

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100224760-01**

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Mahmood Hasan Usmani, Respondent
CRD No. 5727193

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Mahmood Hasan Usmani ("Usmani" or "Respondent"), submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA.

BACKGROUND

Usmani was an associated person of a FINRA member firm from October 5, 2009, to March 10, 2010. Usmani has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. From October 2009, to March 2010, Usmani was employed in the investment banking department at a FINRA member firm. Quixote Corporation ("QUIX"), an issuer whose securities were listed on the NASDAQ, was a client of the firm while Usmani was employed there. By October 2009, the firm was advising QUIX in its merger discussions with prospective buyers. By December 2009, the firm was advising QUIX specifically with respect to an offer by Trinity Industries, Inc. ("Trinity") to acquire all of the outstanding shares of the common stock of QUIX.

2. Prior to joining his employer member firm in October 2009, Usmani maintained two securities accounts at another member firm. Upon his association with his employer member firm, Usmani did not disclose the existence of these two accounts to his new employer firm and failed to disclose his association with a FINRA member firm to the member firm at which the accounts were held.
3. By December 2009, as a result of his position in the firm's investment banking department, Usmani learned of his employer's confidential discussions with QUIX, Trinity and the investment bank advising Trinity, and had obtained access to material, non-public information regarding the acquisition.
4. Usmani made the following transactions in QUIX securities while the material information regarding QUIX was still non-public:

Date	Purchase or Sale	Quantity	Price per Share
12/17/09	Purchase	2000 shares	\$2.0300
12/17/09	Purchase	4000 shares	\$2.0066
12/18/09	Purchase	2000 shares	\$2.0600
12/29/09	Sale	513 shares	\$2.8900
12/30/09	Sale	900 shares	\$2.9511
12/30/09	Sale	1587 shares	\$2.9500

Usmani realized a profit on the sales of \$2,770.22. These purchases and sales of QUIX were made in one of the accounts he opened before joining his employer firm.

5. On December 30, 2009, after the market closed, QUIX and Trinity publically announced that they had reached an agreement for Trinity to acquire QUIX through a tender offer for \$6.38 per share and a total transaction value of approximately \$61 million. On December 31, 2009, the price of QUIX stock increased nearly 116 percent, from \$2.95 to \$6.37.
6. On December 31, 2009, the next business day after Trinity's public announcement, Usmani sold his remaining 5,000 shares of QUIX, at \$6.34 per share, realizing a profit of \$21,516.45. In January 2010, Usmani transferred \$21,436.56 of the proceeds from his trades in QUIX into the second securities account which he had failed to disclose to his employer member firm. Usmani realized a total profit of \$24,286.67 on his purchases and sales of QUIX.

7. By purchasing the stock of QUIX while in knowing possession of material, non-public information, Usmani directly or indirectly, by use of means or instrumentalities of interstate commerce, intentionally or recklessly employed a device, scheme or artifice to defraud or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit in connection with the purchase or sale of a security, in willful violation of Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and in violation of FINRA Rules 2010 and 2020.
8. Prior to the public announcement of the tender offer for QUIX, and after a substantial step or steps to commence the tender offer had been taken, Usmani purchased securities of QUIX while in possession of material information relating to the tender offer, which information he knew or had reason to know was non-public and had been acquired directly or indirectly from a person acting on behalf of the offering person; the issuer of the securities sought or to be sought by the tender offer; or an officer, director, partner, employee, or other person acting on behalf of the offering person or such an issuer, in willful violation Section 14(e) of the Securities Exchange Act of 1934, and Rule 14e-3 thereunder, and in violation of FINRA Rules 2010 and 2020.
9. Usmani failed to notify his employer firm, in writing, of the existence of his two personal securities accounts, in which he had a financial interest, that he maintained at another FINRA member firm, and he failed to notify the other member firm, in writing, of his association with his member firm beginning in October 2009, in violation of FINRA Rule 2010 and NASD Rule 3050(c).
10. Usmani failed to provide responsive information to FINRA, which had been requested in accordance with FINRA Rule 8210. Specifically, Usmani failed to provide copies of his personal emails, telephone records and other documents related to his trading in QUIX, which was requested in writing on March 22, 2010, and May 3, 2010. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rules 8210 and 2010.

B. I also consent to the imposition of the following sanctions:

A bar in all capacities, and disgorgement of unlawful profits of \$24,286.67.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the monetary sanction imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that this settlement includes a finding that I willfully violated Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 thereunder. Pursuant to Article III, Section 4 of FINRA's By-Laws, this makes me subject to a statutory disqualification with respect to association with a member.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rules 8310 and 8311.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- 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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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.

III.**OTHER MATTERS**

I understand that:

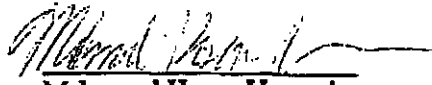
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I 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 finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

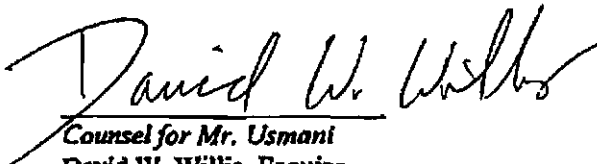
Respondent

10/26/10

Date


Mahmood Hasan Usmani

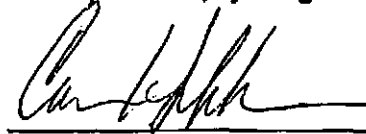
Reviewed by:


Counsel for Mr. Usmani
David W. Willis, Esquire
The Willis Law Firm
8 S. Third Street
Memphis, TN 38103
Accepted by FINRA:

10/26/10

Date

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


Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection
and Market Intelligence