



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

SWIFT TRADE INC. AND PETER BECK

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 C.S.5 as amended (the “Act”), it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of the Swift Trade Inc. and Peter Beck (the “Respondents”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated December 7, 2007 (the “Proceeding”) against the Respondents according to the terms and conditions set out in Part IV of this Settlement Agreement. The Respondents agree to the making of an Order in the form attached as Schedule “A”, based on the facts set out below.

3. For the purposes of this proceeding only, the Respondents agree with the facts as set out in Part III of this Settlement Agreement.

PART III – AGREED FACTS

A. Overview

4. Swift Trade Inc. (“Swift Trade”) has been registered with the Commission as a Limited Market Dealer since 2003. Swift Trade’s head office is located at 55 St. Clair West, Toronto, Ontario.

5. Peter Beck (“Beck”) resides in Toronto, Ontario. Beck is co-founder and President of Swift Trade and owns 70.5% of BRMS Holdings Inc. which owns 100% of Swift Trade.

6. Beck has been registered with the Commission since 1998. Since September 18, 2002, Beck was registered as a director and a trading officer of Swift Trade. From November 9, 2004, until August 22, 2006 Beck was designated as the compliance officer for Swift Trade.

7. Barka Co. Limited (“Barka”) was incorporated in Cyprus on January 22, 2004 for the sole purpose of trading securities on its own behalf. At the time of incorporation, Pavlos Aristodemou (“Aristodemou”) was the sole shareholder.

B. Background

8. Since 2004, Swift Trade has provided software and an electronic trading platform that links its clients’ traders through its affiliated US dealer Biremis, with access to U.S. markets.

9. In 2006, Swift Trade had approximately 55 corporate accredited investor clients. All of the clients, except one, were incorporated internationally and operated in one of approximately 30 different international jurisdictions. The one Canadian client was Trieme Corporation (“Trieme”), which was wholly-owned by Beck. Each client hired employees or independent contractor traders (“Traders”) to trade the client’s capital using the Swift Trade software and electronic trading platform. In 2006, in total there were approximately 2000 Traders executing trades on behalf of Swift Trade clients worldwide. None of the Traders were registered with the Commission, as they trade on behalf of their accredited investor employers.

10. In 2006, Barka employed approximately 1100 Traders on its behalf, making it Swift Trade’s largest client. At that time, Barka operated approximately 50 international offices and 30 offices in Canada, of which 11 were in Ontario.

C. Compliance Review

11. Staff of the Registration and Compliance section of the Capital Markets Branch of the Commission (“Compliance Staff”) conducted a compliance field review of Swift Trade in August 2006 at Swift Trade’s head office. The purpose of the field review was to gain an understanding of Swift Trade’s operations, business model, clients and employees.

12. As a result of the field review, Staff requested Beck and several Swift Trade officers attend for examinations to provide further information pursuant to section 31 of the Act.

D. Particulars**(i) Examination of Peter Beck**

13. Beck attended at the offices of the Commission with legal counsel on December 11, 2006 and was examined under oath by Staff (the "Examination"). Prior to the commencement of the Examination, a 5 page memorandum (the "Memorandum") outlining the background, operations and trading practices of Swift Trade was provided to Staff by legal counsel for Beck.

14. During the Examination, Beck advised Staff as follows:

- (a) Swift Trade had only two clients operating offices in Canada, one is wholly owned by Beck, Trieme, and the other was Barka, a Cypriot company wholly owned by Aristodemou; and
- (b) Barka became Swift Trade's first client in 2004 and Aristodemou was a wealthy lawyer in Cyprus who was the sole beneficial owner of Barka.

15. The fact that Aristodemou was the sole owner of Barka was also stated in the Memorandum that indicated that Barka was 100% owned by a wealthy lawyer in Cyprus.

(ii) Statements at Issue

16. While at the time of the Examination, Aristodemou was both the registered and beneficial owner of the Barka shares, this was expected to, and did change over time. Aristodemou was a nominee shareholder acting upon the direction of others and did not have effective control of Barka.

17. At no time during the Examination did Beck ever mention that his wife or his father had previously been, or were expected to become in future, the beneficial owner(s) of Barka.

18. While Beck did not intend to mislead Staff, he acknowledges that as a director, trading officer and registrant, he should have devoted more effort to developing a better understanding of the subjects of interest to Staff during their compliance examination, in order to be completely forthcoming and helpful with his responses.

19. While Staff did not ask specific questions about the beneficial ownership of Barka, Beck should have been aware that Staff would be concerned about the beneficial ownership and effective control of Barka, Swift Trade's largest client.

20. Beck acknowledges that his non-wilful lack of disclosure about Barka resulted in Staff being misled. Beck apologizes for his course of conduct, which he acknowledges was contrary to the public interest.

PART IV - TERMS OF SETTLEMENT

21. The Respondents agree to the terms of settlement listed below.
22. The Commission will make an Order pursuant to section 127(1) and section 127.1 of the Act that:
- (a) the Settlement Agreement is approved;
 - (b) the Respondent Beck is to be reprimanded;
 - (c) Staff are directed to immediately remove the terms and conditions imposed on Swift Trade's registration as a result of the February 5, 2008 Decision of the Director of Compliance of the Commission; and
 - (d) the Respondents, Swift Trade and Beck, agree to pay costs in the amount of \$20,000 to the Commission.
23. The Respondents, Swift Trade and Beck, agree to satisfy the payment as provided in paragraph 22(d) promptly following the Commission's approval of this Settlement Agreement. The Respondents, Swift Trade and Peter Beck, will not be reimbursed for, or receive any contribution toward, these payments from any other person or company.

PART V - STAFF COMMITMENT

24. If the Commission approves this Settlement Agreement, Staff will not continue any proceedings under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, as against the Respondents, Swift Trade or Beck, subject to the provisions of paragraph 25.
25. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondents, Swift Trade and Beck. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VI – PROCEDURE FOR APPROVAL OF SETTLEMENT

26. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for July 28, 2009 at 10:00 am or on another date agreed to by Staff and the Respondents, according to procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

27. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the Settlement Hearing on the Respondent Beck's conduct, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

28. If the Commission approves this Settlement Agreement the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

29. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

30. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack of the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VII – DISCLOSURE OF SETTLEMENT AGREEMENT

31. If the Commission does not approve this Settlement Agreement or does not make the Order attached as Schedule "A" to this Settlement Agreement:

- (i) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the Settlement Hearing takes place will be without prejudice to Staff and the Respondents; and
- (ii) Staff and the Respondents will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained within the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

32. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or, if required by law.

PART VIII – EXECUTION OF THE SETTLEMENT AGREEMENT

33. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

34. A faxed copy of any signature will be treated as an original signature.

Dated this 21st day of July, 2009

“Dorota Irena Hagel”
Witness

“Peter Beck”
Peter Beck

Dated this 21st day of July, 2009

“Dorota Irena Hagel”
Witness

“Peter Beck”
Peter Beck on behalf of Swift Trade

Dated this 3rd day of July, 2009

STAFF OF THE ONTARIO SECURITIES
COMMISSION

“Tom Atkinson”

Director, Enforcement Branch



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Schedule "A"

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

SWIFT TRADE INC. AND PETER BECK

**ORDER
(sections 127 and 127.1)**

WHEREAS on December 7, 2007, the Commission issued a Notice of Hearing pursuant to section 127 and 127.1 of the *Securities Act* R.S.O. 1990 c.S. 5 as amended (the "Act"), accompanied by Staff's Statement of Allegations, in relation to the Respondents, Swift Trade Inc. ("Swift Trade") and Peter Beck ("Beck");

AND WHEREAS the Respondents entered into a Settlement Agreement dated July , 2009 (the "Settlement Agreement") in which they agreed to a settlement of the proceedings commenced by the Notice of Hearing dated December 7, 2007, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and Staff's Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondents;

AND WHEREAS the Respondents acknowledge that the facts set out in Part III of the Settlement Agreement constituted conduct contrary to the public interest under the Act;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT: the Settlement Agreement between the Respondents and Staff of the Commission is approved;

PURSUANT TO paragraph 127(6) of the Act, the Respondent Beck is reprimanded;

PURSUANT TO paragraph 127(1) of the Act, the terms and conditions imposed by the Decision of the Director of Compliance dated February 5, 2008 on the Respondent Swift Trade's registration, shall be removed immediately; and

PURSUANT TO section 127.1 of the Act, the Respondents agree to pay costs in the amount of \$20,000 to the Commission.

Dated this 28th day of July, 2009.
