

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 02-129

June 18, 2002

LORI OGET

FORMER NON-REGISTERED EMPLOYEE

* * *

**Used Firm error accounts for personal trading; caused a violation of Exchange Rule 440 and SEC Rules 17a-3 and 17a-4 by causing books and records to inaccurately reflect the nature of account transactions –
Consent to censure and four year bar.**

Appearances:

For the Division of Enforcement
Allison A. Bishop, Esq.
Toni C. Hamburg, Esq.

For the Respondent
Lori Oget
pro se

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An Exchange Hearing Panel met to consider a Stipulation of Facts and Consent to Penalty entered into between the Exchange's Division of Enforcement and Lori Oget, a former non-registered employee with Gruntal & Co. LLC (the "Firm"). Without admitting or denying guilt, Ms. Oget consents to findings by the Hearing Panel that she:

- I. Violated Exchange Rule 476(a) by engaging in conduct inconsistent with just and equitable principles of trade by using the Firm's error accounts for her personal trading.
- II. Caused a violation of Exchange Rule 440 and SEC Rules 17a-3 and 17a-4, promulgated under the Securities and Exchange Act of 1934, in that she effected personal trades in the Firm's error accounts, thereby causing the books and records of her member firm employer to inaccurately reflect the nature of the transactions in those accounts.

For the sole purpose of settling this disciplinary proceeding, the Division of Enforcement and Ms. Oget stipulate to certain facts, the substance of which follows:

Background and Jurisdiction

1. Lori Oget ("Oget") was born on November 6, 1960. Her employment in the securities industry was limited to the five-year period when she was employed in a non-registered capacity at the Firm, from October 1995 to March 2001. She is no longer employed in the securities industry.
2. On or about March 16, 2001, the Exchange received a Form RE-3 reporting Oget's termination from the Firm on March 2, 2001, for misuse of Firm property.

3. Oget was notified of Enforcement's investigation by letter dated April 16, 2001, which she received. Subsequently, Oget appeared and provided testimony to Enforcement.

Violative Conduct

4. Oget entered personal trades in the Firm's error accounts and transferred personal trades from her accounts to the Firm's error accounts, resulting in losses in the Firm's error accounts.

Oget's Personal Trading Using the Firm's Error Accounts

5. Oget was a non-registered operations manager in the Firm's Cypress Creek, Florida branch office from 1999 until her termination on March 2, 2001.
6. As part of her responsibility as operations manager, Oget processed trade corrections to both the Firm's branch error account and the A.F. Best error account (the "Firm error accounts"). (A.F. Best was a brokerage business which was merged into the Firm several months before Ms. Oget began conducting her personal trading in the Firm error accounts.)
7. Beginning in October 2000, Oget began entering trades for her personal account and related accounts (her "personal accounts"), using the Firm's computer system.
8. Between October 2000 and February 2001 (the "relevant period"), Oget entered personal trades into the Firm's computer system, using the Firm error accounts to avoid incurring losses in her personal accounts.
9. On at least five occasions during the relevant period, Oget entered trades in her personal accounts and then effected trade corrections on the same day. These trade corrections moved the securities from her personal accounts to one of the Firm error accounts. Oget then effected sales of the securities from the error accounts, resulting in losses to the error accounts in each of these instances. For example, on January 31, 2001, Oget purchased 200 shares of a particular stock (hereinafter "OPQ"), entered trade corrections and sold the shares for a loss of approximately \$2,406 in one of the Firm error accounts.
10. In addition, on at least two occasions, Oget initiated purchases of securities in the error accounts and then sold the positions out of the error accounts. These transactions resulted in losses in the Firm error accounts. For example, on January 18, 2001, Oget purchased 100 shares of a particular stock (hereinafter "IJK") in one of the Firm error accounts, which she sold on January 19, 2001 from that error account for a loss of \$21.88.
11. During the relevant period, Oget's personal trading described above resulted in losses of approximately \$2,733 in the error accounts, as detailed in the table below.

NAME OF SECURITY	BUY INFO	SELL INFO	PROFIT/LOSS
XYZ	Personal account-10-9-00	Firm error account on 10-12-00	\$281.25 <u>-231.72</u> (\$49.53)
UVW	Firm error account on 12-18-00	Firm error account on 12-18-00	\$170.00 <u>-170.00</u> \$ 0.00
RST	Personal account with her mother on 1-8-2001	Firm error account on 1-8-2001	\$35.00 <u>-33.56</u> (\$1.44)
OPQ	Personal account on 1-31-01	Firm error account on 2/5/01	\$9,831.00 <u>-7,425.00</u> (\$2,406.00)
LMN	Personal account on 2-2-01 and 2-5-01	Firm error account on 2-5-01 and 2-14-01	\$ 2059.84 <u>-\$1843.16</u> (\$ 216.68)
IJK	Firm error account on 1-18-01	Firm error account on 1-19-01	\$175.00 <u>-153.12</u> (\$21.88)
	Personal account on 1-19-01	Firm error account on 1-29-01	\$159.00 <u>-122.00</u> (\$37.00)
FGH	Firm error account on 1-29-01 (short sale)	Firm error account on 1-24-01	\$215.63 <u>-214.99</u> (\$.64)
		Total losses----->	(\$2,733.17)

DECISION

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Ms. Oget guilty as set forth above by unanimous vote.

PENALTY

In view of the above findings, the Hearing Panel, by unanimous vote, imposed the penalty consented to by Ms. Oget of a censure and a four year bar from membership, allied membership, approved person status, and from employment or association in any capacity with any Exchange member or member organization.

For the Hearing Panel

Milton M. Stein
Hearing Officer