

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 65323 / September 12, 2011

In the Matter of the Application of the	:	
	:	
Financial Industry Regulatory Authority, Inc.	:	
	:	
For an Order Granting the Approval of	:	ORDER APPROVING
	:	APPLICATION FOR
Miles A. Bahl	:	RELIEF FROM A
	:	STATUTORY
As a	:	DISQUALIFICATION
	:	
General Securities Representative	:	
	:	
With	:	
	:	
du Pasquier & Company, Inc.	:	
	:	
Securities Exchange Act of 1934	:	
Section 15A(g)(2)	:	
	:	

The Financial Industry Regulatory Authority, Inc.¹ (“FINRA”) has filed a notice containing an application (“Application”) with the Division of Trading and Markets (“Division”), pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 (“Exchange Act”), on behalf of du Pasquier & Company, Inc. (“du Pasquier” or “Firm”), seeking Commission consent for Miles A. Bahl, a person subject to a statutory disqualification, to associate with du Pasquier, subject to the terms and conditions set forth in the Application. Mr. Bahl is currently associated with du Pasquier as a general securities representative, subject to heightened supervision.

¹ On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD’s Certificate of Incorporation to reflect its name change to the Financial Industry Regulatory Authority, Inc., or FINRA, in connection with the consolidation of the member firm regulatory functions of NASD and New York Stock Exchange Regulation, Inc. See Securities Exchange Act Release No. 56145 (July 26, 2007), 72 FR 42169 (August 1, 2007).

I. Background

A. Basis for Statutory Disqualification

Mr. Bahl is subject to a statutory disqualification as a result of two regulatory actions.

On November 1, 1974, the Commission issued an Order Instituting Proceedings and Imposing Remedial Sanctions (“1974 Bar Order”) against Mr. Bahl. The 1974 Bar Order suspended Mr. Bahl from association with any broker or dealer for nine months, and thereafter bars him from any association with a broker or dealer except as a supervised person in a non-supervisory capacity, and upon a satisfactory showing to the Commission’s Division of Enforcement (“Enforcement”) that a firm would adequately supervise him. The 1974 Bar Order subjects Mr. Bahl to a statutory disqualification under Section 3(a)(39)(B) of the Exchange Act.

In addition, in a parallel proceeding, Mr. Bahl consented to the entry of an order of permanent injunction (“1974 Injunction”) by the United States District Court for the District of Columbia. The 1974 Injunction enjoins Mr. Bahl from further violations of the federal securities laws relating to fraud in prospectus delivery. Though the 1974 Injunction is an event that triggers a statutory disqualification under Section 3(a)(39)(F) of the Exchange Act, there is no requirement to file a notice with the Commission because of the exception found in Rule 19h-1(a)(3)(iii)(A) of the Exchange Act for an injunction whose entry is more than 10 years old.

The misconduct that caused Mr. Bahl to become subject to a statutory disqualification occurred when Mr. Bahl was a principal at a broker-dealer (not du Pasquier). In its complaint, the Commission alleged that Mr. Bahl sent a fraudulent prospectus to customers while overseeing the underwriting of a debenture offering for a client.

B. Mr. Bahl’s Industry Background

Mr. Bahl first associated as a general securities representative in 1966. In 1978, Enforcement approved Mr. Bahl’s reentry to the securities industry as a general securities representative with Herzog, Heine, Geduld LLC (“Herzog”), a broker-dealer. In November 1989, FINRA obtained approval from Enforcement that allowed Mr. Bahl to associate with Herzog in a supervisory capacity.

Subsequently, Mr. Bahl was associated with two other broker-dealers. In January 2001, Investec, Inc. (“Investec”), a broker-dealer, purchased Herzog and included Mr. Bahl, notwithstanding his statutory disqualification, in a mass transfer of general securities representatives. In October 2002, the Maxim Group, LLC (“Maxim”), another broker-dealer, purchased Investec and also included Mr. Bahl, notwithstanding his statutory disqualification, in a mass transfer of general securities representatives. In each case, FINRA’s Central Registration Depository failed to identify Mr. Bahl as being subject to a statutory disqualification. As a result, FINRA did not file the required notifications with the Commission, pursuant to Rule 19h-1 of the Exchange Act, on behalf of Mr. Bahl for these subsequent associations. According to FINRA, this was due to a technical oversight.

In June 2005, FINRA filed a notice with the Division containing an application, pursuant to Rule 19h-1 of the Exchange Act, allowing Mr. Bahl to be associated with du Pasquier as a general securities principal subject to heightened remote supervision. In its notice, FINRA noted that Mr. Bahl would work out of his Salt Point, New York home under the supervision of Christopher Moran. On October 18, 2005, the Division issued an order consenting to this proposed association (“2005 Order”). Mr. Bahl is currently subject to the terms and conditions of the 2005 Order, which detail the specifics of the heightened remote supervisory obligations.

C. The Firm

Du Pasquier became a FINRA member in September 1989. The Firm, whose home office is located in New York, New York, has four branch offices, and employs 40 registered representatives and 9 registered principals. FINRA represents that the Firm operates as a retail and institutional broker-dealer, actively engaged in transactions involving various investment products, research, and underwriting.

II. Proposed Business Activities and Supervision

In the Application, FINRA and du Pasquier represent that du Pasquier proposes to employ Mr. Bahl as a general securities representative. Mr. Bahl will be compensated on a commission basis, and will work from his home in Salt Point, New York, which is not considered a branch office of du Pasquier. This employment arrangement will require remote supervision from du Pasquier’s home office in New York City.

Du Pasquier also proposes that Mr. Moran will continue to be Mr. Bahl’s primary, responsible supervisor. Mr. Moran is the Vice President and Chief Financial Officer of du Pasquier, and has been employed at the Firm since 1989. Mr. Moran first became registered in the securities industry in 1983, has been registered as a general securities principal since May 1999, and works from du Pasquier’s home office in New York City.

In the Application, FINRA and du Pasquier represent, among other things, that:

1. Mr. Bahl will no longer be subject to the heightened supervision contained in the 2005 Order; instead, Mr. Bahl will be subject to the standard written supervisory procedures of du Pasquier (the standard written supervisory procedures to which its other general securities representatives are subject).
2. Mr. Bahl’s remote and non-heightened supervision will include, but not be limited to the following: (i) Mr. Bahl will not handle customers’ funds or securities; (ii) Mr. Bahl will not maintain discretionary accounts; (iii) Mr. Bahl will not have any supervisory responsibilities; (iv) all new accounts of Mr. Bahl will continue to be opened at du Pasquier’s main office after all proper documentation has been received and reviewed; (v) Mr. Bahl’s securities activities will be reviewed on a daily basis; and, (vi) Mr. Bahl’s home office will be inspected once every five years.

III. Relief Sought

In the Application, FINRA seeks an order declaring that, notwithstanding Mr. Bahl's statutory disqualification, the Commission:

1. Will not institute proceedings pursuant to Section 15(b) of the Exchange Act solely on the basis of Mr. Bahl's association as a general securities representative with du Pasquier pursuant to the representations contained in the Application; and
2. Will not direct FINRA to bar the proposed association, as provided in Section 15A(g)(2) of the Exchange Act.

IV. Conclusion

The Division of Trading and Markets, pursuant to delegated authority, has reviewed the instant Application and the record before FINRA. Relying on the representations made by FINRA and du Pasquier concerning the proposed association of Mr. Bahl,² the Division of Trading and Markets has concluded that it is appropriate for the Commission to approve the Application for Mr. Bahl to associate as a general securities representative subject to the conditions of this order.

Accordingly, IT IS ORDERED that said Application of FINRA on behalf of du Pasquier and Mr. Bahl be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³

Elizabeth M. Murphy
Secretary

² All representations, terms, and conditions of employment not specifically listed are incorporated herein by reference. This order is further conditioned on FINRA's Rule 19h-1 notice filing which includes du Pasquier's MC-400 Application to FINRA.

³ 17 CFR 200.30-3(a)(4).