

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 02-141

July 10, 2002

JANE DANZEY CONNELL

FORMER NON-REGISTERED EMPLOYEE

* * *

Deposited checks into personal account on insufficient funds; misused her position as cashier – Consent to censure and three year bar.

Appearances:

For the Division of Enforcement
James D. O'Donnell, Esq.
Kathleen L. Falcioni, Esq.

For the Respondent
Jane Danzey Connell
pro se

* * *

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 Jane Danzey Connell, a former non-registered employee with UBS PaineWebber Incorporated (the "Firm"). Without admitting or denying guilt, Ms. Connell consents to findings by the Hearing Panel that she:

- I. Engaged in conduct inconsistent with just and equitable principles of trade by issuing checks drawn on her account at a commercial bank and depositing such checks into her personal securities account maintained at her member organization employer; when she knew or should have known that there were insufficient funds to cover such checks.
- II. Engaged in conduct inconsistent with just and equitable principles of trade in that, on one or more occasions, she misused her position as cashier at her member Firm employer in connection with processing certain returned bank checks she had deposited in her personal securities account at the Firm.

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

Background and Jurisdiction

1. Connell was born in July 1972. Her only known employment in the securities industry was as a non-registered cashier with the Firm from September 1997 through March 31, 1999. Connell is not currently employed in the securities industry in a capacity known to the Exchange.

2. On or about April 27, 1999, Enforcement received a Form RE-3 from the Firm, reporting that Connell had resigned her position when the Firm discovered that she had deposited several of her personal bank checks into her personal securities account at the Firm without having sufficient funds in the bank account to cover such checks.
3. By letter dated December 7, 1999, sent to Connell at her last place of residence as reflected in Exchange records, the Exchange notified Connell that Enforcement was investigating certain activities by Connell while employed by the Firm.
4. The December 7, 1999 letter was returned to Enforcement by the U.S. Post Office. Thereafter, Enforcement sent additional letters to Connell at other addresses provided by the U.S. Post Office and/or contained in personnel records at the Firm.
5. By letters dated July 18 and August 23, 2001, which Connell received, Enforcement requested Connell to provide a detailed written explanation and certain documents. Connell did not provide the requested information and documents. On November 28, 2001, Enforcement issued charges against Connell for failure to cooperate.
6. Thereafter, in December 2001, Connell contacted Enforcement and provided the requested information and documents.

Summary Of Violative Conduct

7. During 1998, Connell deposited several checks issued on her account at a commercial bank into her personal securities account at the Firm, when she knew or should have known that there were insufficient funds to cover such checks. During this same period, on one or more occasions, Connell misused her position as cashier at the Firm in connection with processing certain returned bank checks she had deposited in her personal securities account at the Firm.

Violative Conduct

8. During 1998, while employed as a cashier in the Firm's branch office in Jackson, Mississippi, Connell deposited eight personal checks totaling \$2,580 into her personal securities account with the Firm. At this time period, Connell was aware that her personal bank account on which the checks were issued contained insufficient funds to cover such checks.
9. Connell's checks were returned to the Firm by the bank for insufficient funds.
10. As branch cashier, Connell received the returned checks from the bank. In her position as branch cashier, Connell failed to follow Firm procedures with respect to her own personal checks that were returned for insufficient funds. On one or more occasions, Connell misused her position as cashier at the Firm and delayed or failed to debit the amounts of her returned checks from her personal securities account at the Firm.

11. In 1999, Connell was transferred to the Firm's branch office in Memphis, Tennessee. After her transfer, the Firm's Bank Reconciliation Department discovered that a certain bank reconciliation for the branch office in Jackson, Mississippi was not current. Upon notification of this discrepancy, an operations manager at the Firm conducted a review and discovered Connell's misconduct as described above.
12. Connell is currently on a payment plan to reimburse the Firm.

DECISION

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Ms. Connell 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. Connell of a censure and a bar for a period of three years from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization.

For the Hearing Panel

Milton M. Stein
Hearing Officer