

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010022859701**

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Christian Genitrini, Respondent
CRD No. 3277581

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent, Christian Genitrini ("Genitrini"), submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against 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

Genitrini was registered with FINRA member firms as a general securities representative from October 1999 to September 2002, and from November 2006 to June 2008. He was most recently registered with a FINRA member firm from January 20, 2010, until June 2, 2010. He is not currently registered with a FINRA member firm. Genitrini has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

Genitrini offered the sale of securities for which he "guaranteed" returns of 20 percent and engaged in prohibited general solicitations of investors for an unregistered private offering of securities (Violations of FINRA Rules 2010 and 2020, NASD Rules 2210(d)(1)(A), (B), and (D) and 2210(e), and Sections 5 and 17(a)(1) of the Securities Act of 1933)

1. While registered with a FINRA member firm, from January 20 to June 2, 2010, Genitrini advertised guaranteed returns on investments of 20 percent per year. While registered in 2010, Genitrini posted the following advertisement on Craigslist:

"20% GUARANTEED RETURN TO INVESTORS. We are looking for investors that are interested in an ANNUAL GUARANTEED RETURN OF 20% on the invested capital. The minimum investment amount is \$10,000." (Emphasis in original.)

2. The Craigslist posting linked to a website belonging to a company that Genitrini wholly owned, AmeriGen Capital Corporation ("AmeriGen Capital"), and had formed in Nevada in about 2007. Genitrini claimed on the website that AmeriGen Capital is a "full service investment firm created with the intent of forming a true partnership with entrepreneurs and business people." On the website, Genitrini said the company would "assist[] you in your investment goals by:" among other things, "Investing in growing businesses through principal transactions (from first stage funding to public listing)," "providing high-yield investment opportunities to private investors," and "seeking and evaluating new high-yield investments."
3. Genitrini also stated on AmeriGen Capital's website that the company "invest[s] nationwide in the United States up to a maximum of \$10 million per single transaction (we do make exceptions based on the opportunity). All industries are considered. [AmeriGen Capital] invests both as lead investor or as a group investor, so we consider co-investment opportunities presented by other venture capital/private equity firms." Genitrini said that AmeriGen Capital "offers several investment opportunities for individuals with available cash or good credit. We also actively seek new high-yield investment opportunities." Genitrini did not disclose the nature of the investment product in AmeriGen Capital or the risks of the investment.
4. On AmeriGen Capital's website, Genitrini "guaranteed" annual returns of 16, 18, and 20 percent per year based, respectively, on investment amounts of between \$50,000 and \$200,000, between \$200,000 and \$500,000, and above \$500,000.
5. Genitrini's AmeriGen Capital ads also appeared on at least two other websites, in which he promised an "ANNUAL GUARANTEED RETURN" (emphasis in original) of 15 percent and 20 percent, respectively. In both of the websites, Genitrini claimed that "we are an established investment group with a strong track record." On both sites, Genitrini also claimed that investors "will enjoy a high but safe return on your money."
6. In contrast to Genitrini's "guarantees" of 20 percent returns on investment, AmeriGen Capital's contemplated private placement documents said, for example, that, "There can be no assurance that by following its current investment strategy [AmeriGen Capital] will prove to be successful or profitable in the foreseeable future." And, an "investment in [AmeriGen Capital is] highly speculative and involve[s] a high degree of risk of loss of [the investor's] entire investment." The Subscription Agreement also stated that the investments carried by AmeriGen Capital "may be volatile and present operational risks."

7. Genitrini's Internet advertisements constituted "communications with the public" as the term is defined in NASD Rule 2210(a)(1). The advertisements were not based on principles of fair dealing and good faith and they were not fair and balanced. The advertisements did not disclose the risks associated with the investment. The advertisements' guarantees promising returns as high as 20 percent per year were exaggerated, unwarranted or misleading. The predictions or projections of performance were also exaggerated or unwarranted. Accordingly, Genitrini violated NASD Rule 2210(d)(1)(A), (B), and (D) and FINRA Rule 2010.
8. Genitrini's private offering of securities, which involved promissory notes issued by AmeriGen Capital according to the private placement memorandum, was not made pursuant to an effective registration statement filed with the SEC. The offering was intended to be made pursuant to the exemption from registration contained in Section 4(2), of Rule 506 of Regulation D, of the Securities Act of 1933. No investors purchased securities from Genitrini or AmeriGen Capital. Rule 502(c) of Regulation D limits the manner of a private offering by prohibiting offers or sales of securities by any form of general solicitation or general advertising. Genitrini's use of the Internet and AmeriGen Capital's website to solicit investors and advertise his services violated Section 5 of the Securities Act of 1933, which constitutes violations of FINRA Rule 2010 and NASD Rule 2210(e).
9. By "guaranteeing" returns in the offer of any securities over the Internet as high as 16 to 20 percent per year to potential investors and ensuring that investors would "enjoy a high but safe return," Genitrini violated Section 17(a)(1) of the Securities Act of 1933, which constitutes violations of FINRA Rules 2010 and 2020.

Genitrini falsely told his firm that he was not engaged in investment-related activity (violations of FINRA Rule 2010)

10. On a firm outside business activity disclosure form, Genitrini falsely described his work with AmeriGen Capital solely as "tax preparation and tax planning." On the disclosure form, he did not tell his firm that the outside business activity was investment-related or involved the sale or solicitation of investment products and the raising of capital in public or private offerings. Genitrini also failed to disclose to his firm that he maintained a website for AmeriGen Capital. Instead he told his firm, in writing, that the website he maintained was only for tax planning services. This misconduct constitutes a violation of FINRA Rule 2010.

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

- (i) A two-year suspension in all capacities from associating with any FINRA member firm;

- (ii) a \$15,000 fine payable upon re-association with a member firm; and
- (iii) before becoming re-associated with a FINRA member firm after the expiration of the term of suspension in a capacity that requires either a Series 7 or Series 63, re-qualification by examination for a Series 7 and Series 63.

I agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable.¹ I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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

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).

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at anytime 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

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

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

¹ The \$15,000 fine shall be due and payable in installments beginning 90 days after Genitrini's re-association with a member firm following the two-year period of suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

- 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

I understand that:

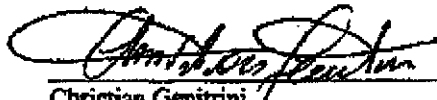
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- 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 8313; 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.

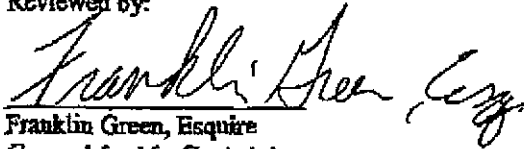
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

02/04/11
Date


Christian Genitrini

Reviewed by:

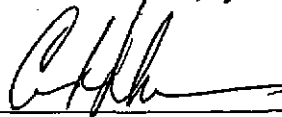

Franklin Green, Esquire
Counsel for Mr. Genitrini

Accepted by FINRA:

3/15/11

Date

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



Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection and
Market Intelligence