

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NOC10050010

TO: Department of Enforcement
NASD

RE: Asad Farraj (CRD No. 2570810)
Respondent

Pursuant to Rule 9216 of NASD Code of Procedure, Asad Farraj ("Farraj" or "Respondent"), 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 Respondent alleging violations based on the same factual findings.

Respondent 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 Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), 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 Respondent; and
3. If accepted:
 - a. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against Respondent;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondent'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
 - d. Respondent 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 Respondent's testimonial obligations or right to take legal or factual

positions in litigation or other legal proceedings in which NASD is not a party.

Respondent also understands that his 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 history are as follows:

From May 1994 to April 1997, Respondent was associated with several NASD member firms. From October 1997 to March 1998, Respondent was associated with NASD member firm Duke & Co., Inc. (BD No. 8035) ("Duke").

From September 1999 to May 2001, Respondent was associated with NASD member firm Global Capital Markets, LLC (BD 16191) (September 1999 to January 2001) and Global Capital Securities Corporation (BD 16184) (January 2001 to May 2001) (collectively, "Global").

Respondent first became registered with NASD as a General Securities Representative (GSR) on March 12, 2002, through an association with NASD member firm Continental Broker Dealer Corp. (BD No. 14048) ("Continental") where he was employed from January 2002 to January 2004.

From January 2004 through July 2004, Respondent was registered as a GSR through associations with several NASD member firms.

Respondent is currently registered with NASD as a GSR through an association with an NASD member firm.

Respondent does not have any prior disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondent 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 Respondent;
- 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, Respondent 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.

Respondent 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

- A. Respondent hereby accepts and consents, without admitting or denying the allegations or 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:

1. From October 1997 through March 1998, Respondent was associated with NASD member firm Duke. In connection with his employment with Duke, Respondent executed a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") on or about October 21, 1997.

On the Duke Form U-4, Respondent failed to disclose the material fact that he was charged with Possession of Controlled Dangerous Substance (CDS) in the State of New Jersey on or about July 7, 1997, a felony for purposes of the Form U-4 (the "July 1997 Felony Charge").

Based on the foregoing, Respondent acted in contravention of Article V, Section 2 of NASD's By-Laws and violated NASD IM-1000-1 and NASD Conduct Rule 2110.

2. From September 1999 through May 2001, Respondent was associated with NASD member firm Global. In connection with his employment with Global, he executed a Form U-4 on December 3, 1999 that was submitted to NASD on his behalf by Global on or about December 3, 1999.

On the Global Form U-4, Respondent failed to disclose the July 1997 Felony Charge, a material fact.

Based on the foregoing, Respondent acted in contravention of Article V, Section 2 of NASD's By-Laws and violated NASD IM-1000-1 and NASD Conduct Rule 2110.

3. From January 2002 through February 2004, Respondent was registered as a GSR through an association with NASD member firm Continental. In connection with his employment with Continental, Respondent executed a Form U-4 on January 3, 2002 that was submitted to NASD on his behalf by Continental on or about January 31, 2002.

Respondent failed to timely disclose the July 1997 Felony Charge, a material fact, on his Continental Form U-4. Respondent did not amend his Continental Form U-4 to disclose the July 1997 Felony Charge until February 25, 2002.

Based on the foregoing, Respondent acted in contravention of Article V, Section 2 of NASD's By-Laws and violated NASD IM-1000-1 and NASD Conduct Rule 2110.

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

- A fine of \$7,500.00; and
- A suspension from associating with any member firm in any and all capacities for a period of forty-five (45) calendar days;

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

III.

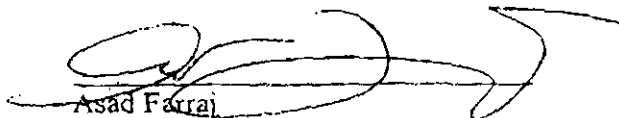
OTHER MATTERS

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

- D. Respondent understands that if he is barred or suspended from associating with any NASD member, he becomes 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, he may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1).

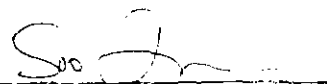
Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce Respondent to submit it.

3.14.05
Date


Asad Farraj

Accepted by NASD:

3/29/05
Date


Soo H. Im
Regional Attorney
District 10 - Department of Enforcement
Signed on behalf of the Director of ODA, by
delegated authority