

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 02-49

March 12, 2002

TONYA YVETTE BELL
FORMER NON-REGISTERED EMPLOYEE

* * *

Violated Exchange Rule 477 by failing to comply with requests for written statement and for testimony – Censure and bar until she complies, which becomes permanent if she does not comply within three months.

Appearances:

For the Division of Enforcement
Steven F. Korostoff, Esq.
Howard L. Kneller, Esq.

For the Respondent
No Appearance

* * *

An Exchange Hearing Panel conducted a hearing on charges brought by the Exchange's Division of Enforcement against Tonya Yvette Bell, a former non-registered employee with Morgan Stanley Dean Witter (the "Firm"). Ms. Bell was charged with having:

- I. Violated Exchange Rule 477 by failing to comply with a written request by the Exchange that she submit a written statement concerning one or more matters which occurred prior to the termination of her status as an employee of a member organization.
- II. Violated Exchange Rule 477 by failing to comply with a written request by the Exchange that she appear and testify concerning one or more matters which occurred prior to the termination of her status as an employee of a member organization.

Ms. Bell did not submit an Answer to the Charge Memorandum, and neither Ms. Bell nor any person on her behalf appeared at the hearing in this matter. At the hearing, the Division of Enforcement moved, pursuant to Exchange Rule 476, to have the facts alleged in the Charge Memorandum deemed admitted since Ms. Bell did not submit an Answer. The motion was granted and on that basis, and on evidence presented, the Hearing Panel found as follows:

Background and Jurisdiction

1. Tonya Yvette Bell ("Bell") was born in August 1968. In or about May 1989, she joined a member organization where she was employed in a non-registered capacity until September 1993. Bell joined the Firm in February 1994, also in a non-registered

capacity. Bell worked for the Firm until January 24, 2001, when her employment terminated. Bell has not been employed in the securities industry in a registered capacity since her termination from the Firm.

2. On or about February 16, 2001, the Exchange received from the Firm a Form RE-3 (“Submission of Required Information Pertaining to ... Registered and Non-Registered Employees...”) reporting the termination of Bell’s employment with the Firm based upon Bell having wrongfully diverted and deposited into her account funds belonging to customers of the Firm. According to the Firm, the total amount of the funds at issue exceeded \$9,600.

Failure to Cooperate

3. By letter dated February 28, 2001 (the “February Letter”), sent to Bell at her last place of residence as reflected in Exchange records, with a copy sent to her by first class mail at such address, the Division of Enforcement (“Enforcement”) notified Bell that it was investigating a matter that occurred prior to the termination of her status as an employee of a member organization, namely the possibility that she may have caused funds belonging to one or more customer accounts to be deposited into her personal account at such member organization.
4. In the February Letter, Enforcement requested that Bell submit a written explanation of the aforementioned matter to Enforcement within twenty days in connection with Enforcement’s investigation thereof.
5. Enforcement informed Bell in the February Letter that her failure to supply the requested information could result in formal disciplinary action against her for failure to cooperate.
6. Bell did not submit a written statement as requested in the February Letter.
7. By letter dated May 17, 2001 (the “May Letter”), which was addressed to an attorney representing Bell with a copy to Bell at her last place of residence as reflected in Exchange records, Enforcement advised that it was investigating the possibility that Bell misappropriated funds belonging to customers of the Firm. Enforcement requested that Bell appear and testify before Enforcement on June 4, 2001 in connection with Enforcement’s investigation.
8. Enforcement informed Bell in the May Letter that her failure to appear and testify as requested could result in formal disciplinary action against her for failure to cooperate.
9. On or about June 4, 2001, counsel for Bell advised Enforcement that he had previously notified Bell of the requested date and time for her testimony and that he believed Bell would not appear as requested by Enforcement.

10. Bell did not appear and testify before Enforcement on June 4, 2001 as requested.
11. To date, Bell has not complied with Enforcement's requests that she submit a written statement or appear and testify as requested.

DECISION

The Hearing Panel, by unanimous vote, found Ms. Bell guilty as charged.

PENALTY

In view of the above findings, the Hearing Panel, by unanimous vote, determined that Ms. Bell be censured and barred from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization until she complies with the Exchange's requests with which she has failed to comply. Given this most serious allegation of misconduct and the Exchange's need for prompt investigation, the Hearing Panel, by unanimous vote, further determined that Ms. Bell be permanently barred from membership, allied membership, approved person status and from employment or association in any capacity with any member or member organization if she does not comply with the Exchange's requests, with which she has failed to comply, within three months from the date this decision becomes final.

For the Hearing Panel

Milton M. Stein
Hearing Officer