

This Order has been published by NASD's Office of Hearing Officers and should be cited as OHO Order 07-28 (2005000323905).

**NASD OFFICE OF HEARING OFFICERS**

---

DEPARTMENT OF MARKET REGULATION,

Complainant,

v.

RESPONDENT 1,

and

RESPONDENT 2,

Respondents.

---

Disciplinary Proceeding  
No. 2005000323905

Hearing Officer – SW

**ORDER DENYING RESPONDENT 1'S  
MOTION FOR A MORE DEFINITE STATEMENT**

On March 22, 2007, the Department of Market Regulation ("Market Regulation") filed the Complaint in this proceeding.

On May 16, 2007, Respondent 1 filed a motion for a more definite statement. In his motion, Respondent 1 summarized the Complaint as alleging that he knowingly engaged in a "fraudulent trading scheme involving directed, pre-arranged, circular, non-bona fide wash purchases and sales of municipal bonds by which the bonds were 'parked' repeatedly and the price of the bonds was steadily and artificially increased."

On May 30, 2007, Market Regulation filed an opposition to Respondent 1's motion for a more definite statement, arguing that the Complaint apprised Respondent 1 of the charges and afforded him an adequate opportunity to plan a defense. Market Regulation argued that the true purpose of Respondent 1's motion was to obtain discovery not permitted by NASD's procedural rules.

**This Order has been published by NASD's Office of Hearing Officers and should be cited as OHO Order 07-28 (2005000323905).**

A motion for a more definite statement is appropriate to obtain clarification of allegations that fail to provide adequate notice of the charges. Rule 9212(a) requires that a complaint “specify in reasonable detail the conduct alleged to constitute the violative activity and the rule, regulation, or statutory provision the respondent is alleged to be violating or to have violated.” A complaint satisfies this requirement if the allegations provide “a respondent sufficient notice to understand the charges and adequate opportunity to plan a defense.”<sup>1</sup>

Respondent 1's motion, however, does not request a more definite statement of the charges. Rather, Respondent 1 seeks disclosure of Market Regulation's evidence. For example, Respondent 1 requested that Market Regulation state with particularity the role that he played in facilitating the set up of DVP accounts for [], and the role that he played in the alleged series of trades engaged in on August 4, 1999. Respondent 1 also requested particular information about each of the 18 alleged bond transactions dated from 1999 through June 2002, and information to support the claim that he knew or was reckless in not knowing that he was engaging in trades that were not bona fide trades. Respondent may learn such evidentiary details through the discovery process under Rule 9251, but such evidentiary details exceed the scope of a motion for a more definite statement.

The Complaint in this proceeding sets forth detailed allegations regarding the alleged fraudulent parking scheme. The Hearing Officer finds that the allegations in this case are

---

<sup>1</sup> DBCC No. 9 v. Michael R. Euripides, No. C9B950014, 1997 NASD Discip. LEXIS 45 (NBCC July 28, 1997) (construing former Rule 9212(a)).

**This Order has been published by NASD's Office of Hearing Officers and should be cited as OHO Order 07-28 (2005000323905).**

sufficient to allow Respondent 1 to understand the charges and prepare his defense.

Accordingly, the Hearing Officer denies Respondent 1's motion for a more definite statement.

**SO ORDERED.**

---

Sharon Witherspoon  
Hearing Officer

Dated: Washington, DC  
July 2, 2007