

2006 BCSECCOM 36

Settlement Agreement

FX Solutions, LLC

and

FX Solutions Canada Inc.

Securities Act, RSBC 1996, c. 418

FX Solutions, LLC (FXS) has settled the following issues with the Executive Director.

Agreed Statement of Facts

¶1 As the basis for the undertakings and order referred to in this settlement, FXS and FX Solutions Canada Inc. (FXC) acknowledge the following facts as correct:

Background

1. FXS is a limited liability company incorporated under the laws of the State of New Jersey, United States of America.
2. FXS began spot foreign exchange operations in 2001. It is registered with the Commodity Futures Trading Commission and is a member of the National Futures Association in the United States. At all material times, FXS maintained its head office in Ridgewood, New Jersey.
3. FXS does not have an office in British Columbia and has never been registered in any capacity under the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act).
4. FXS incorporated FXC under the Canada Business Corporations Act.

Trading in British Columbia

5. From September 2002 to the present, FXS opened and serviced accounts for 264 residents of British Columbia.
6. From September 2002 to the present, FXS compensated 15 different referral agents for referring 179 residents of British Columbia to FXS.
7. By trading with residents of British Columbia, without being registered to do so and without being able to rely upon any registration exemptions, FXS breached section 34(1) of the Act.

2006 BCSECCOM 36

Mitigating Factors

- ¶2 The Executive Director has taken into account the following factors as mitigating the sanctions that might otherwise have applied in the public interest:
1. Staff of the British Columbia Securities Commission (the Commission) is not aware of any complaints made by clients of FXS who are residents of British Columbia.
 2. Since June 2003, FXS has been in regular communication with and has cooperated fully with Commission staff to resolve issues around its registrable activities in British Columbia and the registration of FXC.

Public Interest

- ¶3 FXS acted contrary to the public interest by trading with residents of British Columbia without being registered to do so and without being able to rely on any registration exemptions.

Undertakings

- ¶4 FXS and FXC undertake that:
1. FXS will pay to the Commission \$57,500, which includes \$7,500 in registration fees that FXS would have had to pay to operate in British Columbia had it properly registered and \$5,000 as a contribution toward the costs of the investigation;
 2. FXS will continue to refrain from seeking or accepting any new clients who reside in British Columbia;
 3. by no later than April 28, 2006, FXC will become registered with the Commission or will become a member of and register with The Investment Dealers Association of Canada or FXS will transfer all existing accounts for clients resident in British Columbia to a British Columbia registrant and cease carrying on registrable activities in British Columbia;
 4. FXS and FXC will continue to provide information to and cooperate fully with the Commission in connection with their registrable activities in British Columbia; and
 5. FXS and FXC will not say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

2006 BCSECCOM 36

Order

- ¶5 FXS and FXC consent to an order by the Executive Director that under section 161(1)(a) of the Act, they will comply fully with the Act, *Securities Rules*, B.C. Reg. 1974/97, and all applicable regulations, policies and guidelines.

Consent to Reciprocal Orders

- ¶6 FXS consents to any securities regulator anywhere in Canada relying on the facts admitted in this settlement to make orders of a similar nature against it in respect of unregistered trading in other Canadian jurisdictions.

Waiver

- ¶7 FXS waives any right it may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

- ¶8 January 10, 2006

FX Solutions, LLC

“Robert S. Cortright)
Signature)

Robert S. Cortright)
Name (please print))

Managing Partner)
Title (please print))

“Kevin Cortright”)
Witness Signature)

Kevin Cortright)
Witness Name (please print))

127 East Ridgewood Ave.)
Ridgewood, NJ 07450)
Address)

Chief Operating Officer of)
FX Solutions, LLC)
Occupation)

2006 BCSECCOM 36

¶ 9 January 10, 2006

FX Solutions Canada Inc.

“Thomas F. Plaut”)
Signature)

Thomas F. Plaut)
Name (please print))

CEO)
Title (please print))

“Kevin Cortright”)
Witness Signature)

Kevin Cortright)
Witness Name (please print))

127 East Ridgewood Ave.)
Ridgewood, NJ 07450)
Address)

Chief Operating Officer of)
FX Solutions, LLC)
Occupation)

¶ 10 January 16, 2006

“Brenda Leong”

Brenda Leong
Executive Director