

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Eymen Errais,
CRD No. 4984797,

Respondent.

Disciplinary Proceeding
No. 2010023849201

Hearing Officer: LBB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: July 6, 2012

INTRODUCTION

Disciplinary Proceeding No. 2010023849201 was filed on December 5, 2011, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Eymen Errais submitted an Offer of Settlement (Offer) to Complainant dated June 13, 2012. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Eymen Errais, CRD No. 4984797, entered the securities industry in July 2006 and has been registered with various FINRA member firms. Most recently, he was registered with Sea Port Group Securities, LLC, until he was terminated on May 26, 2011.

Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Respondent's registration with Sea Port Group Securities, LLC, namely, May 26, 2011; and (2) the Complaint charges him with misconduct committed while he was registered with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

1. In August 2010, Eymen Errais knowingly made false statements about his company, CreditFlow Partners, LLC ("CreditFlow"), in connection with his efforts to solicit business from a bank ("Bank ABC"). Errais falsely told the bank that CreditFlow was a FINRA member and that his company had established business relationships with Bank ABC's competitors. As part of his scheme, Errais provided Bank ABC with a letter purportedly from FINRA that he knew to be fake.

2. During the staff's investigation into the matter, Errais appeared for sworn, on-the-record testimony. In the midst of his OTR, he refused to answer further questions and left. He has not appeared to complete his testimony.

3. Accordingly, Errais violated FINRA Rule 2010 for making false statements and providing a fake letter to Bank ABC, and FINRA Rules 8210 and 2010 for refusing to provide information to FINRA.

FACTS

4. On January 25, 2010, Errais sent an email to FINRA's Regulatory Review and Disclosure Department ("RAD"), indicating that he was interested in launching an inter-dealer brokerage firm specializing in credit derivatives, and provided three different names that he proposed using for the new firm.

5. In a letter dated January 26, 2010, on FINRA stationery, KM, an Assistant Director in RAD, informed Errais that his first choice, CreditFlow, had been reserved for him for a period of 120 days. KM also stated that FINRA had to receive the required membership application within that time period to secure the name.

6. Errais never provided the membership paperwork to FINRA and CreditFlow never became a FINRA member.

FIRST CAUSE OF ACTION Providing False Statements (Violation of FINRA Rule 2010)

7. Beginning no later than March 2010, Errais attempted to establish a relationship with Bank ABC in order to provide it with brokerage services through CreditFlow. He provided Bank ABC with a "Services Agreement defining the business relationships that will be set between CreditFlow" and Bank ABC.

8. In an email to Bank ABC, Errais claimed he “got the services agreement signed and approved by almost all the major banks.” In another email to Bank ABC, Errais stated that he was “already set up with” Bank ABC’s competitors such as UBS, Credit Suisse, Morgan Stanley, and J.P. Morgan. These statements were false.

9. In yet another email to Bank ABC, Errais claimed that CreditFlow was a FINRA-regulated member when he knew it was not.

10. Errais’s statements to Bank ABC were false, in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION
Providing a Fake Letter
(Violation of FINRA Rule 2010)

11. As part of its process of approving new business relationships, Bank ABC sought to confirm CreditFlow’s FINRA membership. In August 2010, Bank ABC informed Errais that it was unable to find proof of FINRA membership and asked him to provide such proof.

12. In response, Errais again falsely represented that CreditFlow was a FINRA member. He provided Bank ABC with a fake letter dated June 12, 2010, purportedly from KM to Errais, on FINRA stationery, representing that CreditFlow was a FINRA-regulated member firm.

13. The June 12, 2010 letter was not a letter from FINRA. KM did not create or sign the letter. The letterhead and signature on the June 12 letter had been copied from the January 26, 2010 letter.

14. As a result of the foregoing conduct, Errais violated FINRA Rule 2010.

THIRD CAUSE OF ACTION
Failing to Cooperate during FINRA's Investigation
(Violation of FINRA Rules 8210 and 2010)

15. By letter dated April 29, 2011, FINRA requested, pursuant to FINRA Rule 8210, that Errais provide sworn, on-the-record testimony on May 24, 2011, at FINRA's offices in Washington, D.C. The letter was sent via first class mail to his attorneys' office and their electronic mail addresses.

16. On May 24, 2011, pursuant to FINRA Rule 8210, Errais appeared for sworn, on-the-record testimony. At the outset of the testimony, the staff reminded Errais of his obligations under Rule 8210 to answer FINRA's questions completely and truthfully. The staff explained that his failure to do so could be the basis for the initiation of a disciplinary proceeding that could lead to the imposition of sanctions, including a bar from the industry. Errais stated that he understood.

17. After approximately three hours of testimony, Errais refused to answer any further questions from the staff. The staff again reminded Errais of his obligations to provide such testimony under Rule 8210. Errais continued to refuse to answer any other questions. Errais left the testimony while a question was pending.

18. At no time thereafter did Errais reappear and complete his testimony.

19. As a result of the foregoing conduct, Errais violated FINRA Rules 8210 and 2010.

Based upon the foregoing, Respondent violated FINRA Rules 8210 and 2010.

Based upon these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

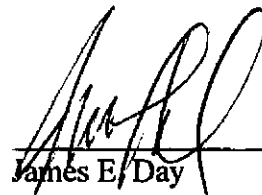
It is ordered that Respondent be barred from association with any FINRA member in any capacity.

Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "James E. Day", is written over a horizontal line.

James E. Day
Associate Vice President and Chief Counsel
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