

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20080117371-01

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

RE: Investscope, Inc., Respondent
FINRA Member Firm
CRD No. 39992

Richard Lim, Respondent
Registered Representative
CRD No. 2094646

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Investscope, Inc. ("Investscope") and Richard Lim ("Lim") (collectively, the "Respondents") submit 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 Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondents hereby accept and consent, 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

Investscope became a member of FINRA on June 5, 1996, and became registered with the Securities and Exchange Commission ("SEC") on June 5, 1996 as a broker-dealer. The firm's membership with FINRA and registration with the SEC remain currently in effect. The firm conducts a general securities business on a fully disclosed basis.

Lim entered the securities industry as a General Securities Representative on October 23, 1990. On February 8, 1996, he became registered as a General

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Securities Principal. On October 2, 2001, he became registered as a National Commodity Futures Representative. On March 24, 2003, he became registered as a Registered Options Principal. On January 22, 1996, he became registered with Investscape in the above capacities. Lim is currently registered with the firm in these capacities and is also the firm's President and Chief Compliance Officer.

RELEVANT DISCIPLINARY HISTORY

The respondents have no relevant formal disciplinary history.

OVERVIEW

The firm, through Lim, failed to inspect branch offices despite being notified in 2004 that such inspections were necessary, and despite informing FINRA that it would conduct the inspections beginning in 2005. The firm's procedures failed to identify four locations as branch offices. Investscape, Inc., through Lim, failed to preserve emails between January 1, 2008 and March 31, 2008.

FACTS AND VIOLATIVE CONDUCT

In 2008, FINRA staff conducted a routine examination of Investscape. The firm had one office of supervisory jurisdiction located in Michigan and three non-OSJ branch offices located in Taiwan, Greece and Colorado Springs, Colorado. The firm employed five registered representatives. A fourth non-OSJ branch office, in Israel, had just closed one month prior to the examination.

These branch offices were each staffed with a single representative. The role of the representatives was to encourage potential customers to open on-line trading accounts through Investscape. The customers entered the trades directly through the on-line accounts.

FINRA Notice to Members 98-38 reminded firms of their obligation to inspect branch offices. NTM 98-38 emphasizes the need to pay close attention to the supervision of small, dispersed offices. Investscape and Lim were specifically warned in a Letter of Caution in 2004 that its offices in Taiwan, Greece, Israel and Colorado needed to be inspected on a regular schedule. Up until that time, those offices had not been inspected by Investscape. The firm, through Lim, responded to the Letter of Caution and stated that these locations would be inspected, starting with the Greek and Israeli offices in September 2005.

Despite these assurances, Investscape, acting through Lim, failed to inspect the four branch offices between 2004 and 2008.

This constitutes a violation of NASD Rules 3010(c)(1)(B) and 2110 by Investscape and Lim.

Investscape's written procedures failed to identify four locations that regularly conducted the business of effecting securities transactions by soliciting new accounts as branch offices. The procedures also failed to address Investscape's requirement to conduct internal inspections of these offices.

This conduct constitutes separate and distinct violations of NASD Rule 3010 and FINRA Bylaws Art. IV, Section 8 by Investscape.

Between the time period of January 1, 2008 and March 31, 2008, Investscape, through Lim, failed to preserve email records in non-rewritable, non-erasable format. Furthermore, the Respondents failed to provide FINRA with notifications of its use of electronic storage media. The Respondents also failed to provide FINRA a letter from a third party describing the undertakings of the third party regarding the firm's electronic storage media as specified by the SEC Rule. The Respondents also failed to evidence the review of all incoming and outgoing communications with customers sent via email.

This conduct constitutes separate and distinct violations of Securities Exchange Act of 1934 Section 17(a), Exchange Act Rule 17a-4, NASD Conduct Rules 3010, 3110 and 2110 by Investscape and Lim.

B. Respondents also consent to the imposition of the following sanctions:

1. A joint and several fine against Investscape and Lim of \$17,500; and
2. A \$7,000 fine against Investscape; and
3. A censure against Investscape; and
4. A one month suspension against Lim from acting in a supervisory capacity.

Respondents agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondents have submitted an Election of Payment form showing the method by which Respondents propose to pay the fine imposed.

Respondents specifically and voluntarily waive any right to claim that Respondents are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case

after it considered, among other things, the firm's revenues and financial resources. See Notice to Members 06-55.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondents;
- 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, Respondents specifically and voluntarily waive 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.

Respondents further specifically and voluntarily waive 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

Respondents understand 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 Respondents; and

C. If accepted:

1. this AWC will become part of Respondents' permanent disciplinary records and may be considered in any future actions brought by FINRA or any other regulator against Respondents;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' disciplinary records;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Respondents 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. Respondents 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 Respondents' rights to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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.

Lim, and the undersigned on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Respondents have 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 Respondents to submit it.

4/29/2010
Date

Investscape, Inc.

By: _____



Richard Lim

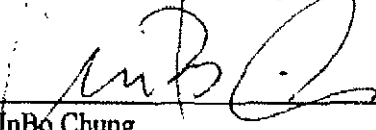
Reviewed by:

Brian Witus, Esq.
Hertz Schram PC
1760 S. Telegraph Rd., Ste. 300
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(248) 335-5000

Accepted by FINRA:

5.6.10
Date

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



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