

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 03-4

January 16, 2003

LORI A. SINE

FORMER NON-REGISTERED EMPLOYEE

* * *

**Failed to disclose criminal conviction on employment application –
Consent to censure and five year bar.**

Appearances:

For the Division of Enforcement
Martin S. Mazur, Esq.
Michael C. Grey

For the Respondent
Lori A. Sine
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 A. Sine, a former non-registered employee with Robert W. Baird & Co. Incorporated (the "Firm"). Without admitting or denying guilt, Ms. Sine consents to a finding by the Hearing Panel that she engaged in conduct inconsistent with just and equitable principles of trade in that she failed to disclose a prior criminal conviction, which made her subject to a statutory disqualification, on an employment application submitted to her member organization employer.

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

Background and Jurisdiction

1. Lori A. Sine ("Sine") was born on February 1, 1965. She entered the securities industry as a non-registered sales assistant with the Firm on June 20, 2000.
2. Sine remained with the Firm until February 9, 2001, when her employment was terminated.
3. On March 1, 2001, the Qualifications and Registrations Unit of the Division of Member Firm Regulation of the Exchange referred to Enforcement its determination that: a) Sine was subject to a statutory disqualification due to a December 8, 1993 conviction for theft; and b) she failed to disclose this conviction on her employment application submitted to the Firm.

4. By letter dated March 19, 2001 the Preliminary Investigation Unit of Enforcement requested that Sine provide an explanation regarding the allegation that she had failed to disclose a conviction on her employment application with the Firm. Sine submitted an explanation.
5. By letter dated July 18, 2001 Enforcement advised Sine that it was investigating the possibility that she failed to disclose her 1993 arrest and conviction on her employment application and offered her the opportunity to provide any further explanation. She did not do so.

Overview

6. On or about July 27, 2000, Sine completed and signed an employment application in connection with her employment with the Firm. Sine failed to disclose, on that application, a prior criminal conviction of theft that occurred on December 8, 1993 which made her subject to a statutory disqualification.

Failure to Disclose a Criminal Conviction Subjecting Sine to a Statutory Disqualification on a Member Organization Employment Application

7. Sine's criminal record, which was received by the Exchange from the United States Department of Justice, reported that on July 21, 1993, Sine was arrested and charged with theft over \$300 in the District Court of Maryland. Her criminal record further noted that on December 8, 1993, she pled guilty to that charge, a felony, was placed on probation until June 8, 1995, fined \$350 (which fine was suspended) and charged cost of \$20.
8. Sections 3(a)(39) and 15(b)(4) of the Securities Exchange Act of 1934 ("the Exchange Act") provide that an individual is subject to a statutory disqualification if convicted, within the previous ten years, of any felony or misdemeanor involving, inter alia: "larceny, theft, robbery ... fraudulent conversion, or misappropriation of funds."
9. Under Sections 3(a)(39) and 15(b)(4) of the Exchange Act, Sine's 1993 conviction for theft subjected her to a statutory disqualification until December 8, 2003.
10. On or about July 27, 2000, Sine completed and signed an application for employment with the Firm.
11. Question 10(b) of the questionnaire reads: "Have you ever been convicted of a felony of any kind or of a misdemeanor involving embezzlement, fraudulent conversion, misappropriation of funds, abuse or misuse of a fiduciary relationship, or a purchase or sale of any security arising out of the conduct of a broker-dealer? If "yes," give details in space provided in box below."
12. In view of the 1993 conviction, Sine's negative response to question 10(b) was false.

DECISION

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Ms. Sine 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. Sine of a censure and a five year bar 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