

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011725001**

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REGISTRATION & DISCLOSURE

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

RE: ViewTrade Securities, Inc., Respondent
CRD No. 46987

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, ViewTrade Securities, Inc. ("ViewTrade" or "Respondent") 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 Respondent 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

Respondent has been a member of FINRA since November 1999. Respondent is a fully-disclosed introducing firm which clears through another member firm, and is subject to a minimum net capital requirement of \$100,000. Respondent is based in Boca Raton, Florida, operates four branch offices, and has 33 registered personnel.

RELEVANT DISCIPLINARY HISTORY

In August 2005, Respondent executed a Letter of Acceptance, Waiver, and Consent consenting to the imposition of sanctions by FINRA. The AWC contained eight NASD Rule and/or federal securities law violations, among which was a violation of NASD Conduct Rules 2110 and 3011(b) for, in relevant part, a failure to establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the Patriot Act (31 U.S.C. 5318(g)) and the implementing regulations thereunder. ViewTrade was also charged with a

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violation of NASD Conduct Rules 2110 and 3010(a) and (b), and SEC Rule 17a-4(b)(4) for, in relevant part, a failure to develop and implement an adequate supervisory system related to the retention and use of email by its registered representatives.

OVERVIEW

Between July 1, 2007, and December 31, 2008, ViewTrade did not properly monitor for the AML "red flags" set forth in the firm's AML compliance procedures. As a result, ViewTrade violated NASD Conduct Rules 3011(a) and (b) and 2110, FINRA Rule 2010, and MSRB Rule G-41. Furthermore, between August 1, 2007, and October 31, 2007, ViewTrade violated SEC Rule 17a-4 and NASD Rules 3110(a) and 2110, by not properly retaining certain business-related email communications.

FACTS AND VIOLATIVE CONDUCT

(I) The AML Deficiencies

NASD Conduct Rule 3011, which became effective on April 24, 2002, requires FINRA members to develop and implement a written AML program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. §5311, et seq., and the regulations promulgated thereunder. This rule contains a provision directing member firms to establish and implement procedures reasonably designed to detect and cause the reporting of certain suspicious transactions.

NASD Conduct Rule 3011(a) requires FINRA members to establish and implement policies and procedures "that can be reasonably expected to detect and cause the reporting of" suspicious activity and transactions. NASD Conduct Rule 3011(b) requires FINRA members to establish and implement policies, procedures and internal controls "reasonably designed to achieve compliance with the Bank Secrecy Act and the implementing regulations thereunder." On July 2, 2002, Treasury issued the regulation requiring suspicious transaction reporting for broker-dealers, 31 CFR §103.19(a)(1). That final regulation provides that a broker-dealer must report a transaction if: (a) the transaction is conducted or attempted by, at, or through a broker-dealer, (b) it involves or aggregates funds or other assets of at least \$5,000, and (c) the broker-dealer knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is a part):

- i. involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity;
- ii. is designed, whether through structuring or other means, to evade the requirements of the BSA;
- iii. appears to serve no business or apparent lawful purpose or is not the sort of transaction in which the particular customer would be expected to engage and the broker/dealer knows of no reasonable

explanation after examining the available facts, including the background and possible purpose of the transaction; or

- iv. involves use of the broker/dealer to facilitate criminal activity.

See NiM 02-47.

ViewTrade's AML compliance procedures require ViewTrade to monitor for, among others, the following red flags that signal possible money laundering or terrorist financing:

(a) The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations;

(b) The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as penny stocks, Regulation S stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)

In June 2007, five registered representatives joined ViewTrade from a now defunct broker-dealer and brought with them approximately 16 corporate accounts (the "Accounts"). ViewTrade did not conduct any background investigations into the individuals identified on corporate account documents as controlling the Accounts or as having trading authorization over the Accounts. ViewTrade relied on the representations of the registered representatives who had brought the Accounts to ViewTrade with respect to the backgrounds of the individuals identified on corporate account documents as controlling the Accounts or as having trading authorization over the Accounts. If, however, ViewTrade had conducted its own background checks into the individuals controlling the Accounts, ViewTrade would have learned that the majority of the individuals had questionable backgrounds or were the subject of news reports indicating possible criminal, civil, or regulatory violations.

Moreover, between July 2007 and December 2008, the Accounts engaged in activity that should have triggered one or more of the AML red flags set forth in ViewTrade's AML compliance procedures. For example, the primary activity in the Accounts was the deposit or journal of penny stocks into the Accounts, followed by the liquidation of those stocks, with the proceeds from the sales then wired out of the Accounts. Between July 2007 and December 2008, ViewTrade did not identify any of the activity in the Accounts as suspicious and, therefore, did not conduct any additional due diligence into the activity.

ViewTrade did not properly implement its AML compliance program, insofar as it did not monitor the Accounts for the red flags set forth above and did not identify potentially suspicious activity for further due diligence. As a result of the foregoing, ViewTrade violated NASD Conduct Rules 3011(a) and (b) and 2110, FINRA Rule 2010, and MSRB Rule G-41.

(2) The Email Deficiencies

SEC Rule 17a-4(b) requires every member firm to preserve for at least three years "(o)riginals of all communications received and copies of all communications sent (and any approvals thereof) by the member, broker or dealer . . . relating to its business." SEC Rule 17a-4(f) further requires preservation and maintenance of originals and copies of all electronic correspondence relating to the firm's securities business. NASD Rule 3110 requires FINRA members to comply with SEC Rule 17a-4. Between August 1, 2007 and October 31, 2007, business related emails were sent by a ViewTrade registered representative from a non-ViewTrade email address. Those emails were not maintained on ViewTrade's server in a non-rewritable, non-erasable format. Rather, the emails were obtained from the registered representative's computer, where they could have been deleted or lost. As a result of the foregoing, ViewTrade violated Section 17(a) of the Securities Exchange Act of 1934, SEC Rule 17a-4, and NASD Conduct Rules 3110 and 2110.

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

Censure and a fine of \$50,000.

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

Respondent 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 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 Respondent;
- 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 General Counsel, 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:

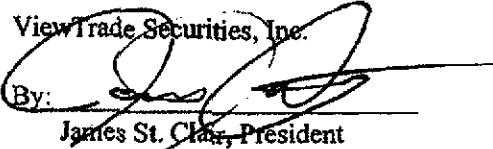
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 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 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 Respondent, certifies that a person duly authorized to act on Respondent's 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 Respondent 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 Respondent to submit it.

ViewTrade Securities, Inc.

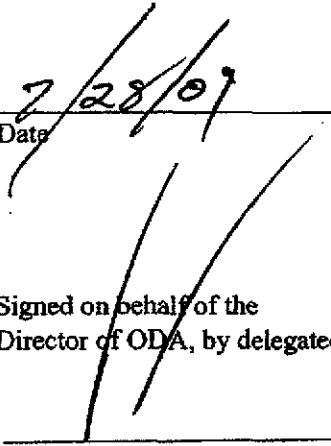
By: 

James St. Clair, President

7/28/07
Date

Accepted by FINRA:

Oct 12, 2009
Date


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

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