

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Rel. No. 54975 / December 20, 2006

Admin. Proc. File No. 3-12245

In the Matter of the Application of

RAGHAVAN SATHIANATHAN  
c/o S.T. Allen & Co.  
336 Bloomfield Avenue  
Montclair, NJ 07042

For Review of Action Taken by

NASD

ORDER DENYING MOTION TO ACCEPT "AS IS" THE SECOND AMENDED BRIEF IN  
SUPPORT OF MOTION TO RECONSIDER

On December 4, 2006, Applicant Raghavan Sathianathan filed a document entitled "Notice of Motion and Motion to Accept 'As Is' the Second Amended Brief in Support of Motion to Reconsider" and a Second Amended Brief which was fifty-four pages in length and which Sathianathan certified contained less than a total of 10,600 words. Applicant's December 4, 2006 request is denied for the reasons stated below.

On November 8, 2006, the Commission issued an opinion finding that Raghavan Sathianathan, formerly associated with Salomon Smith Barney Inc. and Morgan Stanley DW Inc., NASD member firms, violated NASD Rules (the "November 8, 2006 Opinion"). <sup>1/</sup> Specifically, the Commission found that Sathianathan made unsuitable recommendations to two customers in violation of NASD Conduct Rules 2310 and 2110, and exercised discretion in the account of one of those customers without the customer's written authorization in violation of NASD Conduct Rules 2510(b) and 2110. The Commission found that the sanctions imposed by NASD, barring Sathianathan from associating with any member firm in any capacity, were not excessive or oppressive. Pursuant to Commission Rule of Practice 470, a motion for reconsideration must be filed within ten days after service of the order complained of, or within

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<sup>1/</sup> Raghavan Sathianathan, Securities Exchange Act Rel. No. 54722 (Nov. 8, 2006), \_\_ SEC Docket \_\_\_\_.

such time as the Commission may prescribe upon motion for extension of time filed by the person seeking reconsideration, if the motion is made within the foregoing ten-day period. 2/

On November 20, 2006, Sathianathan filed an illegible facsimile copy of a motion to reconsider the November 8, 2006 Opinion that was filed within the ten-day period required for such motions (the "First Motion to Reconsider"). The Secretary's Office did not accept the First Motion to Reconsider for filing due to its illegibility. Sathianathan informed the Secretary's Office that he was unable to file a legible motion within the applicable ten-day period, and the Secretary's Office provided him additional time to file a legible copy of the motion.

On November 22, 2006, Sathianathan filed a legible Motion to Reconsider (the "Second Motion to Reconsider"). Along with the Second Motion to Reconsider, Sathianathan filed a certification referencing the Commission's 14,000-word limit for opening briefs 3/ and stating that his brief contained fewer than 14,000 words. However, Sathianathan's submission was a Motion for Reconsideration and not an opening brief. The Commission's Rule of Practice 470, which governs reconsideration, states that a "motion for reconsideration shall conform to the requirements, including the limitation on the number of words, provided in Rule 154." On November 29, 2006, the Secretary's Office informed Sathianathan that it would not accept the Second Motion to Reconsider because the document exceeded the length limitation under Rule 154(c). 4/ The Secretary directed Sathianathan to file a certification stating the number of words in the Second Motion to Reconsider, which pursuant to Rule 154 cannot exceed 7,000, or to submit a modified motion to reconsider conforming to the length limitations in Rule 154 by December 4, 2006. Sathianathan was informed that no further extensions would be granted.

On December 4, 2006, Sathianathan filed a document entitled "Notice of Motion and Motion to Accept 'As Is' the Second Amended Brief in Support of Motion to Reconsider" and a Second Amended Brief which was fifty-four pages (the "Third Motion to Reconsider"). The Third Motion to Reconsider was accompanied by a certification as to the number of words in the document that stated that it contained: "(1) less than 5,100 words in Part A (which is the whistleblower portion of this brief); and (2) less than 5,500 words in Part B (which is the portion of this brief which address factual errors made in the SEC's opinion)." The certification also stated that the Third Motion to Reconsider had been divided into two parts, each under than the 7,000-word limit, so that the Commission "can consider only one of the two parts, if that is the SEC's preference." The certification did not specify which of the two parts the Commission should consider.

On three separate occasions, Sathianathan was afforded the opportunity to submit a motion for reconsideration that complied with the Commission's Rules of Practice, and he failed

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2/ 17 C.F.R. § 201.470.

3/ See Commission Rule of Practice 450(c), 17 C.F.R. § 201.450(c).

4/ 17 C.F.R. § 201.154(c).

to do so. Although Sathianathan's Second and Third Motions to Reconsider were filed outside the ten-day period provided by Rule 470, the Secretary's Office informed Sathianathan that it would accept his motion if he modified the document to conform with the Commission's Rules of Practice with respect to legibility and length. In his Third Motion to Reconsider, Sathianathan acknowledges that his submission fails to comply with the Commission's Rules of Practice, and attempts to circumvent those Rules by dividing the Third Motion to Reconsider into two portions, each of which complies with the length limitations in Rule 154, and then asking the Commission to choose one of the two parts for consideration, "if that is the SEC's preference." Such a procedure is not contemplated by the Commission's Rules of Practice. The ten-day time limit to file a motion for reconsideration has expired, and no further filings will be accepted.

Accordingly, IT IS ORDERED that Sathianathan's "Motion to Accept 'As Is' the Second Amended Brief in Support of the Motion to Reconsider" be, and it hereby is, denied.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary