

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
SECURITIES DIVISION
JOHN O. PASTORE COMPLEX - BUILDING 69-1
1511 PONTIAC AVENUE CRANSTON RI 02920**

IN THE MATTER OF

**HOLD BROTHERS ONLINE
INVESTMENT SERVICES LLC.**

CONSENT AGREEMENT

I

The Securities Division ("Division") of the Rhode Island Department of Business Regulation ("Department") enters into this Consent Agreement ("Agreement") to resolve concerns that § 7-11-201 of the Rhode Island Uniform Securities Act of 1990 (the "RIUSA"), § 7-11-101 *et seq.* of the Rhode Island General Laws, 1989, as amended may have been violated by Hold Brothers Online Investment Services LLC ("Hold Brothers", the "Firm"). The Division has determined to resolve this matter, after investigation but without instituting administrative proceedings, by entering into this Agreement. Hold Brothers is entering into this Consent Agreement without admitting or denying the substantive statements set forth herein below.

II

It is hereby agreed by and between the Division and Hold Brothers that:

1. Hold Brothers, a limited liability corporation is a broker-dealer licensed by the Financial Industry Regulatory Authority ("FINRA"), CRD Number 36816, with a principal place of business at 1177 Avenue of the Americas, Suite 2B, New York, New York.

2. During the period June 25, 1996, through December 31, 2003, the Firm was licensed to transact securities Business in this State pursuant to § 7-11-101 *et seq.* of the RIUSA.
3. On December 31, 2003, at the request of the Firm, that license to transact business in this State was terminated.
4. At all times relevant to this Agreement, it has been unlawful for a broker-dealer to transact business in securities in this State without being licensed or exempt from licensing under RIUSA.
5. On January 6, 2010, the Division received a written complaint in which the complainant alleged that an online trading account opened by him at Hold Brothers in October 2009 was closed and that he was no longer able to trade in the account.
6. The subsequent investigation conducted by the Division revealed that in or about October 2009 the Complainant opened an online trading account with the Firm through Trenchant Funds USA LLC (“Trenchant”), Hoboken, New Jersey, the registered account holder of Hold Brothers online trading account 71872184 (the “Account”).
7. Trenchant allowed the complainant to trade in the Account after the complainant executed a Hold Brothers On-Line Investment Services LLC Sub-Account Agreement (the “Sub-Account Agreement”) with Trenchant, which authorized the trade activity as the account owner.
8. The investigation further disclosed that in the same time frame, in or about October 2009, seven other Rhode Island residents opened online trading accounts with the Firm through sub account agreements authorized and approved by Trenchant as the registered owner of the Account.
9. Trading ledgers provided by the Firm in a response for trades “made by all Rhode Island traders” revealed extensive on-line trading activity during a period when the Firm was not licensed, nor exempt from licensing, as a broker dealer in Rhode Island.

10. It is the position of the Division that these securities transactions effected by Hold Brothers with residents of this State may have violated § 7-11-201 of the RIUSA and the Rules promulgated thereunder.


III

Based on the foregoing, the Division finds that the following is in the public interest, appropriate for the protection of investors and consistent with the purposes intended by the policy and provisions of RIUSA.

Accordingly, it is hereby further agreed that:

1. Hold Brothers shall immediately undertake to comply fully with § 7-11-201 of the RIUSA and the Rules promulgated thereunder;
2. Hold Brothers shall immediately update Form BD through the CRD, and pay the appropriate fees to properly register the Firm as broker-dealer in this State;
3. Upon execution of this agreement, Hold Brothers shall pay an administrative penalty of Twenty Thousand Dollars (“\$20,000.00”) and registration fees in arrears of Three Hundred Dollars (“\$300.00”) to the Department for the period during which the unlicensed sales activity took place;
4. Additional violations of Section 201 of RIUSA may be grounds for significant and substantial penalties such as a bar, a revocation or suspension, and administrative penalties up to ten thousand dollars (\$10,000.00) per violation and the imposition of criminal and civil sanctions.

Dated as of the 10th day of August, 2010.



Maria L. D'Alessandro,
Deputy Director of Securities, Commercial
Licensing and Racing and Athletics

By: *Gregory Hold*
Hold Brothers Online Investment Services LLC

Its *CEO*

On this *3rd* day of *August*, 2010, there appeared before me *Gregory Hold*
_____ who executed the foregoing Consent Agreement and who duly acknowledged
to me that he/she was authorized to do so.

Sarah-Rachel Walters
NOTARY PUBLIC

SARAH-RACHEL WALTERS
Notary Public State of New York Commission Expires _____
No. 01WA5049715
Qualified in Richmond County
Commission Expires September 18, *2013*