

NASD OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Mustapha Youseff Aljaroudi],

Respondent.

Disciplinary Proceeding
No. 2005001185301

Hearing Officer

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: November 8, 2006

INTRODUCTION

Disciplinary Proceeding No. 2005001185301 was filed on September 8, 2006, by the Department of Enforcement. Respondent Mustapha Youseff Aljaroudi submitted an Offer of Settlement ("Offer") to Complainant on October 18, 2006. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent Mustapha Youseff Aljaroudi (hereinafter "Respondent 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.

Respondent Aljaroudi has no disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

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. 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. 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. 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. 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.

Based on the foregoing, Respondent Aljaroudi violated NASD Conduct Rules 3110, 2310-2, 2330 and 2110 and SEC Rules 17a-3 and 17a-4.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

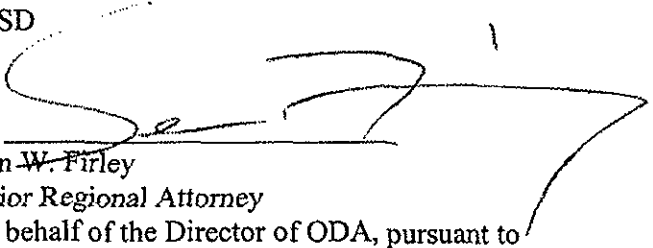
SANCTIONS

It is ordered that Respondent Aljaroudi be barred from association in any capacity with any NASD member.

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

SO ORDERED.

NASD

By: 

Sean W. Firley

Senior Regional Attorney

on behalf of the Director of ODA, pursuant to
delegated authority