

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
DEPARTMENT OF MARKET REGULATION

2005002170203

TO: Department of Market Regulation
NASD

RE: Dynamex Trading, LLC, Respondent
Broker/Dealer
CRD Number 127434

Pursuant to Rule 9216 of NASD Code of Procedure, Dynamex Trading, LLC ("MEXD") 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 MEXD alleging violations based on the same factual findings.

MEXD 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 MEXD; and
3. If accepted:
 - a. this AWC will become part of MEXD'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 MEXD's 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

20050017972 (incl. 20050021702) (m)

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- d. MEXD 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 MEXD's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

MEXD 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 relevant history are as follows:

MEXD has been member of NASD since December 2003, and the firm's registration remains in effect. MEXD is a wholly-owned subsidiary of Group One Trading, L.P. (CRD No. 37484). MEXD does not have any disciplinary history.

L.

WAIVER OF PROCEDURAL RIGHTS

MEXD 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 MEXD;
- 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, MEXD 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.

MEXD 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 20050017972, the staff of the Department of Market Regulation conducted a review of MEXD's compliance with NASD's trade reporting rules during the period January 1, 2005 through March 31, 2005.

In 20050021702, the staff conducted a Limit Order Protection Examination of MEXD for trade dates July 6 through 20, 2005. In connection with the examination, the Department of Market Regulation reviewed the following:

- 61 customer orders for the preparation and maintenance of books and records in accordance with NASD Rule 3110 and SEC Rules 17a-3 and 17a-4;
- 61 transactions reported to Nasdaq Market Center for compliance with NASD Trade Reporting and Nasdaq Market Center rules; and
- the firm's establishment and implementation of a supervisory system and written supervisory procedures for compliance with NASD Rule 3010.

- A. MEXD hereby accepts and consents, 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:

20050017972

1. MEXD failed, within 90 seconds after execution, to transmit through Nasdaq Market Center 354 last sale reports of transactions in eligible securities. These transactions constitute more than four percent of the transactions reviewed that MEXD was required to report to Nasdaq Market Center during the period January 1, 2005 through March 31, 2005.
2. The conduct described above in paragraph one constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Conduct Rule 2110.
3. MEXD failed, within 90 seconds after execution, to transmit through Nasdaq Market Center 14 last sale reports of transactions in eligible securities and failed to designate through Nasdaq Market Center such last sale reports as late.
4. MEXD incorrectly designated as "SLD" through Nasdaq Market Center 12 last sale reports of transactions in eligible securities reported to Nasdaq Market Center within 90 seconds of execution.

5. The conduct described in paragraphs three and four constitute separate and distinct violations of NASD Marketplace Rule 6420.

20050021702

6. MEXD failed to report to Nasdaq Market Center the correct symbol indicating whether MEXD executed 38 transactions in eligible securities in a principal or agency capacity.
7. MEXD 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 25 transactions in eligible securities.
8. The conduct described in paragraphs six and seven constitute separate and distinct violations of NASD Marketplace Rule 6130(d).
9. MEXD failed to report the time of execution through Nasdaq Market Center in 37 last sale reports of transactions in Consolidated Quotation System ("CQS") securities.
10. MEXD failed to report the correct time of execution through Nasdaq Market Center in 2 last sale reports of transactions in CQS securities.
11. MEXD failed, within 90 seconds after execution, to transmit through Nasdaq Market Center two last sale reports of transactions in CQS securities and failed to designate through Nasdaq Market Center such last sale reports as late.
12. The conduct described in paragraphs nine through eleven constitutes separate and distinct violations of NASD Marketplace Rule 6420.
13. MEXD failed to show the correct time of execution on the memorandum of 17 brokerage orders.
14. MEXD failed to show the time of execution on the memorandum of three brokerage orders.
15. MEXD failed to show the correct time of entry on the memorandum of 12 brokerage orders.
16. MEXD failed to show the correct price of execution on the memorandum of two brokerage orders.
17. The conduct described in paragraphs 13 through 16 constitutes separate and distinct violations of SEC Rule 17a-3 and NASD Conduct Rule 3110.

18. 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 Trade Reporting – ACT Compliance; Sales Transactions – Reporting accurate short sale indicators; and Books and Records. 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.

19. The conduct described in paragraph 18 constitutes a violation of NASD Conduct Rules 2110 and 3010.

B. MEXD also consents to the imposition, at a maximum, of the following sanctions:

A censure and a fine of \$22,500 (comprised of a \$5,000 fine for the late trade reporting violations identified in 20050017972 and a \$7,500 fine for the trade reporting violations, a \$5,000 fine for the books and records violations, and a \$5,000 fine for the supervisory procedures violations identified in 20050021702).

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

III.

OTHER MATTERS

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

Dynamex Trading, LLC certifies that a duly authorized officer has read and understood 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 MEXD to submit it.

Dynamex Trading, LLC

Date: 2/14/2006

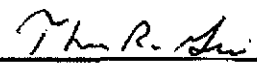
By: 
Name: AMANDA ROYANG
Title: CEO

Reviewed by:


Counsel for Respondent

Accepted by NASD:

3/22/06
Date


Thomas R. Gira
Executive Vice President & Deputy
Market Regulation

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

Attachments:
Standard Election of Payment Form