

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Jygnesh R. Patel
CRD No. 2387765

Respondent.

Disciplinary Proceeding
No. C0705000303

Hearing Officer: SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

INTRODUCTION

Disciplinary Proceeding No. C07050003 was filed on January 12, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent Patel submitted an Offer of Settlement ("Offer") to Complainant on July 9, 2005. 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 for the purpose of this proceeding and any other proceeding in which NASD is a party, without admitting or denying the allegations of the Complaint, to the entry of findings of facts 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 Patel first became registered, as a general securities representative, with an NASD member in August 1993. Patel became registered as a general securities representative, a general

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securities principal, an options principal and an equity trader with NASD member TradeRight Securities in April 2001. During the time period encompassed by the complaint, Patel was TradeRight's owner, president, executive representative and compliance officer, among other things. Patel is not currently registered with an NASD member and has no prior disciplinary history.

FINDINGS AND CONCLUSIONS

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

- As Alleged in the First Cause of Complaint, Respondent Patel, with scienter: (1) misrepresented to customer AF that a securities account would be opened for AF at TradeRight Securities into which \$50,000 of AF's investment funds would be deposited and carried, and that AF's investment would be protected by TradeRight's fidelity bond and other insurance; and (2) created and sent to AF a purported TradeRight account statement falsely showing that AF's funds had been deposited into an account in his name at TradeRight in violation of Securities Exchange Act Section 10(b), Rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120.
- As Alleged in the First Cause of Complaint, Respondent Patel failed to open a TradeRight securities account for customer AF and deposit AF's funds in said account, in violation of NASD Conduct Rules 2110 and 2330(a).
- As alleged in the Second Cause of Complaint, Respondent Patel failure to respond to NASD staff request for information made pursuant to NASD Procedural Rule 8210, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.

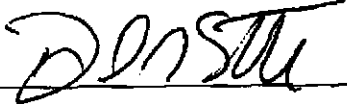
Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD of its regulatory responsibility under the Securities Exchange Act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

SANCTIONS

It is ordered that Respondent Patel be barred from association with any NASD member in all capacities. The bar shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: 

Daniel J. Stefek, Director
on behalf of the Director of ODA,
pursuant to delegated authority

July 18, 2005