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REGISTRATION & DISCLOSURE

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20050000647-01

TO: Department of Market Regulation
NASD

RE: ViewTrade Securities, Inc., Respondent
Broker-Dealer
CRD Number 46987

Pursuant to Rule 9216 of NASD Code of Procedure, ViewTrade Securities, Inc. (the "firm") submits 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 the firm alleging violations based on the same factual findings.

The firm understands 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") Review Subcommittee or Office of Disciplinary Affairs, 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 the firm; and
3. If accepted:
 - a. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against the firm;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about the firm's disciplinary record;

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- c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
- d. The firm 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 the firm's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

The firm also understands that its 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:

The firm entered the securities industry on November 19, 1999 as a member of NASD and its registration remains effective. On December 22, 2005, NASD accepted an AWC that found that the firm committed limit order display, supervision, Order Audit Trail System ("OATS"), best execution, trade reporting, trading ahead and SEC Rule 11Ac1-6 violations and imposed, among other things, sanctions of a censure and a fine of \$62,500 (consisting of a \$10,000 fine for the limit order display violations, a \$15,000 fine for the supervision violations that occurred during two review periods, a \$10,000 fine for the OATS violations that occurred during two review periods, a \$5,000 fine for the best execution violations, a \$10,000 fine for the trade reporting violations, a \$7,500 fine for the trading ahead violations and a \$5,000 fine for the SEC Rule 11Ac1-6 violations).

On October 15, 2004, NASD accepted an AWC that found that the firm committed trade reporting violations and imposed sanctions of a censure and fine of \$15,000.

On March 19, 2004, NASD accepted an AWC that found that the firm committed Automated Confirmation Transaction Service ("ACT") reporting and supervision violations and imposed, among other things, sanctions of a censure and a fine of \$9,500 (consisting of a \$4,500 fine for the ACT reporting violations and a \$5,000 fine for the supervision violations).

On January 2, 2003, NASD accepted an AWC that found that the firm committed trade reporting violations and imposed sanctions of a censure and a fine of \$10,000.

I.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- 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, the firm specifically and voluntarily waives 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.

The firm further specifically and voluntarily waives 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 connection with 20050000647 (formerly MRD200446454), the staff of NASD's Market Regulation Department (the "staff") conducted a review of the transactions the firm reported to the Nasdaq Market Center (formerly referred to as the Automated Confirmation Transaction Service) during the period January 1, 2004 through April 30, 2004 (the "trade reporting review period").

In connection with 20050000709 (formerly MRD200447087), the staff conducted a review of the firm's compliance with SEC Rule 11Ac1-5 (currently Rule 605 of Regulation NMS) during March 2004.

In connection with the 2005 Trading and Market Making Surveillance Examination of the firm, 20050008303, the staff reviewed the items set forth on Exhibit Number One, which is attached and incorporated by reference, primarily for trade dates February 16, 2005 and February 17, 2005.

- A. The firm hereby accepts and consents, 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:

20050000647 (formerly MRD200446454)

1. The firm failed, within 90 seconds after execution, to transmit through Nasdaq Market Center 500 last sale reports of transactions in OTC Equity securities. These transactions constitute more than two percent of the transactions reviewed that the firm was required to report to Nasdaq Market Center during the trade reporting review period. The conduct described in this paragraph constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Conduct Rule 2110.
2. The firm failed, within 90 seconds after execution, to transmit through Nasdaq Market Center 32 last sale reports of transactions in OTC Equity securities and failed to designate through Nasdaq Market Center such last sale reports as late.
3. The firm incorrectly designated as ".SLD" through Nasdaq Market Center 80 last sale reports of transactions in OTC Equity securities reported to Nasdaq Market Center within 90 seconds of execution.
4. The conduct described in paragraphs two and three constitutes separate and distinct violations of NASD Marketplace Rule 6620.

20050000709 (formerly MRD200447087)

5. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of NASD, concerning SEC Rule 11Ac1-5. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Conduct Rules 2110 and 3010.

20050008303

6. The firm failed to report to Nasdaq Market Center the correct symbol indicating whether the transaction was a buy, sell, sell short, sell short exempt or cross for 12 transactions in eligible securities.
7. The firm failed to report to Nasdaq Market Center the correct symbol indicating whether the firm executed 43 transactions in eligible securities in a principal, riskless principal or agency capacity.
8. The conduct described in paragraphs six and seven constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).
9. The firm failed on 30 occasions to provide written notification disclosing to its customer its correct capacity in the transaction. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 10b-10.
10. For the month of January 2005, the firm made available a report on the covered orders in national market system securities that it received for execution from any person. This report included incorrect information. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 11Ac1-5.

- B. The firm also consents to the imposition, at a maximum, of the following sanctions:

A censure, a fine of \$35,000 (consisting of a \$10,000 fine for the trade reporting violations in 20050000647; a \$5,000 fine for the supervision violations in 20050000709; a \$5,000 fine for the ACT reporting violations, a \$5,000 fine for the SEC Rule 10b-10 violations and a \$10,000 fine for the SEC Rule 11Ac1-5 violations in 20050008303) and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph five.

Within 30 business days of acceptance of this AWC by the NAC, a registered principal of the Respondent shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in this paragraph; and, (3) the date the revised procedures were implemented.

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

III.

OTHER MATTERS

- A. The firm understands that the firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that the firm 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. The firm agrees to pay any monetary sanctions imposed on the firm upon notice that this AWC has been accepted and that such payments are due and payable and has attached an Election of Payment form showing the method by which the firm proposes to pay any fine imposed.
- C. The firm specifically and voluntarily waives any right to claim that the firm is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

The firm certifies that the firm has read and understands all of the provisions of this AWC and has 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 the firm to submit it.

4/30/07
Date

ViewTrade Securities, Inc.
Respondent

By: [Signature]
Name: ROBERT J. DOMAROWSKI
Title: PRESIDENT

Reviewed by:

[Signature]
Counsel for Respondent

Accepted by NASD:

5/25/07
Date

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

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

Examination Review Samples

Name of Member: ViewTrade Securities, Inc.
TMMS Exam No.: 20050008303
Examination Dates: 4/11/2005 – 4/14/2005
TMMS Examiner: David McClarin

NASD staff reviewed the following samples during the examination:

- 35 customer transactions and 15 proprietary transactions reviewed for compliance with Regulation SHO and NASD Conduct Rules 3110, 3350 and 3370 and Marketplace Rule 6130;
- 50 limit orders reviewed for compliance with NASD Conduct Rule 2110 and IM-2110-2;
- 25 limit orders that were either received or opened on trade date February 17, 2005 reviewed for compliance with NASD Conduct Rule 2320;
- 50 orders for trade date February 17, 2005 reviewed for compliance with NASD Marketplace Rules 4632, 4642, 6620 and 6130;
- 11 open limit orders reviewed for compliance with NASD Conduct Rule 3220;
- 50 orders handled by the firm during the month of January 2005 reviewed for compliance with SEC Rule 11Ac1-5 (currently Rule 605 of Regulation NMS);
- Report on routing of customer orders for the quarter ended December 2004 reviewed for compliance with SEC Rule 11Ac1-6 (currently Rule 606 of Regulation NMS);
- Written supervisory procedures in effect during February 2005 (including procedures related to the regular and rigorous assessment of the quality of executions received on orders sent to other members, ATSS, or exchanges) reviewed for compliance with NASD Conduct Rule 3010;
- Registration of trading area personnel reviewed for compliance with NASD Membership and Registration Rules 1021 and 1031;
- 51 orders for trade date February 17, 2005, which were eligible for OATS reporting, reviewed for compliance with NASD Marketplace Rule 6955;
- Firm's overall books and records reviewed for compliance with NASD Conduct Rule 3110 and SEC Rules 17a-3 and 17a-4; and
- 25 transactions for trade date February 17, 2005 reviewed for compliance with NASD Conduct Rules 2320 and 3110.