

NASD OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

RESPONDENT FIRM

and

RESPONDENT 2,

Respondents.

Disciplinary Proceeding
No. 2005000094001

Hearing Officer—Andrew H. Perkins

**ORDER DENYING RESPONDENTS' MOTION
FOR LEAVE TO OFFER EXPERT TESTIMONY**

On February 1, 2007, the Respondents filed a motion for leave to offer the expert testimony of WG at the Hearing. The motion states that her proposed testimony would be in the "areas of AML allegations which are contained in the Third Cause of Action in the Complaint, and in areas of compliance and alleged market manipulation." The Respondents provided no further detail regarding the anticipated scope of the expert's opinions.

On February 8, 2007, Enforcement opposed the Respondents' motion on the grounds that the Respondents did not demonstrate adequately the scope of the expert's proposed testimony or her qualifications. In addition, Enforcement argued that expert testimony on compliance and market manipulation in general is unnecessary because those areas are within the expertise of the Extended Hearing Panel.

The Hearing Officer denies the Respondents' motion. The Respondents' motion is far too general. The Hearing Officer cannot determine if the proposed testimony would aide the Panel in resolving the issues in dispute. For that matter, the exact nature and

This Order has been published by NASD's Office of Hearing Officers and should be cited as OHO Order 07-03 (2005000094001).

scope of the expert's proposed testimony is undefined. Nor is the Hearing Officer able to determine if the Respondents' proposed expert is qualified to offer opinion testimony on the areas summarily listed in their motion.

However, in light of the fact that the Hearing Officer has today granted Enforcement's motion for leave to offer expert testimony on the anti-money laundering allegations contained in the third cause of the Complaint, the Respondents are granted leave to request that they be permitted to offer WG as a rebuttal expert on those issues. Any such motion shall clearly outline the scope of her proposed testimony and opinions and demonstrate that she possesses the necessary expertise to testify as an expert on the anti-money laundering allegations. The Respondents shall file this motion on or before February 26, 2007.

Andrew H. Perkins
Hearing Officer

February 13, 2007