

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
DEPARTMENT OF MARKET REGULATION
CLG050032

RECEIVED**2005 FEB -9 P 1:14****NASD REGULATION, INC.**
MARKET REGULATION

TO: Department of Market Regulation
NASD

RE: Deutsche Bank Securities, Inc., Respondent
Broker/Dealer
CRD Number 2525

Pursuant to Rule 9216 of NASD Code of Procedure, Deutsche Bank Securities, Inc. ("DBAB") 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 DBAB alleging violations based on the same factual findings.

DBAB 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 DBAB; and
3. If accepted:
 - a. this AWC will become part of DBAB'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 DBAB'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. DBAB 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 DBAB's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

DBAB 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:

DBAB and its predecessors have been members of NASD since March 1940, and the firm's registration remains in effect. DBAB does not have any relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

DBAB 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 DBAB;
- 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, DBAB 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.

DBAB 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 connection with Market Regulation Review No. MRD200445211, the Department of Market Regulation staff ("staff") reviewed DBAB's compliance with NASD Conduct Rule 2320 from October 1, 2003 through December 31, 2003 ("the review period").

- A. DBAB 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. In 73 transactions for or with a customer, DBAB failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions, as reflected on Exhibit A, which is attached hereto and incorporated herein by reference.
 2. The conduct described in paragraph one constitutes separate and distant violations of NASD Conduct Rules 2110 and 2320.
- B. DBAB also consents to the imposition, at a maximum, of the following sanctions:

A censure, a fine of \$15,000, and restitution to the parties listed on Exhibit A hereto in the total amount of \$323.87, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this Letter of Acceptance, Waiver and Consent is accepted by the National Adjudicatory Council. A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850 no later than 120 days after acceptance of this Letter of Acceptance, Waiver and Consent. If for any reason, Respondent cannot locate any party after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the party last resided.

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

III.

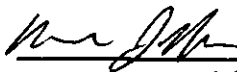
OTHER MATTERS

- A. DBAB 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. DBAB 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. DBAB specifically and voluntarily waives any right to claim that DBAB is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

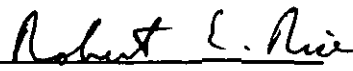
Deutsche Bank Securities, Inc. certifies that a duly authorized officer has read and understood all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce DBAB to submit it.

Deutsche Bank Securities, Inc.

Date: 2.7.05

By: 
Name: MARC J. PFEFFER
Title: PRESIDENT

Reviewed by:


Counsel for Respondent

Accepted by NASD:

3/22/05
Date


Thomas R. Gira
Senior Vice President
Market Regulation

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

Attachments:
Standard Election of Payment Form

MRD200445211

Deutsche Bank Securities, Inc. ("DBAB")
Market Order Timeliness Review

Exhibit A

Order Information								Trade Information												
Item	Trade Date	Symbol	Order to Day/Sec	Quantity	Time Received	Inside Bid At Receipt	Inside Ask At Receipt	Order ID	MPID	Capacity	Trade to B/S/X	Executed Quantity	Execution Price	Report Time	Execution Time	Inside Bid At Execution	Inside Ask At Execution	Control Firm	MP BSeq	Restoration Fee
1	10/7/2003	INTC	B	200	14:22:32	29.31	29.34		DEAR	P	B	200	29.26	9:33:42	9:35:42	29.26	29.27		GEN4000	
2	10/7/2003	YHOO	B	100	14:29:52	39.34	39.38		DEAB	P	S	100	39.43	9:32:18	9:32:19	39.41	39.44		DNK5169	
3	10/8/2003	AMGN	B	115	14:22:30	65.22	66.37		DRAR	P	S	115	65.29	14:24:41	14:24:41	65.26	65.29		KPK2845	
4	10/8/2003	AMZN	B	230	14:22:10	55.39	55.4		DRAB	P	S	230	55.4	14:27:46	14:27:46	55.35	55.4		KPK2146	
5	10/8/2003	DRIV	S	375	9:45:46	32.94	32.95		DDAD	P	B	374	32.94	9:58:27	9:58:27	32.92	32.93		PEOC	515.00
6	10/8/2003	EXPD	S	250	9:56:58	36.02	36.06		DEAB	P	B	250	35.78	9:58:26	9:58:26	35.79	35.84		COQ14	
7	10/8/2003	ORCL	B	100	11:19:45	12.57	12.57		DDAD	P	B	100	12.57	11:22:14	11:22:14	12.57	12.57		DNK6668	
8	10/8/2003	YHOO	B	200	9:34:01	38.73	38.81		DRAB	P	S	200	38.89	9:38:53	9:38:53	38.85	38.89		DNK6174	
9	10/9/2003	EBAY	S	115	12:17:53	61.13	61.16		DRAR	P	B	115	61.11	12:28:48	12:28:48	61.09	61.12		KPK3628	
10A	10/9/2003	MRVL	S	400	12:46:34	43.49	43.53		DDAD	R	B	400	43.49	12:55:27	12:55:27	43.49	43.51		SAR172	
10B	10/9/2003	MRVL	S	400	12:46:34	43.49	43.53		DDAD	R	B	400	43.49	12:55:28	12:55:27	43.49	43.51		SAR172	
11	10/9/2003	MSFT	S	105	12:17:59	29.26	29.27		DRAB	P	B	105	29.23	12:21:01	12:21:01	29.23	29.24		KPK3055	
12A	10/9/2003	OCOM	B	1000	10:58:31	43.9	43.91		DEAB	R	S	788	44.08	10:48:51	10:48:51	44.06	44.08		DNK6356	5147.99
12B	10/9/2003	OCOM	B	1000	10:58:31	43.9	43.91		DEAB	R	S	200	44.08	10:48:51	10:48:51	44.06	44.08		DNK6356	
12	10/10/2003	DELL	B	300	9:36:55	32.16	32.16		DDAD	P	S	300	32.36	9:58:25	9:58:25	32.36	32.39		DNK7641	
14	10/10/2003	INTC	B	300	11:53:08	30.34	30.36		DEAB	P	S	300	30.39	12:02:53	12:02:53	30.38	30.39		DNK6488	
15A	10/10/2003	PLUG	S	1000	9:50:55	6.55	6.67		DRAR	R	B	200	6.5	9:52:14	9:52:14	6.5	6.6		DNK6142	
15B	10/10/2003	PLUG	S	1000	9:50:55	6.55	6.67		DRAR	R	B	100	6.5	9:52:15	9:52:15	6.5	6.6		DNK6142	
15C	10/10/2003	PLUG	S	1000	9:50:55	6.55	6.67		DEAB	R	B	100	6.45	9:52:16	9:52:16	6.45	6.6		DNK6142	
15D	10/10/2003	PLUG	S	1000	9:50:55	6.55	6.67		DEAB	R	B	600	6.45	9:52:16	9:52:16	6.45	6.6		DNK6142	
16	10/13/2003	ORCL	S	240	9:39:33	12.41	12.42		DDAD	P	B	240	12.41	9:35:17	9:35:17	12.4	12.41		DNK5645	
17	10/13/2003	AT&T	B	100	9:40:01	12.11	12.21		DRAR	P	S	100	12.28	9:34:53	9:34:53	12.27	12.28		DNK5786	
18	10/13/2003	DEAS	S	264	10:01:34	12.76	12.79		DDAD	P	B	264	12.78	10:04:28	10:04:28	12.75	12.76		DNK71	
19	10/13/2003	NXTJ	S	130	6:35:38	9.15	9.21		DEAB	P	B	130	9.1	9:22:17	9:22:17	9.1	9.16		DNK5818	
20	10/14/2003	INGR	R	287	13:18:14	23.68	23.7		DEAB	P	S	287	23.7	13:25:42	13:25:42	23.68	23.7		KPK1890	
21	10/17/2003	CSCO	R	184	12:56:37	20.76	20.77		DEAB	P	S	184	20.77	12:52:22	12:52:22	20.76	20.77		KPK4130	
22A	10/17/2003	UTSI	S	500	10:46:35	34.64	34.65		DEAB	R	B	100	34.57	10:51:17	10:51:17	34.57	34.6		PDX104	
22B	10/17/2003	UTSI	S	500	10:46:35	34.64	34.65		DEAB	R	B	100	34.57	10:51:18	10:51:18	34.57	34.6		PDX104	
22C	10/17/2003	UTSI	S	500	10:46:35	34.64	34.65		DEAB	R	B	300	34.55	10:51:18	10:51:18	34.55	34.6		PDX104	
23	10/17/2003	XLNX	S	110	12:37:41	29.1	29.12		DEAB	P	B	110	29.04	12:50:00	12:50:00	29.04	29.06		KPK4236	
24	10/21/2003	INTC	B	812	12:47:52	10.75	10.77		DDAD	P	S	812	10.77	12:47:24	12:47:25	10.75	10.77		DNK4415	
25	10/21/2003	INTC	B	345	14:27:59	32.13	32.14		DEAB	P	S	345	32.15	14:30:53	14:30:53	32.14	32.15		KPK4337	516.95
26	10/21/2003	XLNX	R	510	14:27:40	30.03	30.05		DEAB	P	S	510	30.03	14:30:50	14:30:50	30.03	30.06		KPK4355	
27	10/27/2003	ICUI	S	202	10:28:25	30.75	31.04		DRAR	P	B	202	30.74	10:30:41	10:30:42	30.74	30.84		KPK5074	
28	10/28/2003	MSFT	S	540	9:46:35	19.96	20.03		DEAB	P	B	540	19.94	9:52:29	9:52:29	19.94	19.95		DNK5780	
29	10/28/2003	JCTA	B	1000	9:40:48	3.75	3.76		DEAB	P	S	1000	3.81	9:38:29	9:38:29	3.8	3.81		DNK5450	
30	10/28/2003	UTSI	R	119	9:06:14	32.38	32.49		DEAB	R	S	119	32.3	9:33:33	9:33:37	32.45	32.5		LUC5005	
31	10/29/2003	RHAT	B	410	9:02:08	13.82	13.91		DRAR	P	S	410	13.95	9:32:30	9:32:30	13.92	13.95		DNK5561	
32	10/29/2003	RYCE	B	200	9:37:08	60.43	60.5		DRAB	P	S	200	60.54	9:35:11	9:35:11	60.51	60.54		DNK5242	515.00
33	11/4/2003	CPGS	B	340	9:38:28	11.5	11.56		DEAB	P	S	340	11.7	9:41:21	9:41:21	11.69	11.7		DNK5739	
34	11/4/2003	IDBU	S	1000	9:19:08	3.59	3.61		DEAB	P	B	1000	3.59	9:39:20	9:39:20	3.56	3.57		DNK5684	510.00
35	11/4/2003	ORCL	D	500	9:45:48	12.07	12.08		DRAB	P	S	340	12.06	9:31:01	9:31:01	12.07	12.08		DNK5014	
36	11/8/2003	IDBE	S	500	11:03:37	11.88	11.9		DRAB	P	R	500	11.83	11:07:03	11:07:03	11.84	11.86		DNK6319	
37	11/8/2003	QWVVO	S	1000	9:45:07	13.35	13.37		DDAD	P	B	1000	13.34	9:47:39	9:47:39	13.34	13.36		DNK5998	
38	11/8/2003	MSFT	B	1000	10:51:01	26.07	26.08		DDAD	P	S	1000	26.12	10:36:09	10:36:09	26.11	26.12		DNK6174	
39	11/7/2003	AMGN	D	250	15:40:03	60.05	60.07		DRAB	P	S	250	60.13	15:43:06	15:43:06	60.11	60.13		NYC2906	
40	11/7/2003	ASTT	S	131	11:58:06	17.34	17.36		DRAB	P	B	131	17.34	11:59:13	11:59:13	17.34	17.35		DNK6430	
41A	11/7/2003	BBBY	S	1000	14:28:48	42.34	42.36		DRAB	R	B	100	42.29	14:30:49	14:30:49	42.28	42.3		NYC5415	
41B	11/7/2003	BBBY	S	1000	14:28:48	42.34	42.36		DRAB	R	B	200	42.29	14:30:49	14:30:49	42.28	42.3		NYC5415	
41C	11/7/2003	BBBY	S	1000	14:28:48	42.34	42.36		DRAB	R	B	100	42.29	14:31:20	14:31:20	42.28	42.31		NYC5415	
41D	11/7/2003	BBBY	S	7000	14:28:48	42.34	42.36		DRAR	R	B	500	42.28	14:31:40	14:31:40	42.28	42.33		NYC5415	
42	11/7/2003	DELL	R	300	10:37:22	36.45	36.47		DEAB	P	S	500	36.47	10:40:24	10:40:24	36.46	36.49		NYC3833	
43	11/7/2003	QNTA	B	220	9:28:37	9.71	9.78		DEAB	P	S	350	9.82	9:41:22	9:41:22	9.75	9.84		DNK6294	
44	11/7/2003	PAYX	B	400	15:19:31	39.95	39.95		DEAB	P	S	400	39.93	15:21:09	15:21:09	39.94	39.93		NYC2641	
45	11/8/2003	RYCE	B	250	9:39:32	36.09	36.11		DRAR	P	S	250	36.14	9:36:17	9:36:17	36.12	36.16		DNK6427	
46	11/11/2003	CNRC	S	102	10:46:00	1.73	1.75		DRAR	P	R	102	1.72	10:56:56	10:56:56	1.72	1.75		DNK6298	
47	11/11/2003	RHAT	S	869	10:48:27	13.14	13.2		DRAB	P	B	869	13.07	10:51:33	10:51:33	13.07	13.08		DNK6306	
48	11/12/2003	HDWR	B	230	9:36:25	18.9	18.9		DDAD	P	S	230	18.83	9:37:22	9:37:22	18.82	18.7		DNK6415	

MRD200445211

Deutsche Bank Securities, Inc. ("DBAB")
Market Order Timeliness Review

Exhibit A

Order Information								Trade Information												
Item	Trade Date	Time	Order to Buy/Sell	Quantity	Time Received	Inside Bid At Receipt	Inside Ask At Receipt	Order ID	MFID	Capacity	Trade to B/S/X	Executed Quantity	Execution Price	Report Time	Execution Time	Inside Bid At Execution	Inside Ask At Execution	Contra Firm	MT BSeg	Residual Due
49	11/13/2003	EMAT	S	300	10:57:42	13.46	13.47		DBAB	P	R	300	13.45	11:02:10	11:02:18	13.45	13.46		INB6634	
50	11/13/2003	ERIC	B	500	11:05:14	16.7	16.72		DBAB	P	S	300	16.74	11:07:20	11:07:28	16.73	16.74		INB6628	
51	11/13/2003	FWCV	S	300	10:28:28	4.09	4.1		DBAB	P	D	300	4.09	10:30:30	10:30:30	4.08	4.09		GEN3023	
52	11/14/2003	ERTS	S	100	9:57:43	100.25	100.4		DBAB	P	B	100	100.25	9:54:26	9:54:26	100.23	100.32		INB4180	
53	11/14/2003	FLUC	B	1000	9:49:12	5.3	5.33		DBAB	P	S	1000	5.35	9:54:29	9:54:29	5.32	5.33		INB6053	
54	11/17/2003	GSIN	S	127	9:57:20	6.2	6.21		DBAB	P	R	127	6.11	9:57:30	9:57:38	6.11	6.13		INB5752	
55	11/17/2003	INTC	B	233	9:17:59	22.38	22.41		DBAB	P	D	233	22.37	9:27:35	9:27:35	22.37	22.38		LUC3030	
56	11/17/2003	INTC	B	500	11:50:19	32.18	32.19		DBAB	P	B	500	32.18	11:51:14	11:50:38	32.13	32.14		GEN3038	
57	11/17/2003	INTC	B	150	11:45:06	31.79	31.81		DBAB	P	B	150	31.78	11:49:18	11:49:18	31.77	31.78		PAR3016	
58	11/19/2003	MSFT	B	395	12:18:39	25.33	25.34		DBAB	P	S	395	25.34	12:21:25	12:21:28	25.31	25.36		INB7742	
59	11/19/2003	SUNW	S	442	9:58:17	4.17	4.18		DBAB	P	B	442	4.16	9:57:09	9:57:09	4.16	4.17		INB6752	
60	11/20/2003	YHOO	S	320	9:43:15	39.19	39.2		DBAB	P	R	320	39.15	9:57:26	9:57:26	39.1	39.46		INB6085	
61	11/21/2003	CORV	S	200	9:14:29	1.37	1.38		DBAB	P	D	200	1.37	9:43:56	9:43:56	1.37	1.38		INB5993	
62	11/28/2003	MYTL	B	100	9:57:43	25.3	25.31		DBAB	P	S	100	25.34	9:58:10	9:58:23	25.33	25.34		INB5871	
63	12/1/2003	ANBA	B	894	9:59:15	3.14	3.2		DBAB	P	S	894	3.22	9:54:30	9:54:30	3.21	3.23		INB7322	
64	12/1/2003	ISRI	B	200	9:57:41	18.5	18.7		DBAB	P	S	200	18.7	9:57:15	9:57:15	18.74	18.85		INB7170	
65	12/1/2003	ORCL	B	940	9:34:26	12.17	12.18		DBAB	P	S	940	12.26	9:34:14	9:34:14	12.25	12.26		KPK2490	
66	12/5/2003	PLRX	B	100	9:38:39	14.88	14.91		DBAB	P	S	100	14.97	9:32:18	9:32:18	14.97	15		INB5448	
67	12/9/2003	AAPL	S	100	9:35:03	29.75	29.76		DBAB	P	B	100	29.74	9:35:41	9:35:41	29.76	29.78		INB6012	\$14.42
68	12/11/2003	PDLI	S	600	15:21:35	16.4	16.42		DBAB	P	D	600	16.4	15:29:50	15:29:50	16.39	16.41		INB6437	
69	12/13/2003	ORCL	B	1000	3:02:40	12.88	12.89	DBAB	P	B	1000	12.86	9:32:47	9:32:47	12.86	12.87		COOJ		
70	12/15/2003	ASML	S	1000	14:42:41	18.89	18.91	DBAB	P	R	1000	18.86	14:46:40	14:46:40	18.84	18.87		FEQ5	\$60.00	
71	12/15/2003	ADBE	S	894	9:57:11	28.86	28.88	DBAB	P	R	894	28.11	9:58:08	9:58:08	28.09	28.15		INB6179	\$54.70	
72	12/16/2003	NEAS	S	150	11:51:52	12.05	12.06	DBAB	P	B	150	12.05	11:54:10	11:54:10	12.05	12.06		SFR45		
73A	12/17/2003	PGC	B	500	12:09:48	37.7	37.74	DBAB	R	B	200	37.73	12:14:04	12:14:04	37.74	37.76		PAR3817		
73B	12/17/2003	PGC	B	500	12:09:48	37.7	37.74	DBAB	R	B	100	37.73	12:14:04	12:14:04	37.74	37.76		PAR3817		

Total Residual Due From DBAB

\$328.97