NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20050000523-03

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TO: Department of Market Regulation
NASD

RE: **Imran Ahmad**, Respondent
Registered Representative
CRD No. 3035891

Pursuant to Rule 9216 of NASD Code of Procedure, I, Imran Ahmad, 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 finding in this AWC or create the

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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:

> I entered the securities industry in October 1998. During the period relevant to this matter, I was registered with TRIL. Currently, I am not associated with an NASD member firm. I have no disciplinary history.

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

In 20050000523, staff of NASD's Department of Market Regulation ("staff") investigated quotation activity in the Nasdaq Stock Market's Modified Opening Process ("MOP") during the period October 18, 2004 through October 27, 2004 ("review period"), including the activity of Imran Ahmad.

A. I hereby accept and consent, without admitting or denying the 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. On October 18, 2004, in response to industry demand for improvements to the pre-market trading session, Nasdaq phased in Opening Enhancements to SuperMontage, including the MOP. Nasdaq modified the pre-opening trading environment for all Nasdaq-listed stocks to improve price discovery and to minimize the creation and duration of locked and crossed markets leading into the open of the normal trading day.

2. Nasdaq created a new order type for Nasdaq-listed securities, the Extended Hours Day Order ("X Order"). Members were able to enter X Orders beginning at 7:30 a.m. on either an attributable or a non-attributable basis, using the SIZE Market Participant Identifier ("MPID") for non-attributable orders. X Orders were available for execution beginning at 9:25 a.m. and continuing until the end of the trading day. If not executed by that time, X Orders were cancelled automatically from the system and returned to the entering party.

3. To preserve and enhance the price discovery process that occurred prior to the market open, Nasdaq implemented the MOP and opened all quotes and pre-opening eligible orders at 9:25 a.m., making those quotes and orders available for execution.

4. All quotes and limit price X Orders were awakened at 9:25 a.m. Any order or quote whose limit price did not lock or cross the book was added to the book in strict time priority. Orders or quotes whose limit prices locked or crossed the book were placed in an "In Queue" state, also in time priority. Upon completion of the wake-up process, within seconds after 9:25 a.m., the Nasdaq Market Center began executing quotes and X Orders that were held In Queue in strict time priority. X orders that were not executable, and In Queue quotes and orders that are not executable, were added to the book. Once this process was complete, the system resumed processing the input queue of quotes and X Orders as needed to maintain an unlocked market.

5. Firms had three options for determining the price at which their carryover quotes were opened at 9:25 a.m.: (1) the last quotation price entered during the previous day; (2) the last quotation price the firm entered after 7:30 a.m. and before 9:25 a.m.; or (3) the quote limits for Nasdaq, which at the time were $ .01 (bid) and $ 2,000 (ask). During the review period, many Nasdaq participants programmed their quotation management systems to select the first option, carrying over the final quotation entered during the previous trading day.

6. During the review period, while employed as a proprietary trader at TRIL, I posted quotations anonymously in the MOP that were published to the marketplace as Nasdaq's inside quotations by submitting X Orders using the SIZE MPID.

7. I knowingly and intentionally posted both a bid and an offer for the same security as close to 7:30 a.m. as possible. I knowingly and intentionally entered a bid that was priced higher than the offer in the same security. While I posted both quotations when the MOP opened, I did not intend to both buy at the posted bid and sell at the posted offer. Rather, I intended to monitor the momentum of the securities during the pre-open market and cancel one of the orders prior to 9:25 a.m., either the bid or the offer, that I believed would not be likely to get a favorable execution at 9:25 a.m. In some instances, I cancelled both the bid and the offer prior to 9:25 a.m., when neither the bid nor the offer would provide a particularly beneficial execution.

8. The conduct described in paragraphs one to seven constitutes separate and distinct violations of NASD Conduct Rules 2110, 3310 and IM-3310.

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

A **$10,000 fine** to be due and payable immediately upon reassociation with a member firm, and a **suspension for a period of two months** from association with any member firm in all capacities.

The sanctions imposed herein shall be effective on a date set by NASD staff.

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 upon re-entry as noted above, 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.

Date: 3-18-06

Imran Ahmad, Respondent

Reviewed by:

Counsel for Respondent

Accepted by NASD:

6/15/06
Date

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

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