

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

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REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

Iqbal Ashraf (CRD No. 1158662),

Respondent.

Disciplinary Proceeding
No. 20070073727-01

Hearing Officer - LBB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: December 19, 2008

INTRODUCTION

Disciplinary Proceeding No. 20070073727-01 was filed on August 11, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant).

Respondent Iqbal Ashraf submitted an Offer of Settlement (Offer) to Complainant on December 17, 2008. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA 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 FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of

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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 FINRA.

BACKGROUND

On or about June 27, 1983, Respondent entered the securities industry as an associated person of a FINRA member. Respondent first became registered as a General Securities Representative in August 1983; a General Securities Principal in October 1994; a Limited Principal – Financial and Operations in April 1998; and a Limited Principal – Registered Options and Security Futures in December 1998.

From on or about January 16, 1997, through October 31, 2007, Respondent was associated with Ashraf Capital Corp. (ACC). At various times during his association with ACC, Respondent was registered in each of the above-listed capacities. Although Respondent is not currently associated with a member firm, he remains subject to FINRA's jurisdiction through October 30, 2009, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

Respondent has no relevant disciplinary history.

FINDINGS AND CONCLUSIONS

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

On or about January 5, 2007, Respondent executed an order to purchase 400,000 shares of CytRx Corporation (CYTR) in the account of customer JS, at JS's request. Because JS did not have sufficient funds in his account to pay for the entire trade, Respondent obtained from FINRA an extension pursuant to Regulation T §220.8(d). Despite the extension, JS's account was not sufficiently funded within the appropriate time period. Respondent and ACC therefore liquidated the unpaid portion of the CYTR transaction in the firm's error account, resulting in a profit to the firm of \$268,753.42.

JS subsequently called Respondent to complain that the firm had improperly kept the profits from his trade, and threatened to sue both Respondent and ACC. On or about February 5, 2007, Respondent paid JS \$218,254.95 to settle the aforementioned complaint. Respondent willfully failed to amend his Form U4 to reflect this settlement.

Based on the foregoing, Respondent willfully violated FINRA By-Laws, Article V, Section 2, NASD Rule 2110 and IM-1000-1.

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 FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be:

- (1) Suspended from associating with any FINRA member in any capacity for a period of six months; and
- (2) Fined in the amount of \$5,000.

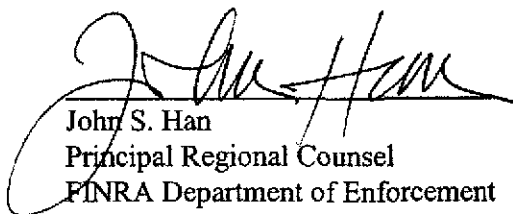
The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

SO ORDERED.

FINRA

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



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