

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012994401**

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

RE: Eduardo Bustani, Respondent
CRD No. 4455716

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Eduardo Bustani ("I," "Bustani" or "Respondent") 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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

Bustani first became registered with a FINRA regulated broker-dealer in March 2000 as a registered representative at Generic Trading of Philadelphia LLC. From on or about September 17, 2001 until his termination on or about May 30, 2008, Bustani was registered with Global Financial Services, L.L.C., (the "Firm"). Bustani has not been employed in the securities industry since his termination from the Firm. FINRA retains jurisdiction over Bustani pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated broker-dealer and this AWC has been filed within two years after the effective date of Bustani's termination of registration from a FINRA regulated broker-dealer.

OVERVIEW

On March 17-18, 2008, Bustani effected unsuitable short sales in the discretionary accounts of 17 customers. The short sales involved a total of approximately 424,900 shares of Lehman Brothers Inc. common stock ("LEH"). The short sales resulted in a combined loss to the customers' accounts of approximately

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\$3,388,209.¹ By effecting unsuitable transactions in 17 accounts over which he had discretion, Bustani also breached his fiduciary duty to these customers. Additionally, Bustani provided false and misleading information to the Firm during its investigation of the short sales.

By virtue of this conduct, Bustani violated NASD Conduct Rules 2310 and 2110.

FACTS AND VIOLATIVE CONDUCT

Unsuitable Trading

Bustani, a registered representative at the Firm, had written discretionary authority in 17 of his customers' accounts.

On March 17, 2008, based on his belief that "Lehman was going to be the next Bear Stearns," Bustani acted in a discretionary capacity and sold short a combined total of 213,700 shares of LEH in the 17 customer accounts. At the time that Bustani began this short selling strategy, the price of LEH was approximately \$28 per share.

Bustani's pattern of LEH short sales was the same in each of the 17 accounts. He shorted LEH and then covered the position, shorted LEH again and covered the position and then shorted LEH again. This left each account short for the day. 83

On March 18, 2008, Bustani again acted in a discretionary capacity and doubled the previous day's LEH short positions in 16 of the 17 accounts.² As a result, the 17 accounts were short a combined 424,900 shares of LEH. Subsequently, positive market news caused the price of LEH to appreciate substantially. As a result, the Firm issued margin calls to each of Bustani's 17 customers.

None of the 17 customers was aware of the aggressive short selling strategy that Bustani effected in each of their accounts on a discretionary basis. The short sales resulted in a combined loss to the customers' accounts of approximately \$3,388,209, which was covered by the Firm.

The transactions on March 17 and 18, 2008 were unsuitable for each of the 17 customer accounts due to the size and the inherent risk involved in the transactions. By virtue of this conduct, Bustani violated NASD Conduct Rules 2310 and 2110.

Breach of Fiduciary Duty

Bustani had written trading authorization from each of the 17 customers, which enabled him to effect transactions in their accounts on a discretionary basis. Bustani, therefore, maintained a fiduciary relationship with these customers. By effecting unsuitable short sales in their discretionary accounts, Bustani violated

¹ The Firm covered the losses, so no customers were harmed.

² One account was less than doubled by 2,500 shares.

his fiduciary responsibility to these customers. By virtue of this conduct, Bustani violated NASD Conduct Rule 2110.

Misrepresentations

Between March 18 and 20, 2008, the Firm and its clearing firm's margin department exchanged e-mails with Bustani concerning the short LEH transactions and the margin calls. In his responses to these e-mails, Bustani stated, among other things, that the customers' were aware of and had approved the trades and that they were sending funds to cover the margin calls. Bustani knew at the time that he made these statements that they were false. None of the customers knew that Bustani had made these discretionary short sales in their accounts and none were sending money to cover the margin calls. Bustani made the misrepresentations because he was "trying to buy time" in the hope that LEH would depreciate in value and that the amount required to satisfy the margin calls would be reduced. By virtue of this conduct, Bustani violated NASD Conduct Rule 2110.

B. I also consent to the imposition of the following sanction:

1. A bar from association with any FINRA member in any capacity.

The sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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, I 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.

I 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

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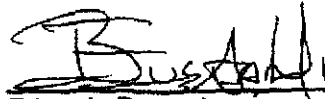
I understand that:

- 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 me;
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8310; and
 - 4. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I 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 me to submit it.

03/25/10
Date


Eduardo Bustani
Respondent

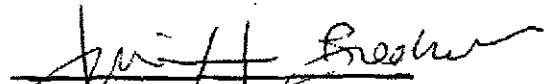
Reviewed by:


Alex J. Brown, Esq.
Counsel for Respondent
Buck Keenan LLP
700 Louisiana, Ste. 5100
Houston, Texas 77002
713-225-4500

Accepted by FINRA:

4/20/10
Date

Signed on behalf of the
Director of ODA, by delegated au-
thority


Julie Han Broderick
Director
FINRA Department of Enforcement
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New York, NY 10005
(646) 315-7313