

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021124201**

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

RE: First Bermuda Securities (BVI) Ltd., Respondent
Member
CRD No. 29331

Jeffrey G. Conyers, Respondent
General Securities Principal
CRD No. 2204609

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, First Bermuda Securities (BVI) Ltd. and Jeffrey G. Conyers 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 us alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. We 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

First Bermuda is a FINRA member and has been such since January 1992. The firm maintains its principal place of business and sole office in Bermuda. First Bermuda currently employs six registered persons and two non-registered persons. The firm conducts a general retail securities business.

In January 1992, Conyers acquired a Series 7 license. He subsequently acquired Series 4, 24, and 27 licenses. Conyers is currently associated with First Bermuda and has been associated with the firm since November 25, 1991.

RELEVANT DISCIPLINARY HISTORY

In 1998, FINRA accepted an AWC from Conyers and First Bermuda, wherein they agreed to be censured and to be jointly and severally liable for a \$500 fine for their failure to timely file a monthly FOCUS Report, in violation of Exchange Act Rule 17a-5.

OVERVIEW

First Bermuda committed certain violations regarding its review and retention of its business-related electronic communications. As a result of the foregoing, First Bermuda violated Section 17(a) of the Securities Exchange Act of 1934, Exchange Act Rule 17a-4, NASD Conduct Rules 3010, 3110, and 2110 (from May 22, 2006 to December 14, 2008), and FINRA Rule 2010 (from December 15, 2008 to September 13, 2010).

In addition, First Bermuda, through Conyers, permitted three non-registered persons to act in a capacity requiring registration as a principal by allowing them to accept or approve new customer accounts. As a result of the foregoing, First Bermuda failed to maintain records signed by a principal who had accepted or approved new customer accounts. By engaging in such conduct, First Bermuda violated Section 17(a) of the Exchange Act, Exchange Act Rule 17a-3(a)(17)(i)(a), NASD Rules 1021(a), 3110(a) and (c)(1)(C), and 2110 (from March 2006 through December 14, 2008), and FINRA Rule 2010 (from December 15, 2008 through September 2010); and Conyers violated NASD Rules 1021(a) and 2110 (from March 2006 through December 14, 2008) and FINRA Rule 2010 (from December 15, 2008 through September 2010).

FACTS AND VIOLATIVE CONDUCT

Between May 22, 2006 and September 13, 2010, First Bermuda relied exclusively on electronic storage media to preserve its business-related electronic communications. During that time period, the firm's electronic storage media system ("System") was deficient because such communications could be deleted from the System prior to being preserved in the requisite non-rewriteable, non-erasable format. During the same period of time, in contravention of its written supervisory procedures ("WSPs"), First Bermuda permitted Conyers to use a personal e-mail address, through his handheld communication device, to send and receive business-related electronic communications. E-mails sent to or from Conyers' personal e-mail address were not captured by the firm's System, and thus were not retained nor reviewed by the firm (unless they were sent to or from a firm-provided e-mail address). Between May 22, 2006 and September 13, 2010, First Bermuda also failed to evidence its review of its business-related electronic communications, in violation of its WSPs. As a result of the foregoing, First Bermuda violated Section 17(a) of the Exchange Act, Exchange Act Rule 17a-4,

NASD Conduct Rules 3010, 3110, and 2110 (from May 22, 2006 to December 14, 2008), and FINRA Rule 2010 (from December 15, 2008 to September 13, 2010).

In addition, from March 2006 through September 2010, First Bermuda, through Conyers, its President and Chief Compliance Officer, permitted three non-registered persons to act in a capacity requiring registration as a principal. Specifically, First Bermuda, through Conyers, permitted the non-registered persons to accept or approve a total of approximately 309 new customer accounts. As a result of the foregoing, First Bermuda failed to maintain records signed by a principal who had accepted or approved new customer accounts. By engaging in such conduct, First Bermuda violated Section 17(a) of the Exchange Act, Exchange Act Rule 17a-3(a)(17)(i)(a), NASD Rules 1021(a), 3110(a) and (c)(1)(C), and 2110 (from March 2006 through December 14, 2008), and FINRA Rule 2010 (from December 15, 2008 through September 2010); and Conyers violated NASD Rules 1021(a) and 2110 (from March 2006 through December 14, 2008) and FINRA Rule 2010 (from December 15, 2008 through September 2010).

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

A censure for First Bermuda and Conyers; a \$40,000 fine for First Bermuda; and an additional \$10,000 fine for which First Bermuda and Conyers are jointly and severally liable.

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

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

A. To have a Complaint issued specifying the allegations against us;

- 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, we 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.

We 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

We 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 us; and
- C. If accepted:
 - 1. this AWC will become part of our respective permanent disciplinary records and may be considered in any future actions brought by FINRA or any other regulator against us;

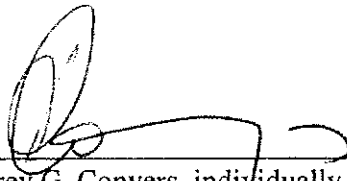
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about our respective disciplinary records;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. We may not 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. We 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 our right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. We may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we 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 First Bermuda, 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 the firm 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 the firm to submit it.

I, Jeffrey G. Conyers, 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.

November 8th 2011
Date (mm/dd/yyyy)



Jeffrey G. Conyers, individually and as
President of First Bermuda Securities (BVI) Ltd.

Accepted by FINRA:

11/14/11
Date

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

Michael A. Gross

Michael A. Gross, Esq.
Senior Regional Counsel
Authorized House Counsel
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Statement of Corrective Action submitted by First Bermuda Securities (BVI) Limited in Connection with FINRA letter of Acceptance, Waiver and Consent No. 2010021124201

It should be noted that the firm was part of an Amalgamation with Capital G Bank Limited on January 4th 2011 and that the events noted in the above AWC occurred prior to the Amalgamation.

As regards the retention and recording of business related electronic communications, the firm was genuinely unaware that their existing systems were not in compliance with FINRA's requirements. Immediate corrective action was taken and the firm retained a third party vendor to store the firm's records on a non-erasable, write once read many, WORM format. The firm has properly notified its designated examining authorities as required and has revised its written supervisory procedures, to reflect its review of its business-related electronic communications.

In addition the firm now utilizes a Blackberry Enterprise Server which properly monitors outgoing and incoming emails for all personnel.

As regards the signatures of Messrs Gibson, Schroter and Selley, the procedures were tightened immediately and communicated to all personnel so that only Mr. Conyers and Mr. Somerville, who both are currently registered as General Principals, can sign off on new accounts.

The firm acknowledges that it was working with limited resources, especially given the demands on Mr. Conyers prior to June 2010 due to different responsibilities he had in running the parent Company.

Subsequent to our Amalgamation with Capital G Bank Limited in January 2011 we have worked diligently with our new parent to upgrade our IT capabilities and to provide additional training resources. By way of example, we are currently looking to have our Group Accountant sit their Series 27 and for one of the Bank's compliance Officers to take on the additional role of CCO of the Company, once they have passed the requisite Examinations.

This Corrective Action Statement is submitted by the Respondents. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.