

In addition, in a parallel administrative proceeding, the Commission issued an Order Instituting Proceedings and Imposing Remedial Sanctions ("1974 Bar Order") against Mr. Bahl on November 1, 1974. This 1974 Bar Order suspended Mr. Bahl from association with any broker or dealer for nine months, and thereafter barred 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 (specifically, to the Division of Enforcement) that a firm would adequately supervise him.²

Mr. Bahl first became registered in the securities industry as a general securities representative in 1966. In 1978, the Commission's Division of Enforcement approved Mr. Bahl's reentry into the securities industry as a general securities representative with another member firm. Mr. Bahl has been subsequently associated with two other member firms.

NASD has now filed an application pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 ("Exchange Act"), on behalf of du Pasquier & Co., Inc. ("du Pasquier" or "Firm") and Mr. Bahl, seeking Commission consent for Mr. Bahl to associate as a general securities representative with du Pasquier.

NASD seeks an order declaring that, notwithstanding the statutory disqualification, the Commission:

- (1) Will not institute proceedings pursuant to Sections 15(b)(4), 15(b)(6), 19(h)(2), or 19(h)(3) of the Exchange Act solely on the basis of Mr. Bahl's position as a general securities representative with du Pasquier; and
- (2) Will not direct NASD to bar the proposed association, as provided in Section 15A(g)(2) of the Exchange Act.

In the application, NASD and du Pasquier represented, among other things, that:

- (1) du Pasquier, whose home office is located in New York, New York, became a member of NASD in 1989. The Firm has five branch offices, and employs fifteen principals and twenty-three general securities representatives. Du Pasquier is a broker-dealer serving both retail and institutional customers.
- (2) du Pasquier proposes to employ Mr. Bahl as a general securities representative. Mr. Bahl will be compensated on a commission basis. Mr. Bahl will work out of his home office, located at 390 Contour Lane, Salt Point, New York. Mr. Bahl will not be permitted to perform any other business activities from his home office, except those performed on behalf of his association with du Pasquier.

² In the Matter of MILES A. BAHL, Exchange Act Release No. 11082, dated November 1, 1974.

- (3) Christopher Moran (“Mr. Moran”) will 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, and is currently registered as a general securities principal. Mr. Moran has no prior disciplinary history, and works from du Pasquier's home office, located at One Battery Park Plaza, New York, New York.
- (4) du Pasquier will amend its written supervisory procedures to establish clearly that Mr. Moran is Mr. Bahl's primary responsible supervisor.
- (5) Mr. Bahl will not maintain discretionary accounts.
- (6) Mr. Bahl will not be responsible for, or involved in, the custody of customer funds or securities.
- (7) Mr. Bahl will not be involved in the structuring of public offerings or private placement transactions.
- (8) Mr. Bahl will not act in a supervisory capacity.
- (9) Mr. Bahl will not be permitted to give final approval of advertising or sales literature for use by himself or any other associated person of the Firm.
- (10) Mr. Moran will review all of Mr. Bahl's new account forms before the customer accounts are opened. Mr. Moran will evidence his review by initialing and dating the forms. The forms will be maintained and kept segregated for ease of review.
- (11) Mr. Bahl will enter orders for securities transactions from his home office into the Fiserve order entry system or through du Pasquier's main office. Mr. Moran will review Mr. Bahl's order tickets as they are presented. Mr. Moran will evidence his review by maintaining a written record evidencing his review and approval of Mr. Bahl's transactions. The record of Mr. Moran's review and approval will be kept segregated for ease of review.
- (12) Mr. Moran will review Mr. Bahl's outgoing and incoming written correspondence as they are either sent or received. Mr. Moran will initial and file copies of all outgoing and incoming correspondence, and will keep these records segregated for ease of review.
- (13) All complaints pertaining to Mr. Bahl, whether written or verbal, will be immediately referred to Mr. Moran for review, and then to the Firm's Compliance Department. Mr. Moran will prepare a memorandum to the

file as to what measures he took to investigate the merits of the complaint (*i.e.*, contact with the customer) and the resolution of the matter. Documents pertaining to these complaints will be kept segregated for ease of review.

- (14) Mr. Moran will meet with Mr. Bahl, in a face-to-face meeting, at a minimum of once per month, to ensure that Mr. Bahl is complying with the terms of this plan of heightened supervision.
- (15) Mr. Moran will personally inspect Mr. Bahl's home office in Salt Point, New York, as necessary, but in any event, no less frequently than once each calendar year. This inspection will be for the purpose of detecting and preventing violations of, and achieving compliance with, applicable securities laws and regulations, NASD Rules, du Pasquier's Written Supervisory & Compliance Procedures, and the terms and conditions of Mr. Bahl's special heightened supervision. Mr. Moran will review all records relating to the Firm's business, including but not limited to, records relating to customer accounts, customer and personal securities transactions, and customer correspondence. Mr. Moran will keep a record of the date of each on-site inspection and a memorandum describing the results of the on-site inspection.
- (16) Mr. Bahl and his immediate family will not open or maintain a securities account with any broker-dealer other than du Pasquier. All personal securities transactions must be effected through the Firm, and are subject to review and approval by Mr. Moran. Mr. Moran will keep a written record evidencing his review and approval of all transactions. Documents pertaining to these transactions will be kept segregated for ease of review.
- (17) Mr. Moran must certify quarterly (March 31, June 30, September 30, and December 31) to the Firm's Compliance Department that Mr. Moran and Mr. Bahl are in compliance with all of the conditions of heightened supervision that will be accorded to Mr. Bahl.
- (18) For the duration of Mr. Bahl's statutory disqualification, du Pasquier must obtain prior approval from NASD's Member Regulation if it wishes to change Mr. Bahl's responsible supervisor from Mr. Moran to another person.
- (19) Mr. Bahl meets all applicable requirements for the proposed employment.

The Commission staff has reviewed the instant application and the record before NASD. Relying on the representations made by NASD and du Pasquier concerning the proposed association of Mr. Bahl,³ the staff, in the exercise of delegated authority (17

³ All representations, terms and conditions of employment not specifically listed are incorporated herein by reference. This Order is further conditioned on NASD's Rule 19h-1 notice filing, which

CFR 200.30-3(a)(4)), has concluded that it is appropriate for the Commission to approve the application for Mr. Bahl to associate as a general securities representative with du Pasquier.

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

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz
Secretary

includes du Pasquier's MC-400 application to NASD. This application details more specific terms and conditions related to Mr. Bahl's heightened supervision to which he is also subject at du Pasquier.