

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021162202**

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

RE: Biremis, Corp., Respondent
Broker-Dealer
CRD No. 127840

Peter Beck, Respondent
General Securities Representative and General Securities Principal
CRD No. 3048844

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Biremis, Corp. ("Biremis" or the "Firm") and Peter Beck ("Beck") (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. Biremis and Beck 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

Biremis

Biremis has been a FINRA member since July 29, 2004. During all relevant times herein, Biremis was a wholly-owned subsidiary of BRMS Holdings, Inc. ("BRMS Holdings"). Beck was the President and sole director of BRMS Holdings, and its controlling shareholder. Beck owned 70.5 percent of BRMS Holdings. Another individual, CK, owned 25 percent of BRMS Holdings. The remaining 4.5 percent ownership interest was held by Midimax S.A. ("Midimax"), a Uruguayan entity wholly-owned by Beck.

Biremis' sole business was providing trade execution services via a proprietary day trading platform and order management system to day traders located throughout the world. From September 2007 until it ceased its operations on or about July 14, 2011, Biremis received its order flow exclusively from two customers - Opal Stone Financial Services S.A. ("Opal Stone") and Swift Trade Inc. ("Swift Trade") - both of which are non-FINRA member entities located outside the United States.

Opal Stone is a Uruguayan corporation owned by the Medanos Trust, a discretionary irrevocable trust which was created by Beck's late father. During the relevant time period, Opal Stone's sole business was to route orders from its day-trading customers to Biremis. Opal Stone paid dividends to the Medanos Trust, which in part, used the funds to purchase a life insurance policy in Beck's name, from which Beck had the capability of taking personal loans.

Swift Trade was an Ontario corporation registered with the Ontario Securities Commission ("OSC") as a Limited Market Dealer. Like Opal Stone, its sole business was to route orders received from its day-trading customers to Biremis. Swift Trade was a wholly-owned subsidiary of BRMS Holdings. Beck was the President and sole director of Swift Trade. Effective May 1, 2009, Swift Trade ceased to be a customer of Biremis, and became a customer of Opal Stone.

Opal Stone's and Swift Trade's customers were corporations and individuals (the "Office Owners") who had opened trading offices (the "Trading Offices") to engage in day trading on U.S. and other markets. The Office Owners, in turn, engaged individual day traders (the "Traders") to trade securities for the Trading Office's accounts. All Trading Offices and Traders were located outside the United States. Orders were entered by the Trading Offices, and then routed to Biremis, using the technology and order management system provided by an affiliate of Biremis, Orbixa Management Services, Inc. ("Orbixa"). Orbixa was an Ontario corporation, and a wholly-owned subsidiary of BRMS Holdings. Beck was the President and sole director of Orbixa.

Opal Stone and Swift Trade each maintained an omnibus account at Biremis. As of January 1, 2009, there were a total of 184 Trading Offices employing 3,785 Traders who routed their orders to Biremis through Opal Stone or Swift Trade. The number of Trading Offices and Traders changed little over time. As of June 30, 2010, there were 181 Trading Offices, and 3,695 Traders.

During the period January 1, 2009 to June 30, 2010, Biremis received, on average, approximately 1.25 million orders on a daily basis from Opal Stone and/or Swift Trade Traders for execution in U.S. markets and in markets outside the U.S. These orders resulted in, on average, approximately 339,000 executions representing more than 234 million shares on a daily basis in U.S. markets, and

approximately 66,000 executions representing more than 76 million shares on a daily basis in markets outside the U.S.

The Firm's main office was located at 55 St. Clair Avenue West, 9th Floor in Toronto, Canada (the "Toronto Office"). The Firm maintained an office at 155 Federal Street, Suite 700 in Boston, Massachusetts in which none of its employees were located and no Firm business was conducted, but was used solely as a mail drop. All administrative, management, compliance, legal and other support services were provided by Orbixa personnel or other affiliates. As of July 2011, approximately seven FINRA-registered individuals were associated with Biremis in its Toronto office through employment contracts with Orbixa.

Beck

Beck entered the securities industry in or about October 1997 when he became registered as a General Securities Representative and General Securities Principal with Swift Trade Securities USA Inc. ("STUSA"), a FINRA member firm. From June 1998 to August 2004, Beck was STUSA's owner and Chief Executive Officer ("CEO"). In or about July 2004, Beck became registered with Biremis and served as its CEO and President. Beck continues to be registered in both capacities with Biremis.

RELEVANT DISCIPLINARY HISTORY

Biremis

- **NASDAQ Case No. 2009018606601** – On June 28, 2010, the Firm consented to a censure and a fine in the amount of \$10,000 for violating NASDAQ Rules 2110 and 3010 by not having a supervisory system and written supervisory procedures ("WSPs") reasonably designed to prevent erroneous orders and transactions. As part of the settlement, the Firm agreed to revise its WSPs regarding compliance with NASD Notice to Members ("NTM") 04-66 within 30 business days of the accepted settlement.
- **FINRA Case No. 2008014753602** - On September 30, 2010, the Firm consented to a censure and a fine in the amount of \$50,000 for violating NASD Rules 2110 and 3010 by failing to: (i) file a written application for relief from the statutory disqualification of the Firm's Financial and Operational Principal, who became statutorily disqualified in January 2007 due to numerous criminal violations, including theft and fraud; and (ii) establish, maintain, and enforce a supervisory system and/or written supervisory procedures that were reasonably designed to investigate the background of prospective employees and achieve compliance with the Firm's registration and reporting obligations.

- **FINRA Case No. 2007008418501** - On August 25, 2010, the Firm consented to a censure and a fine in the amount of \$20,000 for violations of NASD Rule 6955(a) by submitting reportable order events ("ROEs") to the Order Audit Trail System ("OATS") that contained context or syntax errors, the majority of which the Firm failed to repair and properly resubmit to OATs. The Firm also transmitted route reports or combined order/route reports to OATS that contained inaccurate, incomplete or improperly formatted data, including incorrect market participation identifiers.

Beck

- **FINRA Case No. 2008014753602** - On September 30, 2010, while CEO and Principal of Biremis, Beck consented to a six-week suspension in all capacities for violating NASD Rules 2110 and 3010 by: (i) failing to file a written application for relief from the statutory disqualification of the Firm's Financial and Operations Principal, who became statutorily disqualified in January 2007 due to numerous criminal violations, including theft and fraud; and (ii) failing to establish, maintain, and enforce a supervisory system and/or written supervisory procedures that was reasonably designed to investigate the background of prospective employees and achieve compliance with Biremis' registration and reporting obligations.
- **Ontario Securities Commission Action, *Re Swift Trade Inc. and Peter Beck (2009)*, 32 O.S.C.B. 6105** - On July 28, 2009, while CEO and Principal of Swift Trade, Beck, and Swift Trade, jointly consented to paying costs in the amount of \$20,000 for Beck's acknowledgement that his non-willful lack of disclosure about the beneficial ownership and effective control of Barka Co. Limited – Swift Trade's largest client – resulted in the OSC being misled.
- **NASD Case No. CMS020118** - On September 24, 2002, while CEO and Principal of STUSA, Beck consented to a censure, a suspension in all capacities for 30 days, a fine in the amount of \$75,000, and a payment of disgorgement in the amount of \$26,000, for violations of NASD Rules 2110, 2120 and 3310, in that he and STUSA engaged in manipulative and deceptive wash transactions.

OVERVIEW

Biremis' Violations

Between April 1, 2005 and December 31, 2010, the Firm failed to implement an adequate anti-money laundering ("AML") program to detect and cause the reporting of transactions required under Title 31 of the United States Code ("U.S.C."), Section 5318(g) and to achieve compliance with the Bank Secrecy Act. Among other things, the Firm did not have qualified individuals implementing its AML program, failed to file suspicious activity reports

("SARs") when appropriate, did not provide adequate AML training to employees and did not adequately document its 2009 AML independent test.

Additionally, between at least April 2008 and May 2009, the Firm improperly calculated its net capital by failing to perform formal reconciliations for its bank, intercompany, clearance, omnibus and depository accounts. As a result, the Firm failed to consider adjustments, ranging from approximately \$2 million to \$33 million, in its net capital computations. Therefore, at various times between April 2008 and May 2009, the Firm operated in net capital deficiency in amounts ranging from approximately \$2 million to \$25 million. Further, the Firm's February 2009 Financial and Operational Combined Uniform Single ("FOCUS") Report was inaccurate in that it had various misclassifications that caused the Firm's balance sheet to be incorrect. The Firm also failed to maintain a stock record of positions held overnight. In addition, the Firm failed to timely notify the Securities and Exchange Commission (the "SEC") and FINRA of its prior net capital miscalculations and deficiencies, and its inaccurate books and records.

Between July 2008 and May 2009, the Firm failed to prepare customer reserve computations and failed to maintain a Special Reserve Bank Account for the exclusive benefit of customers as required by Rule 15c3-3 of the Exchange Act. Additionally, prior to May 2009, the Firm failed to maintain a margin system, margin accounts, and policies and procedures related to the use of margin despite Traders effecting transactions using margin. As a result, the Firm failed to calculate intraday margin requirements and issue and collect margin calls. The Firm also improperly executed pattern day trading transactions related to the Traders and Trading Offices in a cash account instead of a margin account.

Between July 21, 2008 and August 12, 2008, Biremis also violated Section 12(k)(4) of the Exchange Act in that it failed to comply with a temporary emergency order issued by the SEC that imposed additional borrowing and delivery requirements on 19 securities. Between September 18, 2008 and October 8, 2008, Biremis violated Section 12(k)(4) of the Exchange Act in that it failed to comply with a subsequent emergency order issued by the SEC that temporarily banned short selling in certain securities, by improperly effecting thousands of short sale orders in many of these securities.

The Firm also failed to ensure that all required electronic communications during the period July 29, 2004 through at least September 1, 2010 were maintained. Further, during the period July 29, 2004 to approximately January 21, 2011, the Firm failed to establish and maintain appropriate systems and procedures reasonably designed to perform a supervisory review of all required electronic communications and achieve compliance with the recordkeeping requirements.

The Firm also failed to timely disclose the outside business activities of seven individuals registered with the Firm, including Beck, in Uniform Application for Securities Industry Registration or Transfer filings.

During various periods from June 2007 to June 2010, Biremis also failed to establish a supervisory system, including WSPs, reasonably designed to achieve compliance with the applicable laws and regulations prohibiting manipulative trading activity. More specifically, Biremis' supervisory system failed to include any policies and procedures designed to detect and prevent "layering" on U.S. markets. Biremis also failed to establish policies and procedures reasonably designed to detect and prevent manipulative activity designed to affect the closing price of a security. As a result, Biremis failed to detect and prevent potential layering activity and potential manipulation of the closing price on U.S. markets. Biremis also failed to test the exception report that it used to detect matched trades to ensure that it was operating as intended. As a result, Biremis relied for over a year and a half upon an exception report that failed to detect numerous instances of potential matched trades. Biremis also failed to implement effective controls relating to the deactivation of Trader IDs belonging to Traders who had been terminated, as well as effective controls to ensure that Trader IDs were used exclusively by the Trader to whom they were issued. As a result, Traders potentially were able to circumvent the supervisory and risk controls tied to Trader IDs. Finally, in a significant number of instances, Biremis failed to completely enforce the trading suspensions that it imposed on Traders for improper trading activities.

Biremis also failed to comply with NASD Rule 3012. Despite the fact that Biremis' only business was executing transactions on behalf of overseas day traders, Biremis did not take any steps, in either 2008 or 2009, to test and verify that Biremis' supervisory procedures were reasonably designed to detect and prevent manipulative trading activity. Furthermore, the reports prepared in connection with NASD Rule 3012 did not detail the Firm's system of supervisory controls as required by the rule.

Finally, from October 14, 2009 to December 8, 2009, Biremis failed to ensure that the person functioning as the Firm's Chief Compliance Officer ("CCO") was registered with FINRA as a General Securities Principal. During that time period, Biremis also filed amendments to its Form BD regarding the identity of its CCO that were inaccurate and misleading.

Beck's Violations

Pursuant to Firm policy, Beck, as the Firm's President and CEO, was responsible for ensuring that Biremis was in compliance with securities laws, regulations, and SRO rules, including FINRA rules.

During the period April 1, 2005 through May 29, 2009, Beck failed to ensure that the Firm's AML program complied with the requirements of the Bank Secrecy Act and FINRA Rules. Beck appointed an unqualified individual as the Firm's AML Compliance Officer ("AMLCO") to implement and oversee the Firm's

AML program and did not properly supervise or train the AMLCO to adequately perform the tasks required of an AMLCO. This contributed to the Firm's numerous AML-related violations as described above, including the failure to properly detect suspicious activities and file SARs when appropriate.

Additionally, Beck failed to ensure that the Firm established a margin system prior to approximately May 2009. The Firm failed to establish margin accounts for day trading conducted through the Firm by Trading Offices and Traders located around the world. Instead, the Firm allowed day trading by these Trading Offices and Traders to occur in cash accounts. Based on Beck's failures, the Firm failed to calculate intraday margin requirements and issue margin calls when appropriate.

From 2004 to 2011, while associated with Biremis, Beck also was engaged in the business of approximately 15 companies and entities away from the Firm. Beck failed to report these associations as outside business activities on his Uniform Application for Securities Industry Registration or Transfer ("Form U4").

During various periods from June 2007 to June 2010, Beck also failed to ensure that Biremis established and maintained a supervisory system, including written supervisory procedures, reasonably designed to detect and prevent manipulative trading activity.

Finally, Beck failed to ensure that Biremis tested and verified that its supervisory procedures were reasonably designed with respect to the activities of the Firm to detect and prevent manipulative trading activity in 2008 and 2009 as required by NASD Rule 3012.

FACTS AND VIOLATIVE CONDUCT

A. Biremis and Beck Failed to Implement an Adequate AML Program

Relevant Rules

NASD Rule 3011 and FINRA Rule 3310¹ state:

Each member shall develop and implement a written anti-money laundering program reasonably designed to achieve and monitor the member'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. Each member's anti-money

¹ On January 1, 2010, NASD Rule 3011 became FINRA Rule 3310. Therefore, conduct occurring before January 1, 2010 is charged as NASD Rule 3011 and conduct occurring on or after January 1, 2010 is charged as FINRA Rule 3310.

laundrying program must be approved, in writing, by a member of senior management.

NASD Rule 3011(a) and FINRA Rule 3310(a) require that members establish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required by 31 U.S.C. 5318(g) and the implementing regulations thereunder. NASD Rule 3011(b) and FINRA Rule 3310(b) require that member organizations establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act and the implementing regulations thereunder. NASD Rule 3011(c) requires that the Firm conduct an annual independent compliance test of its AML Program. NASD Rule 3011(e) requires that the Firm provide ongoing training for appropriate personnel.

NASD Rule 3010 requires that members establish and maintain a supervisory system, including WSPs, related to a firm's business that are reasonably designed to achieve compliance with the applicable securities laws, regulations and self-regulatory organization ("SRO") rules.

NASD Rule 2110 and FINRA Rule 2010² state that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

Firm's Violations

Between April 1, 2005 and December 31, 2010, the Firm failed to implement an adequate AML program to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and to achieve compliance with the Bank Secrecy Act. Specifically, Biremis violated NASD Rule 3011 and FINRA Rule 3310 as follows:

- The Firm appointed an unqualified and inexperienced AMLCO from April 1, 2005 through May 29, 2009.³ The AMLCO failed to conduct any meaningful AML-related review of trading activity, provide AML training to Firm personnel or timely file SARs when required. As a result of the AMLCO's inadequacies, the Firm's AML program was not properly implemented from April 1, 2005 through May 29, 2009.
- From April 2005 to May 2009, the Firm was not properly reviewing trading activity to determine whether a SAR should be filed. Specifically, the Firm identified certain instances of potentially collusive and

² See FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules, including the change of NASD Rule 2110 to FINRA Rule 2010, effective December 15, 2008.

³ See *Matter of Zulina Visram*, FINRA AWC No. 2010021162201 (May 27, 2011).

manipulative trading activity, but did not consider whether a SAR should be filed to report the activity. As a result, the Firm failed to have a program reasonably designed to detect and report suspicious activity and file SARs when appropriate.

- The Firm could not verify the identity of certain Traders trading through the Firm's proprietary trading platform because certain Traders used multiple trader identification codes ("Trader IDs"). As of November 1, 2010, the Firm had approximately 3,789 Traders, but over 26,000 active Trader IDs. Prior to January 2011, the Firm did not have a process by which it deactivated Trader IDs associated with a trader that was suspended, terminated, or otherwise disassociated from the Firm. The excess Trader IDs available for use made it possible for traders to circumvent the Firm's internal controls by using multiple Trader IDs or another person's Trader ID. Without knowing the identity of the individuals trading, the Firm could not properly detect and report manipulative trading and other suspicious activity.
- The Firm's 2010 AML program was not approved in writing by senior management.
- FinCEN receives requests for information from law enforcement agencies. Upon review of these requests, FinCEN sends related requests to designated contacts within financial institutions across the country on a biweekly basis via a secure Internet web site ("314(a) Transmissions"). The financial institutions have two weeks from the date of the 314(a) Transmission to query their records for data matches and provide a response. From April 13, 2008 to June 15, 2010, the Firm failed to conduct the required review of 35 FinCEN 314(a) transmissions.
- From 2004 through July 2010, the Firm maintained 12 foreign bank accounts in Canada, the United Kingdom, Barbados and Sweden for which it failed to timely file Foreign Bank Account Reports ("FBARs"). In total, the Firm failed to file 19 FBARs in a timely manner, including initial and annual filings.
- The Firm failed to conduct a due diligence review of its correspondent account for the second quarter of 2010.
- In December 2009, the Firm's General Counsel attached a copy of the Firm's independent AML testing procedures with the following notation: "No report produced because the review [was] conducted by the legal counsel herself." However, the General Counsel's memorandum to senior management did not identify any methods utilized for testing and did not highlight any results of the AML audit. Without such a report, the Firm

could not demonstrate that the AML independent test it performed in 2009 was adequate for purposes of complying with NASD Rule 3011(c).

- The Firm failed to provide any AML training to its AMLCO from April 1, 2005 through May 29, 2009, and failed to provide adequate AML training to other employees with AML responsibilities in 2008 and 2009.

Based upon the foregoing, between April 1, 2005 and December 31, 2010, the Firm violated NASD Rules 3011(a), (b), (c), and (e), and FINRA Rules 3310(a) and (b), as well as NASD Rule 2110 and FINRA Rule 2010 by failing to implement an AML program that was adequate to detect and cause the reporting of suspicious activity and comply with the Bank Secrecy Act, failing to have a qualified AMLCO, failing to properly test its AML program in 2009, and failing to provide AML training in 2008 and 2009.

Beck's Violations

Pursuant to Firm policy, Beck, as President and CEO of the Firm, was responsible for ensuring the Firm was in compliance with securities laws, regulations, and SRO rules, including FINRA rules related to AML.⁴ However, during the period April 1, 2005 through May 29, 2009, Beck failed to ensure that the Firm's AML program complied with the requirements of the Bank Secrecy Act and FINRA rules related to AML.

Specifically, Beck appointed an unqualified and untrained individual to function as the Firm's AMLCO in charge of AML compliance for a period of approximately four years. In that capacity, the AMLCO was responsible for creating the Firm's AML program and monitoring approximately 4,000 day trading accounts located in approximately 200 Trading Offices around the world to identify suspicious activity. The AMLCO was required to identify "red flag" triggering events in exception reports, initiate internal investigations of suspicious activity and document her findings as part of the Firm's process for determining whether any SARs should be filed. However, the AMLCO failed to perform these duties.

The AMLCO lacked the relevant experience and training necessary to function as an AMLCO. Beck, who was responsible for supervising the AMLCO in her duties, did not train or cause the AMLCO to be trained on AML issues to enable her to adequately perform her duties as the AMLCO, including understanding SARs or the type of activity that might be considered suspicious and trigger the filing of a SAR. Due to her lack of AML experience and knowledge, the AMLCO did not review trading activity at the Firm for AML purposes.

Despite having knowledge of the AMLCO's lack of AML-related qualifications, experience and training, Beck wholly delegated the Firm's AML responsibilities

⁴ See NASD Rule 3011 and FINRA Rule 3310.

to the AMLCO and made no additional efforts to ensure that the AMLCO was completing her duties reasonably. The AMLCO's lack of knowledge and experience, coupled with Beck's failure to properly supervise and provide training for her, contributed to the Firm's many serious AML-related violations noted above.

As President and CEO of Biremis and the individual responsible for hiring personnel to ensure compliance with the Firm's AML program, Beck knew or should have known that the AMLCO was incapable of functioning adequately as the Firm's AMLCO.

Based on the foregoing, Beck violated NASD Rule 3011 in that, from April 1, 2005 through May 29, 2009, he appointed an unqualified and untrained individual to implement and ensure compliance with the Firm's AML program, failed to properly supervise the Firm's AMLCO, and failed to ensure that the Firm's AML program complied with the requirements of the Bank Secrecy Act and NASD Rule 3011 and FINRA Rule 3310. This violative conduct also constitutes a violation of NASD Rule 2110 from April 1, 2005 until December 14, 2008, and FINRA Rule 2010 from December 15, 2008 to May 29, 2009.

B. Biremis Failed to Properly Calculate Net Capital and Customer Reserve Requirements; Failed to Adequately Supervise Certain Financial Computations; and Failed to Maintain Accurate Books and Records

Relevant Rules

Pursuant to Exchange Act Rule 15c3-1(c)(2)(iv)/021, the Firm was required to calculate its net overall unfavorable bank account, correspondent account, clearing corporation, and securities depository reconciliation differences and deduct them accordingly when computing the Firm's net capital if not resolved within a certain number of business days.

According to Exchange Act Rule 15c3-1(c)(2)(iv)(C)/073, the Firm was prohibited from netting an account with an affiliate or a parent that could be classified as a customer under Exchange Act Rule 15c3-3, with accounts of other affiliates. Under Exchange Act Rule 15c3-1(c)(2)(vi)/08, in order to properly compute its net capital, the Firm was required to treat certain foreign currency balances and/or positions in foreign currencies as a security (and not treated as U.S. cash), and accordingly, to apply an appropriate haircut charge.

Exchange Act Rule 17a-3(a)(11), requires that, on at least a monthly basis, the Firm maintain a current record of the proof of money balances of all ledger accounts in the form of trial balances, and a record of the computation of

aggregate indebtedness and net capital, as of the trial balance date, pursuant to Exchange Act Rule 15c3-1.

Under Exchange Act Rule 17a-4(b), the Firm was required to preserve certain records for a period of not less than three years, the first two in an accessible place, including but not limited to all trial balances, computations of aggregate indebtedness and net capital (and working papers in connection therewith), financial statements, branch office reconciliations, and internal audit working papers, relating to the business of such member, broker or dealer, as such.

Exchange Act Rule 17a-11 required that the Firm give notice to the SEC and FINRA on the same day that its net capital declined below the minimum amount required by Exchange Act Rule 15c3-1. Specifically, such notice was to specify the Firm's net capital requirement and its current amount of net capital.

Pursuant to NASD Rule 3110, the Firm was required to make and preserve books, accounts, records, memoranda and correspondence in conformity with all applicable laws, rules, regulations, and statements of policy promulgated thereunder and with the Rules of the NASD and as prescribed by Exchange Act Rule 17a-3. The record keeping format, medium, and retention period shall comply with Exchange Act Rule 17a-4.

1. The Firm Failed to Properly Calculate its Net Capital and Customer Reserve Requirements

From as early as April 2008 to at least May 2009, the Firm improperly calculated its net capital by failing to perform formal reconciliations for its bank, intercompany, clearance, omnibus, and depository accounts. During this period, the Firm failed to consider numerous specific adjustments to its net capital computations ranging from approximately \$2 million to \$33 million. Specifically, the Firm: improperly netted certain receivables with client payables; improperly netted intercompany balances from different counterparties and unrelated payables; failed to account for certain aged receivables and unfavorable intercompany accounts; failed to apply haircut charges for certain foreign currency funds in clearance and depository accounts; failed to maintain current records in order to verify certain bank and clearance account balances; and failed to maintain all required records related to its net capital computations. As a result, at certain times during this period, the Firm inaccurately reflected that it had excess net capital of up to approximately \$8 million when, in fact, the Firm was actually operating in net capital deficiency in amounts ranging from approximately \$2 million to \$25 million. The Firm also failed to timely notify the SEC and FINRA of its net capital deficiencies.

Based on the foregoing, the Firm violated Exchange Act Rules 15c3-1(c)(2)(iv)/021, 15c3-1(c)(2)(iv)(C)/073, 15c3-1(c)(2)(vi)/08, 17a-3(a)(11), 17a-4(b), and 17a-11(b), and NASD Rules 3110 and 2110 and FINRA Rule 2010.

2. The Firm Failed To Maintain Current and Accurate Books and Records and FOCUS Reports

In addition to the aforementioned rules, pursuant to Exchange Act Rule 17a-11(d), the Firm was required to give notice that it failed to make and keep current books and records required by Exchange Act Rule 17a-3 by specifying on the same day which books and records were not made or were not kept current. Further, the Firm was required to transmit a report within 48 hours of giving such notice stating what it had done or was going to do to correct the situation. Moreover, Exchange Act Rule 17a-5(a) required that the Firm file additional reports on a monthly and quarterly basis that reflected certain categories of risk assumed by the Firm including market risk, value at risk (portfolio risk), credit risk, and other regular risk reports.

From at least April 2008 to May 2009, the Firm failed to maintain current books and records, including its FOCUS Reports and balance sheet, which required the Firm to make numerous reclassifications as noted above. Further, the Firm failed to make timely notification to the SEC and FINRA of its failures to maintain current books and records.

Based on the foregoing, the Firm violated Exchange Act Rules 17a-3(a)(11), 17a-4(b), Rule 17a-11(d), and 17a-5(a), and NASD Rules 3110 and 2110 and FINRA Rule 2010.

3. The Firm Failed to Adequately Supervise its Computation of Net Capital and Customer Reserve Requirement

Pursuant to NASD Rule 3010, the Firm was required to establish and maintain a supervisory system, including WSPs, related to its business that were reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable SRO rules.

The Firm failed to maintain adequate WSPs and controls related to the reconciliation of its bank, intercompany, clearance, omnibus, and depository accounts in that the Firm failed to prepare formal reconciliations for any of these accounts. The Firm's failures to maintain these procedures and controls caused it to fail to account for numerous aged reconciling items that required the Firm to take additional net capital charges, which created a net capital deficiency.

Additionally, even though the Firm only engaged in day trading activities, a stock record should have been maintained to reflect instances in which activity resulted in an overnight position. Accordingly, the Firm failed to maintain a stock record as required by Rule 17a-3 of the Exchange Act.

Based on the foregoing, the Firm violated Exchange Act Rules 17a-3 and 17a-4, NASD Rules 3010, 3110 and 2110, and FINRA Rule 2010.

4. The Firm's Customer Reserve Violations

Pursuant to Exchange Act Rule 15c3-3(e), the Firm was required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers" and perform computations of the amount required to be deposited in this account in accordance with the terms of the rule.

During the period July 2008 to May 2009, the Firm failed to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers" and failed to perform a computation of the reserve amount required to be deposited in this account. As a result, the Firm failed to account for a reserve requirement between \$8 million and \$21 million during this period. Further, the Firm failed to timely make notification to the SEC and FINRA of its failures to maintain minimum reserve amounts as required by Rule 17a-11 of the Exchange Act.

Based on the foregoing, the Firm violated Exchange Act Rules 15c3-3(e) and 17a-11 and NASD Rule 2110 and FINRA Rule 2010.

C. Biremis and Beck Failed to Establish a Margin System

Firm's Violations

Pursuant to NASD Rule 2520(f)(8)(B), the Firm was required to establish margin accounts in which customer day trading was to occur. Further, the Firm was required to calculate intraday margin requirements and issue and collect margin calls in accordance with the provisions of this rule.

A review of the Firm's day trading customer accounts revealed that from July 2004 to approximately June 1, 2009, the Firm allowed customer day trading by Traders to occur in cash accounts instead of margin accounts. The Firm failed to establish a margin system, including the use of margin accounts, and also failed to have supervisory procedures and systems to monitor the use of margin to ensure compliance with margin maintenance rules governing carrying and clearing firms that engage in day trading activities. Therefore, the Firm failed to calculate intraday margin requirements and issue and collect margin calls as required by NASD Rule 2520.

Based on the foregoing, the Firm violated NASD Rules 2520(f)(8)(B), 3010 and 2110 and FINRA Rule 2010.

Beck's Violations

Pursuant to Firm policy, Beck, as President and CEO of the Firm, was responsible for the maintenance and supervision of margin and for ensuring the Firm had a supervisory system and procedures that were reasonably designed to achieve compliance with applicable securities laws and regulations, including systems and procedures related to the use of margin.⁵

Beck failed to ensure that the Firm had an adequate margin system in place. Specifically, until approximately May 2009, the Firm did not properly establish a margin system to account for day trading activity that occurred through the Firm. As a result, the Firm improperly allowed customer day trading effected by the Traders to occur in cash accounts at the Firm rather than in margin accounts. Further, the Firm failed to calculate intraday margin requirements and failed to issue margin calls when appropriate. Beck's failure to supervise the Firm in this area resulted in the above-noted Firm violations of the margin rules.

As the individual responsible for ensuring that the Firm was in compliance with the margin rules, Beck knew or should have known the Firm's day trading business required the establishment of a margin system, including the use of margin accounts.

Based on the foregoing, Beck violated NASD Rule 3010(a) in that, from July 2004 to May 2009, he failed to supervise and ensure that the Firm had an adequate margin system in place. This violative conduct also constitutes a violation of NASD Rule 2110 from July 2004 until December 14, 2008, and FINRA Rule 2010 from December 15, 2008 to May 2009.

D. Biremis Violated the SEC's Emergency Orders

1. The Firm Violated the SEC's July Emergency Order

Pursuant to Section 12(k)(2) of the Exchange Act, the SEC, through an emergency order, adopted a temporary rule to Regulation SHO ("Reg SHO") that imposed enhanced borrowing and delivery requirements on short sales of the equity securities of 19 financial institutions (the "July Emergency Order").⁶ Section 12(k)(4) of the Exchange Act requires that brokers and dealers comply with the SEC's orders. The July Emergency Order prohibited short sales in any of the 19 identified securities unless the person seeking to effect a short sale had, prior to effecting the sale, borrowed or arranged to borrow the security or otherwise had the security available in inventory to be borrowed (collectively

⁵ Pursuant to NASD Rule 2520(I)(8)(B), the Firm was required to establish margin accounts in which customer day trading was to occur. Further, the Firm was required to calculate intraday margin requirements and issue and collect margin calls in accordance with the provisions of this Rule.

⁶ See Exchange Act Release No. 58166 (July 15, 2008), 73 FR 42379 (July 21, 2008). See also, Exchange Act Release No. 58190 (July 18, 2008), 73 FR 42837 (July 23, 2008) (amending the July Emergency Order). See also, Exchange Act Release No. 58248 (July 29, 2008), 73 FR 45257 (Aug. 4, 2008) (extending the July Emergency Order until 11:59 p.m. EDT on August 12, 2008).

referred to as "pre-borrow"). The July Emergency Order began on July 21, 2008 and ended on August 12, 2008.

Between July 21, 2008 and August 12, 2008, Biremis effected approximately 10,441 short sale orders involving certain of the 19 securities referenced above through its proprietary day trading platform without first obtaining pre-borrows in violation of the July Emergency Order. Of the 10,441 short sale orders that Biremis released for execution, 5,222 were canceled. The remaining 5,219 short sale orders were executed for a total of 1,465,652 shares.

Based on the foregoing, the Firm violated Section 12(k)(4) of the Exchange Act and NASD Rule 2110 by failing to comply with the SEC's July Emergency Order during the period July 12, 2008 to August 12, 2008.

2. The Firm Violated the SEC's September Emergency Order

In September 2008, the SEC issued another emergency order pursuant to Section 12(k)(2) of the Exchange Act that temporarily prohibited all short selling, subject to limited exceptions, in the publicly traded securities of approximately 799 to 1,000 financial institutions (the "September Emergency Order").⁷ Section 12(k)(4) of the Exchange Act requires that brokers and dealers comply with the SEC's orders. The September Emergency Order was effective on September 18, 2008 and ended on October 8, 2008.

Between September 18, 2008 and October 8, 2008, the Firm effected approximately 712 short sale orders in numerous securities identified in the September Emergency Order.

Based on the foregoing, the Firm violated Section 12(k)(4) of the Exchange Act and NASD Rule 2110 by failing to comply with the SEC's September Emergency Order during the period September 18, 2008 to October 8, 2008.

E. Biremis Failed to Retain Electronic Communications and Conduct Required Supervisory Review of Electronic Communications

1. Failure to Retain Required Emails and Instant Messages

Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder, requires that every broker dealer preserve "originals of all communications received and copies

⁷ See Exchange Act Release No. 58592 (Sept. 18, 2008), 73 FR 55169 (Sept. 24, 2008) (prohibiting short selling in 799 financial firms); see also Exchange Act Release No. 58611 (Sept. 21, 2008), 73 FR 55556 (Sept. 25, 2008) (amending the September Emergency Order to include approximately 200 additional securities as designated by the New York Stock Exchange and the Nasdaq Stock Market). See also, Exchange Act Release No. 58723 (Oct. 2, 2008) (extending the September Emergency Order until the earlier of: (i) three business days after the President signed the Emergency Economic Stabilization Act of 2008; or (ii) Friday, October 17, 2008).

of all communications sent by such member, broker or dealer (including inter-office memoranda and communications) relating to his business as such.”

During the period July 29, 2004 to at least July 1, 2009, the Firm failed to maintain all required emails related to its business.⁸ Also, during the period July 29, 2004 to at least September 1, 2010, the Firm failed to maintain all required instant messages related to its business.⁹

Based on the foregoing, the Firm violated Section 17(a) of the Exchange Act and Rule 17a-4 thereunder, and NASD Conduct Rules 3110(a) and 2110 and FINRA Rule 2010 by failing to ensure that all required electronic communications, during the period July 29, 2004 through at least September 1, 2010, were maintained.

2. Failure to Perform Supervisory Review of Emails and Instant Messages

NASD Rule 3010(b)(1) provides, in pertinent part, “[e]ach member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and ... that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with the applicable Rules of NASD.”

NASD Rule 3010(d) requires that each member develop written procedures appropriate to its business, size, structure and customers for, among other things, the review of incoming and outgoing electronic correspondence with the public relating to its business, and retain such correspondence.

Prior to August 19, 2010, the Firm failed to perform a supervisory review of any email communications related to its business. Further, prior to January 21, 2011, the Firm failed to perform a required supervisory review of any instant messages related to its business.

Based on the foregoing, the Firm violated Rule NASD Conduct Rules 3010, 3010(b)(1) and 3010(d) during the period July 29, 2004 to approximately January 21, 2011 by failing to establish and maintain appropriate systems and procedures reasonably designed to: (i) perform a supervisory review of all required electronic communications; and (ii) achieve compliance with the requirements of Section 17(a) of the Exchange Act and Rule 17a-4 thereunder, and NASD Rules 3110(a) and 2110 and FINRA Rule 2010.

⁸ During this approximate five year period, the Firm only maintained certain internal Firm emails that were between Biremis-registered individuals. Given the Firm's email systems were also used by individuals that were not registered with Biremis, the Firm is unable to estimate with reasonable accuracy the total number of emails not maintained. However, a sample of email usage at the Firm revealed that the average number of emails sent and received through the Firm's email systems on a daily basis was approximately 1,403 for the month of June 2008, and approximately 350 for the month of June 2009.

⁹ On a daily basis, several thousand instant messages were sent and received through the Firm's systems during this approximate six year period in which the Firm failed to maintain any instant messages.

F. Biremis and Beck Failed to Properly Report Outside Business Activities

NASD By-Laws, Article V, Section 2(c), in effect from January 2005 to July 30, 2007, and FINRA By-Laws, Article V, Section 2(c), in effect thereafter, require reporting of certain events involving registered representatives, including disclosure of outside businesses, on a Uniform Application for Securities Industry Registration or Transfer ("Form U4"), if the registered representative is still employed by the Firm. Reportable events must be reported no later than 30 days after a firm learns of the facts or circumstances giving rise to a reporting obligation.

Firm's Violations

In total, the Firm failed to report outside business activities that it was aware of on the Form U4 of seven registered individuals from 2004 to 2011.

Based on the foregoing, the Firm violated Article V, Section 2(c) of the NASD and FINRA By-Laws and NASD Rule 2110 and FINRA Rule 2010.

Beck's Violations

During his association with Biremis, Beck engaged in the business of several additional companies away from Biremis, including Swift Jet, MidiMax S.A., BRMS Holdings, Inc., Swift Trade, Orbixa Management Services, Inc., Omira Corp., Corbita Technologies, Inc., Leasing, Inc., Swift Trade Beijing Technical Co. Ltd., Swift Trade (UK) Limited, SwiftFX, Inc., Quote MTF Inc., Swift Trade Securities Limited, and Bluechive Processing. Despite engaging in the business activities of these entities and being aware of his obligation to report these outside business activities on his Form U4, Beck willfully failed to report them from approximately January 2005 until May 6, 2011.

Based on the foregoing, Beck violated Article V, Section 2(c) of the NASD and FINRA By-Laws, and NASD Rule 2110 and FINRA Rule 2010, in that he willfully failed to report at least 15 outside business activities on his Form U4.

G. Biremis and Beck Violated NASD Rules 2110 and 3010, and FINRA Rule 2010

Firm's Violation

During various time periods from June 2007 through June 2010, the Firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with the applicable securities laws and regulations and with applicable FINRA Rules prohibiting manipulative trading

activity. Biremis' supervisory system for detecting and preventing manipulative trading activity was deficient in a number of respects.

1. Failure to Establish and Maintain a Supervisory System, Including WSPs, Reasonably Designed to Detect and Prevent "Layering"

During the period from at least February 12, 2009 through June 22, 2010, Biremis failed to establish and maintain a supervisory system, including WSPs, reasonably designed to detect and prevent a pattern of manipulative trading activity identified on U.S. markets referred to as "layering", notwithstanding multiple indications from overseas regulators, U.S. regulators, and Biremis staff, that Traders were engaged in potential layering, and that such conduct was prohibited in the United States.¹⁰

In 2007, a FINRA surveillance query identified multiple instances of potential patterns of layering activity by Traders on U.S. markets. As a result, FINRA sent an information request to Biremis in November 2007 requesting order and trade data for a sample of 100 such trading patterns. In 2008, a second U.S. regulator identified potential patterns of layering activity by Traders on U.S. markets, and, in May 2008, sent an information request to Biremis requesting order and trade data with respect to trading activity identified by the regulator.

During the period from March 2007 through January 2009, three overseas securities regulators also identified potential manipulative trading activity by Traders on their respective markets, which they identified as layering, and issued warnings to Biremis, or its affiliate, Swift Trade, about such activity, either directly, or indirectly through Biremis' or Swift Trade's market access providers.

Notwithstanding these warnings from international regulators regarding potential layering activity by Traders, Biremis did not take any steps to monitor Traders for such activity until February 2009. In February 2009, Biremis implemented an exception report that was designed to detect and prevent potential layering activity (the "Layering Report"). At the time it was first implemented on February 12, 2009, the Layering Report surveilled for potential layering activity only on the overseas markets. Through the first full month of its operation alone (i.e., from February 12, 2009 to March 31, 2009), the Layering Report flagged multiple instances of potential layering by Traders on overseas markets.

¹⁰ Layering involves a trading pattern in which multiple, non-bona-fide, limit orders are entered on one side of the market away from the National Best Bid or Offer ("NBBO") in order to create the appearance of a change in the levels of supply and demand, thereby artificially moving the price of the security. An order is then executed on the opposite side of the market at the artificially created price, and the non-bona fide orders are immediately cancelled. By entering the non-bona fide orders away from the market, and then immediately cancelling such orders after profiting from the artificially created price movement, the manipulator minimizes the risk that the non-bona fide orders will be executed. This trading pattern is then typically repeated with the same security on the opposite side of the market. Variations in this pattern exist, including, for example, with respect to the number, size and timing of the non-bona fide orders.

Although Biremis was aware by February 12, 2009 that: (1) layering was viewed as deceptive or manipulative in multiple jurisdictions overseas; (2) Traders were in fact engaged in potential layering activity in each of those jurisdictions; (3) certain Traders also were engaged in such trading activity on U.S. markets; and (4) U.S. regulators had initiated reviews and requested order and trade data regarding certain trading activity indicative of layering by Traders on U.S. markets, Biremis did not implement a layering report for the U.S. markets, or otherwise take any steps to detect and prevent such trading activity in the United States.

The Layering Report did not surveil for potential layering activity on U.S. markets because Beck concluded that layering was not prohibited in the United States. Beck asserted that he looked into the issue of layering in the U.S. early on in 2007 when an overseas regulator first raised the issue of layering with Biremis, and concluded that layering was perfectly acceptable on U.S. markets.

Beck could offer no authority for his conclusion, and failed to take even the simplest of steps to determine whether layering was prohibited in the United States, such as speaking with U.S. regulators, or consulting with U.S. counsel or another party with expertise in the U.S. securities laws. Moreover, neither Biremis nor Beck reassessed Beck's initial conclusion from early 2007 in the face of the November 2007 and May 2008 requests for order and trade data from U.S. regulators regarding Traders' U.S. trading activities.

Again, in the summer of 2009 and the spring of 2010, U.S. regulators requested order and trade data from Biremis in connection with additional patterns of potential layering activity. Notwithstanding these requests, neither Biremis nor Beck re-examined Beck's original conclusion regarding layering under U.S. law, and no steps were taken by Biremis to surveil for potential layering activity on U.S. markets.

The inquiries from U.S. regulators for order and trade data were not the only indications received by Biremis that layering was prohibited in the U.S. On three occasions during the period from April 2009 to October 2009, a Biremis staffer advised Beck and Biremis that, in his opinion, layering was prohibited in the United States. No action was taken by either Biremis or Beck in response to his warnings.

In June 2010, FINRA staff initiated a series of calls with Biremis staff and/or its outside counsel advising them of regulators' concerns about the layering activity that was being identified by regulators. On June 22, 2010, Biremis and Beck implemented a report to detect and prevent layering on U.S. markets.

2. Failure to Establish and Maintain a Supervisory System, Including WSPs, Reasonably Designed to Detect and Prevent Marking the Close

During the period from at least January 1, 2009 through June 30, 2010, Biremis failed to establish and maintain a supervisory system, including WSPs, reasonably designed to detect and prevent manipulative activity designed to affect the closing price of a security.

Biremis' WSPs prohibited Traders from manipulating the closing price of a security, and required them to certify that they had not engaged in marking the close. In addition, Biremis' policy prohibited Traders from carrying positions overnight. In the event that a Trader did not flatten out a position by the end of the day, the position would be flattened the next day by Opal Stone. Any profits would be allocated to the Trading Office; any losses would be charged to the Trader.

No controls, however, were implemented to prevent Traders from trading after the close of the market, and Biremis staff testified that Traders were, in fact, allowed to trade after 4 p.m. to trade out of any open positions they had. According to Biremis staff, Biremis' trading system in the U.S. would not shut down until sometime between 4:05 p.m. and 4:20 p.m., depending on how quickly Traders flattened their positions. Thus, Traders could potentially still profit from marking the close. Biremis, however, failed to implement any review of Traders' trading activity reasonably designed to detect and prevent manipulation of the closing price of a security.

Biremis also failed to establish a supervisory system, including WSPs, reasonably designed to achieve compliance with NYSE Rule 123C, which, among other things, generally prohibits the cancellation of market-on-close and limit-on-close orders after 3:45 p.m.

3. Failure to Establish and Maintain a Supervisory System, Including WSPs, Reasonably Designed to Detect and Prevent Matched Trades

During the period from on or about June 28, 2007 to on or about May 13, 2009, Biremis failed to take any steps to test its Trading With Others ("TWO") Report, an automated exception report designed to identify matched trades executed by Traders, to ensure that it functioned as intended.

Biremis became aware that the TWO Report was not functioning as intended on or about March 27, 2009 in connection with responding to a FINRA inquiry. Upon further investigation, Biremis discovered that the TWO Report materially underreported the number of matched trades executed by Traders as a result of a programming error.

An analysis by FINRA staff of a 30-day sample showed that the number of matched trades was underreported by 60 percent to 150 percent on the days sampled. The error was significant not only because of the high error rate, but because Biremis staff only investigated transactions where there was a pattern of matched trades. A single instance was generally regarded as a coincidence, and not investigated.

The programming for the TWO Report was corrected on or about May 13, 2009, and rerun by Biremis for the period from January 1, 2009 through April 30, 2009 (the "Rerun Period"). Although Biremis reran the Two Report, it never reviewed the rerun reports to determine whether any Traders had engaged in a pattern of matched trades during the Rerun Period.

4. Controls over Trader IDs

The effectiveness of BRMS' supervisory system was dependent in significant measure upon each Trader's use of a unique Trader ID to access and use Biremis' order management system. Biremis used these unique Trader IDs as a means to, among other things: (a) identify potentially prohibited and manipulative trading practices based on its exception reports; (b) enforce sanctions against Traders; and (c) limit buying power and apply loss limits to each Trader.

Despite the significant role played by Trader IDs in Biremis' supervisory and risk monitoring systems, during the period from at least January 1, 2009 through June 30, 2010, Biremis had no effective controls relating to the de-activation of Trader IDs belonging to terminated Traders, nor did Biremis have controls to ensure Trader IDs were used exclusively by the persons to whom they were issued. For example, in December 2009, Biremis staff determined that Biremis had approximately 12,000 active Trader IDs, but only 3,500 Traders trading on average per day. A FINRA onsite examination in 2010 revealed that Biremis actually had approximately 16,000 active Trader IDs in late December 2009, with only approximately 3,500 of those Trader IDs trading each business day.

As a result of this situation, Traders potentially were able to circumvent the supervisory and risk controls tied to Trader IDs, including: (a) continuing to trade after their own Trader IDs were disabled due to losses by using other Trader IDs; and (b) continuing to trade after they were suspended for disciplinary reasons by entering trades using other Trader IDs.

5. Biremis' Failure to Enforce Its Sanctions for Improper Trading Activity

During the period from at least January 1, 2009 through June 30, 2010, Biremis failed to completely enforce the trading suspensions it imposed on Traders for improper trading activities.

During the period January 1, 2009 through June 30, 2010, at least 16 percent of Traders suspended by Biremis (25 out of 152), and at least 24 percent of the Trading Offices suspended from trading (4 out of 17), continued to trade during some portion of the suspension period on the market or markets in which they had been suspended.

Based on the foregoing, Biremis violated NASD Rules 2110 (for conduct prior to December 15, 2008) and 3010, and FINRA Rule 2010 (for conduct on and after December 15, 2008) by failing to ensure that it established and maintained a supervisory system, including WSPs, reasonably designed to achieve compliance with the applicable securities laws and regulations, and with applicable FINRA Rules, prohibiting manipulative trading activity.

Beck's Violations

Beck, as the President and CEO of Biremis, was ultimately responsible for ensuring that Biremis established and maintained a supervisory system, including WSPs, reasonably designed to achieve compliance with the applicable securities laws and regulations and with applicable FINRA Rules, prohibiting manipulative trading activity.

Under the WSPs in effect from June 2007, Beck was listed, together with the Firm's CCO and Chief Financial Officer, as a principal responsible for the supervision of Biremis. Beck as the President and CEO of Biremis was assigned primary responsibility for all of Biremis' supervisory systems. Beginning in July 2007, Beck was required to approve all WSPs in writing before their implementation and amendment. Beck was further charged under such procedures with overall responsibility for supervising all trading activity. Beck retained these supervisory responsibilities through all relevant times herein.

Based on the foregoing, Beck violated NASD Rules 2110 (for conduct prior to December 15, 2008) and 3010, and FINRA Rule 2010 (for conduct on and after December 15, 2008) by failing to ensure that Biremis established and maintained a supervisory system, including WSPs, reasonably designed to achieve compliance with the applicable securities laws and regulations, and with applicable FINRA Rules, prohibiting manipulative trading activity.

H. Biremis and Beck Violated NASD Rules 2110 and 3012 and FINRA Rule 2010

Firm's Violations

In 2008 and 2009, Biremis received and handled a significant volume of orders originating from day traders located outside the United States, and executed the majority of those orders on U.S. markets. During the period from January 1, 2009 through June 30, 2010, for example, Biremis received an average of over one

million orders per day and executed, on average, over 400,000 transactions involving, in the aggregate, more than 310 million shares. On average, approximately 80% of the transactions executed by Biremis during this time period were executed on U.S. markets.

Despite the fact that Biremis' only business was executing transactions on behalf of day traders located outside the U.S., Biremis, through its CCO, did not take any steps in connection with either the 2008 or 2009 review conducted in connection with NASD Rule 3012 to test and verify that Biremis' supervisory procedures were reasonably designed to detect and prevent manipulative trading activity. In 2008, Biremis, through its CCO, limited the testing and verification process to testing whether a single, existing procedure regarding employees' outside brokerage accounts was being complied with. In 2009, Biremis, through its CCO, limited the testing and verification process to reviewing certain deficiencies identified by Biremis' Director of Finance with respect to financial controls and record keeping. In both cases, the narrow scope of the testing and verification process did not comply with the more comprehensive, tailored analysis required by NASD Rule 3012.

In both 2008 and 2009, the reports prepared pursuant to NASD Rule 3012 did not detail Biremis' system of supervisory controls as required by the rule.

As a result of the foregoing, Biremis violated NASD Rules 2110 and 3012(a)(1) in 2008, and NASD Rule 3012(a)(1) and FINRA Rule 2010 in 2009.

Beck's Violations

Beck, as the President and CEO of Biremis, was ultimately responsible for ensuring that Biremis complied with NASD Rule 3012.

Beck knew, or had reason to know, of the nature of Biremis' business, the limited scope of the testing and verification done by the CCO in 2008 and 2009, the fact that the CCO never tested and verified that Biremis' supervisory procedures were reasonably designed to detect and prevent manipulative trading activity, and the fact that the 2008 and 2009 Reports did not detail Biremis' system of supervisory controls.

Under the WSPs in effect from June 2007, Beck, as the President and CEO of Biremis, was assigned primary responsibility for all of Biremis' supervisory systems, and for ensuring that all supervisory personnel complied with the standards applicable to their area. The WSPs also required Beck, as President, to conduct an annual compliance review meeting with the CCO during which the CCO was to report to him on the status of Biremis' compliance systems, and provide him with a summary of the results of the testing performed in connection with NASD Rule 3012. Beck retained these supervisory responsibilities through all relevant times herein.

As a result of the foregoing, Beck violated NASD Rules 2110 and 3012(a)(1) in 2008, and NASD Rule 3012(a)(1) and FINRA Rule 2010 in 2009.

I. Biremis Violated NASD Rules 1021, and FINRA Rules 1122 and 2010

During approximately an eight week period from October 14, 2009 through December 8, 2009, Biremis permitted a Biremis staffer, KY, to function as its CCO even though that individual's registration as a GSP was not yet effective.

Shortly after filing an amendment to its Form BD designating KY as its CCO, Biremis was advised by its FINRA coordinator that KY could not act as the Firm's CCO since he had not yet taken and passed the required Series 24 examination. In response, Biremis filed an amendment to its Form BD on October 23, 2009 removing KY as CCO, and naming a Biremis staffer, who was already registered as a GSP, as Biremis' new CCO. When the second individual resigned from Biremis a little more than three weeks later, Biremis filed an amendment to its Form BD on November 23, 2009 removing the second individual as Biremis' CCO, and naming a third Biremis staffer, who was already registered as a GSP, as Biremis' new CCO. On December 9, 2009, KY took and passed the Series 24 examination. The next day, Biremis filed an amendment to its Form BD removing the third individual as Biremis' CCO, and naming KY as CCO.

Neither of the two Biremis staffers who were temporarily appointed as Biremis CCOs actually functioned as Biremis' CCO during the time that they were identified as such on Biremis' Form BD. Both individuals were merely figureheads. Notwithstanding the warning from FINRA staff to Biremis that KY could not function as its CCO until he had taken and passed the Series 24 examination, Biremis allowed KY to function as its CCO before he did so.

As a result of the foregoing, during the period from October 14, 2009 through December 8, 2009, Biremis violated NASD Rules 1021, and FINRA Rules 1122 and 2010.

SANCTIONS

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

- Biremis consents to an expulsion from membership with FINRA.
- Beck consents to a bar from association with any FINRA member firm in any capacity.

Beck understands that if he is barred from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section

3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar (see FINRA Rules 8310 and 8311).

Beck understands that this settlement includes a finding that he willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission/misrepresentation makes him subject to a statutory disqualification with respect to association with a member.

The sanctions 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.

II.

WAIVER OF PROCEDURAL RIGHTS

The 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 the 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, the 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.

The 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

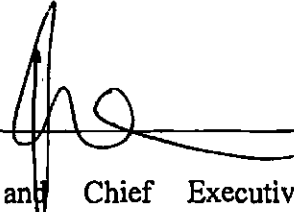
The Respondents understand that:

- 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 the Respondents; and
- C. If accepted:
 - 1. this AWC will become part of the Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Respondents;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the Respondents' 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. The 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. The 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 the Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

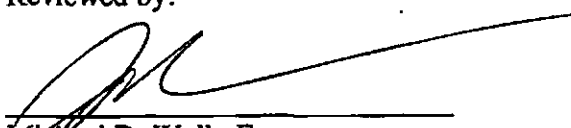
The undersigned, on behalf of Respondent Biremis, certifies that a person duly authorized to act on its behalf has read and understand all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent Biremis has agreed to its provisions voluntarily; and 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 Biremis to submit it.

06/30/2012
Date (mm/dd/yyyy)

Respondent
Biremis, Corp.

By: _____
Peter Beck
President and Chief Executive Officer,
Biremis, Corp.

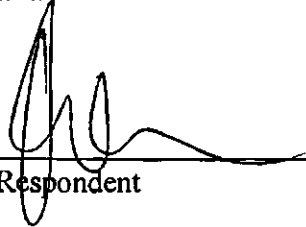
Reviewed by:



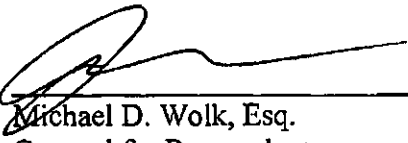
Michael D. Wolk, Esq.
Counsel for Respondent
Bingham McCutchen LLP
2020 K Street NW
Washington, DC 20006-1806
202-373-6249

Respondent Beck certifies that he has read and understand all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he 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 him to submit it.

06/20/2012
Date (mm/dd/yyyy)


Peter Beck, Respondent

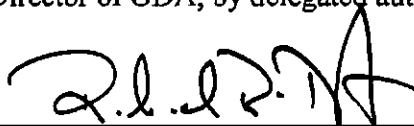
Reviewed by:


Michael D. Wolk, Esq.
Counsel for Respondent
Bingham McCutchen LLP
2020 K Street NW
Washington, DC 20006-1806
202-373-6249

Accepted by FINRA:

7-30-12
Date

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

A handwritten signature in dark ink, appearing to read "R.R. Best", written over a horizontal line.

Richard R. Best
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, NY 10281-1003
646-315-7359