

2007 BCSECCOM 376

Settlement Agreement

Interbank FX, LLC

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Interbank FX, LLC (IBFX) agree as follows:

Agreed Statement of Facts

1. IBFX is a limited liability company incorporated under the laws of the State of Utah, United States of America.
2. IBFX is a registered Futures Commission Merchant with the United States Commodity Futures Trading Commission, and is a member of the National Futures Association.
3. IBFX does not have an office in British Columbia (BC) and has never been registered in any capacity under the *Securities Act*, RSBC, 1996, c.418 (Act).

Trading in British Columbia

4. From January 2005 to the present, IBFX opened and serviced accounts for 208 residents of British Columbia.
5. From January 2005 to the present, seven residents of British Columbia introduced clients to IBFX but IBFX did not compensate them for the referrals.
6. By trading with residents of British Columbia, without being registered to do so and without being able to rely on any registration exemption, IBFX breached section 34(1) of the Act.

Mitigating Factors

7. The Executive Director has taken into account the following facts as factors mitigating the sanctions which would otherwise have applied in the public interest:
 - (a) Commission staff is not aware of any complaints against IBFX in British Columbia.
 - (b) Since January 2007, IBFX has cooperated fully with Commission staff.

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Public Interest

8. IBFX 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 exemptions from the requirement to be registered.

Undertakings

9. IBFX undertakes to:
 - (a) pay \$35,000 to the British Columbia Securities Commission in respect of settlement of this matter, which includes \$5,000 in registration fees that IBFX would have had to pay to operate in British Columbia had it properly registered, and which sum is due and payable immediately without further demand;
 - (b) continue to refrain from seeking or accepting any new clients who reside in British Columbia until it is registered with the Pacific Regional Office of the Investment Dealers Association of Canada (IDA);
 - (c) by no later than October 31, 2007, apply for registration with the IDA; and
 - (d) by no later than June 27, 2008, transfer all existing accounts for clients resident in British Columbia to a registrant and cease trading with residents of British Columbia, unless
 - (i) the IDA has registered IBFX, or
 - (ii) IBFX is exempt from the requirement to register with respect to trading with residents of British Columbia.

Order

- ¶ 2 The Executive Director will issue an order (the Order) under section 161(1)(a) of the Act, that IBFX comply fully with the Act, the *Securities Rules*, B.C. Reg. 194/97, and any applicable regulations.

Consent to Reciprocal Orders

- ¶ 3 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making an order similar to the one contemplated above.

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Waiver

- ¶ 4 IBFX 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.

Counterpart

- ¶ 5 This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

- ¶ 6 June 15, 2007.

- ¶ 7 Interbank FX, LLC)
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“Todd Crosland”)
Witness Signature)
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“Todd Crosland”)
Witness Name (please print))
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3165 E Millrock)
)
#200, SLC, UT 84121, USA)
Address)
)
Chairman & CEO)
Occupation)

- ¶ 8 June 29, 2007.

- ¶ 9 “B. Leong”
Brenda M. Leong
Executive Director