

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59367 / February 6, 2009

INVESTMENT ADVISERS ACT OF 1940
Release No. 2836 / February 6, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13362

In the Matter of

HAFIZ NASEEM,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Hafiz Naseem (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party prior to a hearing pursuant to the Commission's Rules of Practice, 17 C.F.R. § 201.100 *et seq.*, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph B.2 and B.4 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Naseem, a Pakistani national working in the United States, was an employee of Credit Suisse Securities USA ("Credit Suisse") in the firm's Investment Banking Division, in the Global Energy Group. Credit Suisse is a New York-based investment bank, securities, and investment management firm. Since September 2004, Naseem has been a registered representative associated with broker-dealers registered with the Commission. Naseem, 37 years old, is a resident of New York, New York.

2. On January 22, 2009, a final judgment was entered by consent against Naseem, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. One or More Unknown Purchasers of Call Options For the Common Stock of TXU Corp., et al.*, Civil Action Number 1:07-cv-1208, in the United States District Court for the Northern District of Illinois (Eastern Division) [Chicago].

3. The Commission's complaint alleged that, from March 2006 to February 2007, and in breach of his duty to Credit Suisse USA and its clients, Naseem misappropriated material, non-public information concerning pending merger activity and repeatedly tipped a Pakistani banker, who traded on that information for his and Naseem's benefit. From his office telephone, Naseem would alert the Pakistani banker to pending deals by placing calls to the banker's home and cell phones. These calls were made close in advance of, and frequently the day of or the day before, announcements of pending mergers involving various issues, including TXU Corp., Hydril Company, Trammell Crow Co., John Harland Col, Energy Partners Ltd., Veritas DGC Inc., Jacuzzi Brands, Caremark Rx, Inc., and Northwestern Corporation. The complaint alleges that, in order to ensure that he would obtain a personal, financial benefit from his misappropriations, in May 2006, Naseem opened a brokerage account in Pakistan and granted trading authority over that account to his "tippee."

4. On February 4, 2008, following a jury trial, Naseem was convicted on conspiracy to commit securities fraud and 28 counts of insider trading in the United States District Court for the Southern District of New York, in *United States v. Hafiz Naseem*, Case No. 1:07-cr-610. On June 4, 2008, a judgment in the criminal case was entered against Naseem. He was sentenced to a prison term of ten years and, on June 6, 2008, was ordered to forfeit \$9 million in illegal trading profits.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Naseem's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Naseem be, and hereby is, barred from association with any broker, dealer, or investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Elizabeth M. Murphy
Secretary