

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012030482901**

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

RE: Beta Capital Management, L.P, Respondent
Member
CRD No. 38964

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Beta Capital Management, L.P. ("Beta") 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 Beta alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Beta hereby 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

Beta Capital Management, L.P. ("Beta") has been a FINRA member since November 1995. The Firm has one branch, thirty-seven registered persons, seven non-registered persons, and is headquartered in Miami, Florida. The Firm is approved to conduct private placements.

RELEVANT DISCIPLINARY HISTORY

Beta has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In 2011, Beta participated as non-exclusive placement agent and subscribed Beta investors into CPF1, a contingent private placement offering of securities. In 2013, Beta participated as non-exclusive placement agent and subscribed Beta investors into CPF2, a contingent private placement offering of securities. For both offerings which were consummated, Beta failed to establish either a separate

bank account as agent or trustee for the Beta investors or a bank escrow account, and Beta failed to implement its written supervisory procedures which required the Firm to establish an escrow account in accordance with SEC Rule 15c2-4. Based upon the foregoing, Beta violated Section 15(c)(2) of the Securities Exchange Act of 1934, SEC Rule 15c2-4, NASD Conduct Rule 3010(b), and FINRA Rule 2010.

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

A censure and a \$12,500 fine.

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

Beta 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

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

- A. To have a Complaint issued specifying the allegations against it;**
- 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, Beta specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, 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.

Beta 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

Beta 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 it; and**
- C. If accepted:**
 - 1. this AWC will become part of Beta's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Beta;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Beta's 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. Beta 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. Beta 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 Beta's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.**
- D. Beta may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Beta 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.

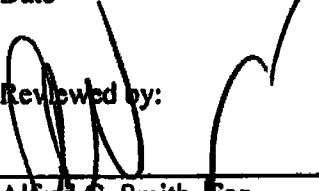
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Beta has agreed to its provisions voluntarily; and that no offer, threat, 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.

Beta Capital Management, L.P.

June 4th 2014
Date

By: 
Noelia Povedano, Chief Executive Officer

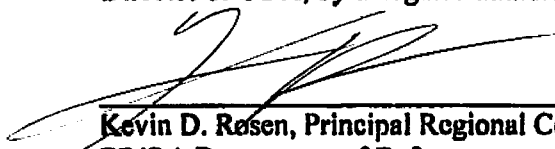
Reviewed by:


Alfred G. Smith, Esq.
Counsel for Respondent
Shutts & Bowen LLP
1500 Miami Center
201 South Biscayne Boulevard
Miami, Florida 33131
(305) 379-9147

Accepted by FINRA:

06/13/2014
Date

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


Kevin D. Rosen, Principal Regional Counsel
FINRA Department of Enforcement
Crystal Corporate Center
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Boca Raton, Florida 33431
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