 for conduct through December 14, 2008, FINRA Rule 2010 for conduct on and after December 15, 2008, and NASD Rule 3010.

**Inadequate Supervision
(Respondent Marie-Regina Forbes)**

22. From at least January 1, 2007 through May 31, 2008, Marie-Regina Forbes was responsible for ensuring that reasonable steps were taken to retain the firm's electronic communications, but failed to do so. Specifically, Marie-Regina Forbes did not ensure that the firm's electronic communications were retained in a "non-rewriteable, non-erasable format."

23. By reason of the foregoing conduct, Marie-Regina Forbes violated NASD Rules 2110 and 3010.

**Inadequate Anti-Money Laundering Compliance Program
(Respondent Marie-Regina Forbes)**

24. From January 1, 2007 through December 31, 2010, Marie-Regina Forbes was designated as the "AML Supervisor" in the firm's written supervisory procedures. As the AML Supervisor, Marie-Regina Forbes failed to develop and implement an adequate written AML Compliance Program reasonably designed to achieve and monitor the firm's compliance with the requirements of the Bank Secrecy Act (31 U.S.C. § 5311, *et seq.*), and the implementing regulations promulgated thereunder by the Department of the Treasury. Specifically, Marie-Regina Forbes failed to:

Establish 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) and the implementing regulations thereunder. NASD Rule 3011(a) and FINRA Rule 3310(a).

25. Instead of reviewing order and trading activity for manipulative trading activity, such as marking the open and close, or pre-arranged trading activity that could constitute suspicious activity, Marie-Regina Forbes reviewed primarily for financial risk.

26. Also during the review period, Marie-Regina Forbes failed to implement a suspicious activity monitoring system reasonably designed to detect, investigate and report, where appropriate, suspicious activity including manipulative trading activity, such as marking the open or close or pre-arranged trading activity.

27. By reason of the foregoing conduct, Marie-Regina Forbes violated NASD Rule 3011(a) for conduct through December 31, 2009, and FINRA Rule 3310(a) for conduct on and after January 1, 2010. Additionally, Marie-Regina Forbes violated NASD Rule 2110 for conduct through December 14, 2008, and FINRA Rule 2010 for conduct on and after December 15, 2008.

Based on the foregoing: (a) Respondent Christopher John Forbes violated NASD Rules 2110 and 2120 for conduct through December 14, 2008, and NASD Rule 3310 and IM-3310, and FINRA Rules 2010 and 2020 for conduct on and after December 15, 2008; (b) Marie-Regina Forbes violated NASD Rule 2110 for conduct through December 14, 2008, FINRA Rule 2010 for conduct on and after December 15, 2008, NASD Rule 3010, NASD Rule 3011(a) for conduct through December 31, 2009, and FINRA Rule 3310(a) for conduct on and after January 1, 2010; (c) Raymond James Forbes violated NASD Rule 2110 for conduct through December 14, 2008, FINRA Rule 2010 for conduct on and after December 15, 2008, and NASD Rule 3010; and

(d) Patricia Mary Forbes violated NASD Rule 2110 for conduct through December 14, 2008, FINRA Rule 2010 for conduct on and after December 15, 2008, and NASD Rule 3010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter the Forbes Respondents from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent Christopher John Forbes is fined \$60,000 and suspended from associating with any FINRA member in all capacities for a period of seven months. The fine for Respondent Christopher Forbes shall be due and payable immediately upon reassociation with a member firm following the seven month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. Christopher Forbes has submitted an Election of Payment Form showing the method by which he proposes to pay the fine imposed.

It is ordered that Respondent Marie-Regina Forbes is fined \$10,000 and suspended from associating with any FINRA member in a principal capacity for a period of five months; however, such five-month suspension shall not include a suspension in the capacity as a Financial and Operations Principal with a Series 27 license. Respondent Marie-Regina Forbes agrees to pay the monetary sanction upon notice that this Offer has been accepted and that such payment is due and payable. Marie-Regina Forbes has submitted an Election of Payment Form showing the method by which she proposes to pay the fine imposed.

It is ordered that Respondent Raymond James Forbes is fined \$10,000 and suspended from associating with any FINRA member in a principal capacity for a period of 60 days. The fine for Respondent Raymond Forbes shall be due and payable immediately upon reassociation

with a member firm following the 60-day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. Raymond Forbes has submitted an Election of Payment Form showing the method by which he proposes to pay the fine imposed.

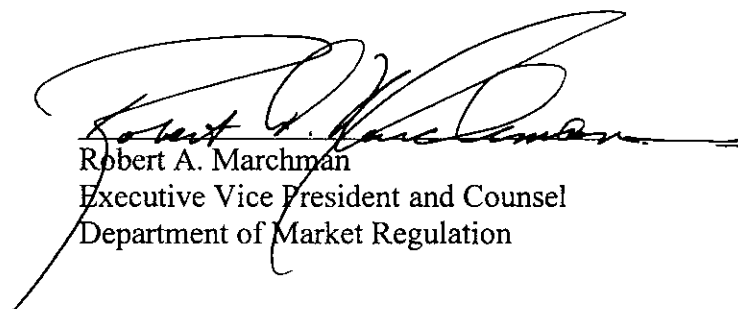
It is ordered that Respondent Patricia Forbes is fined \$5,000. Respondent Patricia Forbes agrees to pay the monetary sanction upon notice that this Offer has been accepted and that such payment is due and payable. Patricia Forbes has submitted an Election of Payment Form showing the method by which she proposes to pay the fine imposed.

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

SO ORDERED.

FINRA

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



Robert A. Marchman
Executive Vice President and Counsel
Department of Market Regulation

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Christopher Forbes

Exhibit A

Line #	Trade Date	Issue	Execution Time	Executing Firm*	Buy/Sell	Quantity	Price	Contra Firm	Title	Buy Price Movement	Sell Price Movement
1	02/01/2007	SHLP	16:00:00	EHSC	B	7,500	0.41	BD	Christopher J. Forbes, LLC Non RCMM	0.01	
2	02/01/2007	SHLP	15:57:04	BD	S	11,500	0.44	EHSC	Christopher J. Forbes, LLC Non RCMM	0.03	
3	02/22/2007	SHLP	15:58:53	BD	S	500	0.4	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
4	02/23/2007	SHLP	15:58:21	BD	S	900	0.39	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
5	03/01/2007	SHLP	15:57:16	BD	S	5,000	0.37	EHSC	Christopher J. Forbes, LLC Non RCMM	-0.05	
6	03/09/2007	SHLP	15:54:20	BD	S	500	0.35	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
7	03/20/2007	SHLP	15:55:56	BD	S	100	0.3	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
8	03/29/2007	SHLP	15:59:16	BD	S	2,500	0.39	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
9	03/30/2007	SHLP	15:54:35	BD	S	5,000	0.4	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
10	04/03/2007	SHLP	15:56:14	BD	S	1,500	0.37	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
11	04/04/2007	SHLP	15:57:22	BD	S	1,000	0.405	EHSC	Christopher J. Forbes, LLC Non RCMM	0.03	
12	04/09/2007	SHLP	15:57:42	BD	S	1,000	0.37	EHSC	Christopher J. Forbes, LLC Non RCMM	0.06	
13	04/12/2007	SHLP	15:57:31	BD	S	1,000	0.32	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
14	04/13/2007	SHLP	15:58:37	BD	S	1,000	0.34	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
15	04/26/2007	SHLP	15:58:43	BD	S	2,000	0.28	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	

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Christopher Forbes

Exhibit A

16	05/04/2007	SHLP	15:51:22	BD	S	2,000	0.29	EHSC	Christopher J. Forbes, LLC Non RCMM	0.03	
17	05/09/2007	SHLP	15:58:45	BD	S	1,000	0.31	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
18	05/14/2007	SHLP	15:57:37	BD	S	5,000	0.34	EHSC	Christopher J. Forbes, LLC Non RCMM	0.001	
19	05/15/2007	SHLP	15:58:17	BD	S	2,000	0.31	EHSC	Christopher J. Forbes, LLC Non RCMM	0.001	
20	05/16/2007	SHLP	15:56:25	BD	S	2,000	0.32	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
21	05/17/2007	SHLP	15:57:27	BD	S	5,000	0.32	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
22	05/31/2007	SHLP	15:56:05	BD	S	5,000	0.32	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
23	06/07/2007	SHLP	15:56:00	BD	S	500	0.3	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
24	06/18/2007	SHLP	15:57:57	BD	S	1,000	0.29	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
25	07/09/2007	SHLP	15:53:35	BD	S	1,500	0.28	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
26	07/13/2007	SHLP	15:57:35	BD	S	1,000	0.25	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
27	07/16/2007	SHLP	15:47:49	BD	S	1,000	0.265	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
28	07/17/2007	SHLP	15:49:09	BD	S	1,000	0.26	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
29	07/25/2007	SHLP	15:51:40	BD	S	500	0.24	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
30	07/26/2007	SHLP	15:56:45	BD	S	500	0.2	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
31	01/17/2008	SHLP	15:59:00	BD	S	1,000	0.18	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	

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Exhibit A

32	01/29/2008	SHLP	15:50:36	BD	S	1,000	0.16	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
33	01/30/2008	SHLP	15:53:04	BD	S	1,000	0.16	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
34	02/08/2008	SHLP	15:56:47	BD	S	200	0.19	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
35	02/11/2008	SHLP	15:55:28	BD	S	100	0.18	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
36	02/14/2008	SHLP	15:57:44	BD	S	200	0.17	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
37	02/27/2008	SHLP	15:52:44	BD	S	200	0.16	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
38	02/28/2008	SHLP	15:58:34	BD	S	5,000	0.165	EHSC	Christopher J. Forbes, LLC Non RCMM	-0.005	
39	03/12/2008	SHLP	15:58:03	BD	S	500	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
40	03/13/2008	SHLP	15:56:20	BD	S	1,000	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
41	03/18/2008	SHLP	15:57:28	BD	S	1,000	0.13	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
42	03/20/2008	SHLP	15:52:19	BD	S	1,000	0.135	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
43	03/26/2008	SHLP	15:54:20	BD	S	500	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
44	03/27/2008	SHLP	15:56:05	BD	S	500	0.115	EHSC	Christopher J. Forbes, LLC Non RCMM	-0.005	
45	04/03/2008	SHLP	15:58:47	BD	S	5,000	0.14	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
46	04/04/2008	SHLP	15:57:18	BD	S	1,000	0.13	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
47	04/09/2008	SHLP	15:53:55	BD	S	100	0.129	EHSC	Christopher J. Forbes, LLC Non RCMM	-0.001	

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48	04/10/2008	SHLP	15:55:45	BD	S	100	0.129	EHSC	Christopher J. Forbes, LLC Non RCMM	0.009	
49	04/14/2008	SHLP	15:53:05	BD	S	200	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
50	04/16/2008	SHLP	15:56:36	BD	S	200	0.119	EHSC	Christopher J. Forbes, LLC Non RCMM	0.009	
51	04/17/2008	SHLP	15:56:49	BD	S	200	0.11	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
52	04/21/2008	SHLP	15:57:16	BD	S	200	0.119	EHSC	Christopher J. Forbes, LLC Non RCMM	0.009	
53	04/28/2008	SHLP	15:55:47	BD	S	200	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
54	04/30/2008	SHLP	15:51:49	BD	S	5,000	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
55	05/01/2008	SHLP	15:55:19	BD	S	200	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.105	
56	05/06/2008	SHLP	15:49:37	BD	S	100	0.105	EHSC	Christopher J. Forbes, LLC Non RCMM	-0.005	
57	05/07/2008	SHLP	15:57:26	BD	S	100	0.1	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
58	05/13/2008	SHLP	15:45:52	BD	S	100	0.0875	EHSC	Christopher J. Forbes, LLC Non RCMM	0.0025	
59	05/28/2008	SHLP	15:59:41	BD	S	100	0.129	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
60	05/29/2008	SHLP	15:59:39	BD	S	100	0.12	EHSC	Christopher J. Forbes, LLC Non RCMM	0.007	
61	05/30/2008	SHLP	15:59:09	BD	S	5,000	0.13	EHSC	Christopher J. Forbes, LLC Non RCMM	0.001	
62	06/03/2008	SHLP	16:00:00	BD	S	100	0.139	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
63	06/11/2008	SHLP	15:54:06	BD	S	200	0.19	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	

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Exhibit A

64	06/13/2008	SHLP	15:58:29	BD	S	200	0.175	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
65	06/18/2008	SHLP	15:56:49	BD	S	200	0.175	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
66	06/19/2008	SHLP	15:59:49	BD	S	100	0.18	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
67	06/20/2008	SHLP	16:00:00	BD	S	100	0.175	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
68	06/26/2008	SHLP	15:59:59	BD	S	200	0.16	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
69	06/30/2008	SHLP	15:59:00	BD	S	5,000	0.17	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
70	07/11/2008	SHLP	15:49:03	BD	S	1,000	0.17	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
71	07/14/2008	SHLP	15:56:04	BD	S	5,000	0.15	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
72	07/24/2008	SHLP	15:59:14	BD	S	200	0.16	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
73	07/28/2008	SHLP	15:58:35	BD	S	200	0.18	EHSC	Christopher J. Forbes, LLC Non RCMM	0.02	
74	07/30/2008	SHLP	15:59:15	BD	S	200	0.1675	EHSC	Christopher J. Forbes, LLC Non RCMM	0.0012	
75	08/08/2008	SHLP	15:48:12	BD	S	1,000	0.169	EHSC	Christopher J. Forbes, LLC Non RCMM	0.019	
76	08/19/2008	SHLP	15:56:52	BD	S	200	0.16	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
77	08/26/2008	SHLP	15:57:02	BD	S	5,000	0.15	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
78	08/27/2008	SHLP	15:57:38	BD	S	200	0.15	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
79	09/02/2008	SHLP	15:57:27	BD	S	200	0.15	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	

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Exhibit A

80	09/10/2008	SHLP	15:57:15	BD	S	200	0.135	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
81	09/12/2008	SHLP	15:58:10	BD	S	200	0.149	EHSC	Christopher J. Forbes, LLC Non RCMM	0.009	
82	09/16/2008	SHLP	15:57:19	BD	S	5,000	0.1	EHSC	Christopher J. Forbes, LLC Non RCMM	0.007	
83	09/17/2008	SHLP	15:57:43	BD	S	200	0.09	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
84	09/19/2008	SHLP	15:58:58	BD	S	200	0.098	EHSC	Christopher J. Forbes, LLC Non RCMM	0.008	
85	09/25/2008	SHLP	15:58:16	BD	S	500	0.06	EHSC	Christopher J. Forbes, LLC Non RCMM	0.007	
86	10/03/2008	SHLP	15:59:11	BD	S	1,000	0.085	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
87	10/20/2008	SHLP	15:59:13	BD	S	200	0.075	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
88	10/21/2008	SHLP	15:57:29	BD	S	200	0.08	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
89	10/28/2008	SHLP	15:58:05	BD	S	200	0.09	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
90	10/31/2008	SHLP	15:58:03	BD	S	300	0.089	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
91	11/06/2008	SHLP	15:58:12	BD	S	200	0.11	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	
92	12/10/2008	SHLP	15:59:27	BD	S	1,000	0.137	EHSC	Christopher J. Forbes, LLC Non RCMM	equal	
93	12/15/2008	SHLP	15:43:20	BD	S	500	0.13	EHSC	Christopher J. Forbes, LLC Non RCMM	0.01	
94	12/16/2008	SHLP	15:58:19	BD	S	500	0.135	EHSC	Christopher J. Forbes, LLC Non RCMM	0.005	

* "BD" signifies a broker-dealer other than EHSC whose identity has been redacted.

Other Respondent RO

Exhibit B

Line #	Trade Date	Issue	Execution Time	Executing Firm*	Buy/Sell	Quantity	Price	Contra Firm	Title	Buy Price Movement	Sell Price Movement
1	05/29/2007	SHLP	15:57:20	BD	S	300	0.3	EHSJ	Other Respondent RO	0.001	
2	06/12/2007	SHLP	15:53:45	BD	S	100	0.315	EHSJ	Other Respondent RO	0.025	
3	07/11/2007	SHLP	15:46:13	BD	S	1,000	0.28	EHSJ	Other Respondent RO	equal	
4	07/20/2007	SHLP	15:50:13	BD	S	100	0.245	EHSJ	Other Respondent RO	0.015	
5	09/17/2007	SHLP	15:42:29	BD	S	100	0.2	EHSJ	Other Respondent RO	0.02	
6	12/11/2007	SHLP	15:59:57	BD	S	100	0.16	EHSJ	Other Respondent RO	0.02	
7	04/08/2008	SHLP	15:44:31	BD	S	100	0.13	EHSJ	Other Respondent RO	0.01	
8	06/20/2008	SHLP	15:59:55	BD	S	100	0.175	EHSJ	Other Respondent RO	0.005	
9	08/11/2008	SHLP	15:57:00	BD	S	100	0.14	EHSJ	Other Respondent RO	equal	
10	08/14/2008	SHLP	15:48:05	BD	S	100	0.15	EHSJ	Other Respondent RO	0.01	
11	09/09/2008	SHLP	15:53:22	BD	S	100	0.14	EHSJ	Other Respondent RO	0.005	
12	09/11/2008	SHLP	15:53:08	BD	S	100	0.15	EHSJ	Other Respondent RO	0.0025	
13	10/09/2008	SHLP	15:48:51	BD	S	500	0.05	EHSJ	Other Respondent RO	0.01	
14	10/15/2008	SHLP	15:58:24	BD	S	1,000	0.072	EHSJ	Other Respondent RO	0.013	
15	10/16/2008	SHLP	15:57:41	BD	S	1,000	0.072	EHSJ	Other Respondent RO	0.013	

* "BD" signifies a broker-dealer other than EHSJ whose identity has been redacted.