

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Mustapha Y. Aljaroudi,
CRD No. 3274506

Respondent.

Disciplinary Proceeding
No. 2005001185301

Hearing Officer -

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Respondent Mustapha Aljaroudi entered the securities industry in 1999 and was registered as a general securities representative of an NASD member from July 1999 through October 2005. Respondent Aljaroudi is not currently registered with an NASD member, though he remains subject to NASD's jurisdiction pursuant to Article V, Section 4 of the NASD By-Laws.

FACTS COMMON TO ALL CAUSES OF COMPLAINT

2. Over the course of several months during 2004, Respondent Aljaroudi engaged in a pattern of misconduct that included falsification of essential customer information on a new account opening form, an unauthorized sale of stock in that customer's account and conversion of the funds resulting from the unauthorized sale.
3. Specifically, on or about August 18, 2004, Respondent Aljaroudi filled out customer HW's Newbridge Securities Corporation ("Newbridge") new account opening form. Without HW's knowledge, authorization or consent, Respondent Aljaroudi listed his home address as the address of record for HW's account.

4. On or about November 4, 2004, Respondent Aljaroudi sold 500 shares of Peoplesoft ("PSFT") in HW's Newbridge account without HW's knowledge, authorization or consent.
5. On or about December 13, 2004, National Financial Securities, L.L.C. ("NFS") Newbridge's clearing firm, sent a check in the amount of \$2,300 to HW, but using Respondent Aljaroudi's home address since it was the address of record.
6. Respondent Aljaroudi received the check from NFS, endorsed HW's signature on the check without HW's knowledge, authorization or consent, and deposited the check into his personal bank account. Aljaroudi did not repay the funds to HW and is unable to account for the funds.

FOR A FIRST CAUSE OF COMPLAINT
Falsification of Firm Books and Records
NASD Conduct Rules 2110 and 3110, SEC Rules 17a-3 and 17a-4

7. Paragraphs one through six are realleged and incorporated herein by reference.
8. By listing his home address as HW's sole address of record for the account, Respondent Aljaroudi violated Newbridge's written supervisory procedures and caused the firm's books and records to be inaccurate.
9. Such conduct constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3110 and SEC Rules 17a-3 and 17a-4.

FOR A SECOND CAUSE OF COMPLAINT
Unauthorized Trade(s)
NASD Conduct Rules 2110 and IM 2310-2

10. Paragraphs one through six are realleged and incorporated herein by reference.
11. By selling 500 shares of PSFT in HW's Newbridge account without HW's knowledge, authorization or consent, Respondent Aljaroudi violated NASD Conduct Rules 2110 and IM 2310-2.

FOR A THIRD CAUSE OF COMPLAINT
Conversion
NASD Conduct Rules 2110 and 2330

12. Paragraphs one through six are realleged and incorporated herein by reference.
13. By receiving the check from NFS, endorsing HW's signature without HW's knowledge, authorization or consent, and depositing the check into his personal bank account without repaying HW or accounting for the funds, Aljaroudi converted HW's funds.
14. Such conduct constitutes separate and distinct violations of NASD Conduct Rules 2110 and 2330.

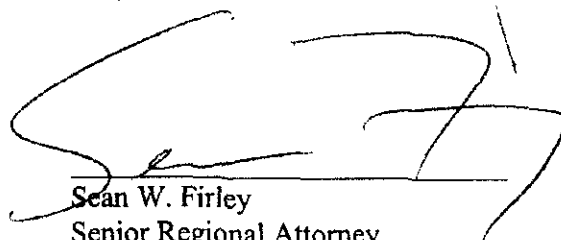
PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that the Respondent Aljaroudi committed the violations charged and alleged herein;
- B. An order imposing sanctions upon the Respondent in accordance with NASD Rule 8310.
- C. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330;
- D. An order requiring Respondent Aljaroudi to disgorge any ill-gotten gains and/or make full and complete restitution, together with interest; and
- E. An order imposing any other fitting sanction.

Dated: August 8, 2006

Respectfully submitted,


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