

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT

RECEIVED

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NATIONAL ADJUDICATORY COUNCIL
MARKET REGULATION

TO: Department of Market Regulation
NASD

RE: **Harrichand Persaud**, Respondent
Registered Representative
CRD No. 1312629

Pursuant to Rule 9216 of NASD Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against me alleging violations based on the same factual findings.

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Market Regulation and National Adjudicatory Council ("NAC") Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. I 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 allegation in this AWC or create the



impression that the AWC is without factual basis. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Harrichand Persaud ("Persaud") entered the securities industry in 1983 as an associated person of an NASD member. He became registered as a general securities representative on November 17, 1984. Between March 23, 2004 and March 26, 2004, the dates of the subject violations, Persaud was employed as a general securities representative at Carlin Equities Corporation ("Carlin" or "the firm"). On April 8, 2005, a Form U-5 was filed indicating that Persaud was discharged from Carlin for refusing an NASD request for an on-the-record interview ("OTR") in this matter without consulting Carlin, a violation of the firm's written supervisory procedures. Carlin disclosed that it conducted its own internal review of the trading activity that gave rise to NASD's request for an OTR, but the firm has not reported any findings to date. Persaud does not have additional disciplinary history and he is not currently registered with NASD.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.



Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

A. I hereby accept and consent, without admitting or denying the allegations or findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD 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 NASD:

1. Between March 23, 2004 and March 26, 2004 ("the review period"), I was employed as a general securities representative at Carlin Equities Corporation ("Carlin").
2. During the review period, I received simultaneous buy and sell instructions from persons associated with Acqua Wellington Asset Management ("Acqua Wellington"), the investment advisor to both Acqua Wellington Opportunity Limited I ("AW I") and Acqua Wellington Opportunity Limited ("AW").
3. During the review period, Acqua Wellington instructed me to sell a total of two million common shares of CNET Networks, Inc. ("CNET"), a Nasdaq National Market Company, for AW I and to purchase two million CNET shares at \$0.05 a share above the initial transaction price for AW. I was also instructed by Acqua Wellington not to cross the trades between AW I and AW.
4. During the review period, I contacted Thomas Saunders ("Saunders"), a general securities representative who made trading decisions for an account named "Garnet Offshore Fund Ltd." ("Garnet"). I offered Saunders an opportunity to purchase CNET shares for Garnet from AW I with the understanding that Garnet would be able to sell those shares to AW almost immediately at \$0.05 a share above Garnet's purchase price.

5. I executed a total of 38 transactions in CNET shares between AW I, Garnet and AW during the review period at prices that ranged between \$8.90 and \$9.55 a share. These transactions were executed through Carlin and Carlin reported each of these trades to the Automated Confirmation Transaction Reporting Service ("ACT").
6. In 36 of the 38 transactions in CNET shares, AW I sold 100,000 CNET shares to Garnet in one transaction and Garnet then in turn sold 100,000 CNET shares to AW in another transaction at \$0.05 a share above Garnet's purchase price. In the final two transactions, AW I sold 200,000 CNET shares to Garnet in one transaction and Garnet then in turn sold 200,000 CNET shares to AW in another transaction at \$0.05 a share above Garnet's purchase price. Each transaction in the above-described pattern was executed within 18 seconds of the other transaction.
7. I received \$1,600 in commissions for executing these above-described transactions in CNET shares through Carlin during the review period.
8. The conduct described in paragraphs one through six constitutes coordination of prices and trades, in violation of NASD Conduct Rule 2110 and IM-2110-5.
9. The conduct described in paragraphs one through six also constitutes the use of manipulative, deceptive or other fraudulent devices, in violation of NASD Conduct Rule 2120, §10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5.

B. I also consent to the imposition, at a maximum, of the following sanctions:

A censure, fine of \$50,000, which includes the disgorgement of commissions received of \$1,600 and suspension from associating with any member of NASD in any capacity for a period of two months.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.



III.

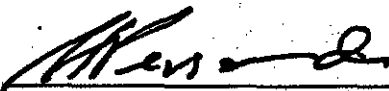
OTHER MATTERS

- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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 NASD, nor does it reflect the views of NASD or its staff.
- B. I agree to pay any monetary sanctions imposed on me upon notice that this AWC has been accepted and that such payments are due and payable and have attached an Election of Payment form showing the method by which I propose to pay any fine imposed.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that if I am barred or suspended from association with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

8/31/2005
Date

Harrichand Persaud
Respondent

By: 

Reviewed by:

Counsel for Respondent

Accepted by NASD

11/14/05
Date

Thomas R. Gira
Thomas R. Gira
Executive Vice President and Deputy
Market Regulation Department

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