

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. EL1205000401

TO: Department of Enforcement
NASD

RE: Commerce One Financial Inc.
BD No. 100340
900 Ellison Avenue
Suite 116
Westbury, New York 11590

RECEIVED

JUN 17 2006

NASD
DISTRICT 9-NEW JERSEY

Pursuant to Rule 9216 of NASD Code of Procedure, Commerce One Financial Inc. ("Commerce One") 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 us alleging violations based on the same factual findings.

We understand 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 us; and
3. If accepted:
 - a. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against us;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about our 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. We 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. Nothing in this provision affects our testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

We also understand that our 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:

Commerce One has been an NASD member since 1999. The firm conducts a general securities business and employs approximately 18 registered individuals. Commerce One has no prior relevant formal NASD disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

We specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against us;
- 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, we 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.

We further specifically and voluntarily waive 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. We 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 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:

- **At various times from 2000 through 2003, the firm failed to timely file fourteen (14) Uniform Termination Notices for Securities Industry Registration ("Form U5"). As a result of such conduct, the firm acted in contravention of Article V of NASD's By-Laws and thus committed separate and distinct violations of NASD Conduct Rule 2110;**
- **At various time periods from June 2000 through January 2005, the firm failed to report to NASD, in a timely manner, statistical and summary information relating to 8 customer complaint received by the firm. As a result of such conduct, the firm violated NASD Conduct Rules 3070(c) and 2110; and**
- **A review of 87 equity transactions executed by the firm between January 2004 and November 2004 revealed the following deficiencies:**
 - **12 (13.8%) order tickets did not reflect the time of order entry;**
 - **2 (2.3%) order tickets were not maintained by the firm; and**
 - **1 (1.1%) order ticket did not reflect the time of order execution.**

As a result of such conduct, the firm violated Section 17(a) of the Securities Exchange Act of 1934, Rules 17a-3 and 17a-4 thereunder, and NASD Conduct Rules 3110 and 2110.

B. Commerce One also consents to the imposition, at a maximum, of the following sanctions:

A censure and a \$19,250 fine.

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

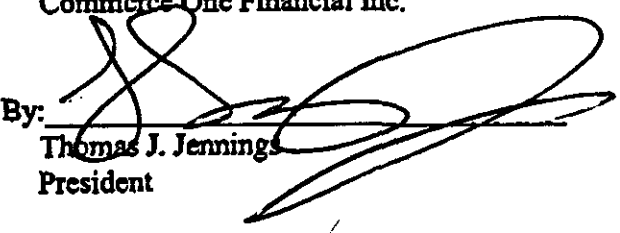
**III.
OTHER MATTERS**

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

We certify that we have read and understand all of the provisions of this AWC and have 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 us to submit it.

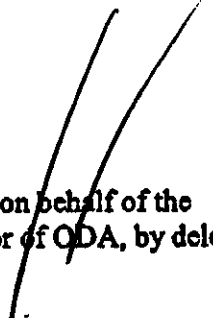
6/14/06
Date

Commerce One Financial Inc.

By: 
Thomas J. Jennings
President

Accepted by NASD:
1/10/06
Date

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



David B. Klafter
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NASD District Director

Hans Reich

NASD, District 10

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