

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025492901**

**To: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)**

**Re: Brokers International Financial Services, Inc
CRD No. 139627**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Brokers International Financial Services, LLC (BIFS) 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 BIFS alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

- A. BIFS accepts and consents, 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

BIFS became a FINRA member in July 2006. BIFS conducts a general securities business from its main office located in Panora, Iowa. During all periods mentioned herein, BIFS was a registered broker-dealer with the United States Securities and Exchange Commission and FINRA, which registrations currently remain in effect.

Relevant Disciplinary History

BIFS does not have any relevant disciplinary history.

Overview

From August 23, 2008 to May 24, 2011 (the Relevant Period), BIFS failed to make timely filings for reportable events under the requirements set forth in NASD Rule 3070(a)-(b), and also made an inaccurate filing in another instance. This conduct constitutes violations of NASD Rule 3070(a)-(b), NASD Rule 2110, and FINRA Rule 2010 by BIFS. During the Relevant Period, BIFS failed to make timely amendments to Uniform Applications for Securities Industry Registration or Transfer (Form U4)

and Uniform Termination Notices for Securities Industry Registration (Form U5). This conduct constitutes violations of NASD Rule 2110, FINRA Rule 2010, IM-1000-1, and FINRA By-Laws, Article V, Sections 2 and 3.

From September 30, 2009 through February 5, 2010 and from May 24, 2011 through June 27, 2011, BIFS allowed a statutorily disqualified person (who had become disqualified due to a felony conviction for serious injury by motor vehicle) to associate with the firm prior to approval. This conduct constitutes violations of FINRA Rule 2010 and FINRA By-Laws, Article III, Section 3.

Finally, from February 1, 2009 through November 30, 2011, BIFS failed to maintain written supervisory procedures reasonably designed to achieve compliance with applicable securities laws and regulations. This conduct constitutes violations of FINRA Rule 2010 and NASD Rule 3010(b).

Facts and Violative Conduct

Late and Inaccurate Filings

During the Relevant Period, BIFS was required to make 10 disclosure event filings under the terms of NASD Rule 3070(a)-(b). The firm failed to make timely filings in three of the instances, which constituted 30% of the firm's total filings. The late filings ranged from 7 to 27 days late. BIFS also made three inaccurate disclosure event filings in another instance, which again constituted 30% of the total filings. Finally, BIFS failed to make a disclosure event filing regarding the felony conviction of one of its registered representatives. The conduct described above constitutes violations of NASD Rule 3070(a)-(b), NASD Rule 2110, and FINRA Rule 2010.

During the Relevant Period, BIFS was required to file Form U4 or U5 amendments in 25 instances. The firm failed to timely file a Form U4 or U5 amendment in five instances, which constituted 20% of the total filings. The late filings ranged from 8 to 440 days late. Further, the firm filed one late and one inaccurate Form U4 and one inaccurate Form U5 regarding the felony conviction of the same registered representative referred to above. The conduct described above constitutes violations of

NASD Rule 2110, FINRA Rule 2010, IM-1000-1, and FINRA By-Laws, Article V, Sections 2 and 3.

Association with a Statutorily Disqualified Person

From September 30, 2009 through February 5, 2010 and from May 24, 2011 through June 27, 2011, BIFS allowed a statutorily disqualified person (who had become disqualified due to a felony conviction for serious injury by motor vehicle) to associate with the firm prior to approval, in violation of FINRA Rule 2010, and FINRA By-Laws, Article III, Section 3.

Deficient Written Supervisory Procedures

From February 1, 2009 through November 30, 2011, BIFS failed to maintain written supervisory procedures reasonably designed to achieve compliance with applicable securities laws and regulations, in violation of FINRA Rule 2010 and NASD Rule 3010(b). The firm utilized recruiting and hiring guidelines that were inaccurate and inadequate regarding the hiring and registration of statutorily disqualified persons.

B. BIFS also consents to the imposition of the following sanctions:

1. A censure; and
2. a fine of \$16,000.

BIFS agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. BIFS has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

BIFS specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II. WAIVER OF PROCEDURAL RIGHTS

BIFS specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against BIFS;
- 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, BIFS specifically and voluntarily waives 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.

BIFS further specifically and voluntarily waives 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

BIFS understands 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 BIFS; and

C. If accepted:

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

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

The undersigned, on behalf of BIFS, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

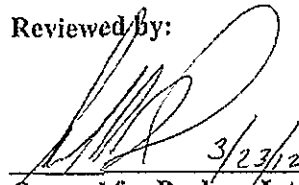
**BROKERS INTERNATIONAL
FINANCIAL SERVICES, LLC**

Date: 3/23/12

By: 
Matthew Bott, President

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Reviewed by:


3/23/12

Counsel for Brokers International
Financial Services, LLC

Accepted by FINRA:

4-3-12

Date

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

By: 

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