

NEW YORK STOCK EXCHANGE, INC.

**EXCHANGE HEARING PANEL DECISION 03-83**

May 6, 2003

QUINTO PERICHON

FORMER REGISTERED REPRESENTATIVE

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**Violated Rule 477 by failing to comply with an Exchange request to testify – Consent to censure and bar until he complies to become permanent if no compliance in three months.**

**Appearances:**

For the Division of Enforcement  
Allison A. Bishop, Esq.  
Andrew K. Levi, Esq.

For the Respondent  
David Chase, Esq.

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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 Quinto Perichon, a former registered representative with Salomon Smith Barney, Inc. (the "Firm"). Without admitting or denying guilt, Perichon consents to findings by the Hearing Panel that he violated Exchange Rule 477 in that he failed to comply with a written request by the Exchange for testimony.

For the sole purpose of settling this disciplinary proceeding, the Division of Enforcement and Perichon stipulate to the following:

**Background and Jurisdiction**

1. Quinto Perichon ("Perichon") was born on May 25, 1968. Perichon began his employment in the securities industry in September 1997 as a non-registered employee with Salomon Smith Barney, Inc. ("the Firm"). In November of 1997, Perichon became a registered representative with the Firm, where he remained until March 2001, when the Firm terminated him amid allegations that he made numerous unauthorized trades in customer accounts. Perichon has not been employed in the securities industry since March 2001.
2. On or about March 21, 2000, the Exchange received a Form RE-3, reporting that Perichon was the subject of a customer complaint, which alleged unsuitable and unauthorized trading. Subsequently, the Enforcement commenced an investigation to examine the allegations set forth in the Form RE-3.
3. Subsequently, the Firm filed numerous Uniform Termination Notice for Securities

Industry Registrations (Form U-5s), notifying the Exchange of customer complaints and settlements involving approximately 18 additional customers of Perichon.

4. By letter dated November 15, 2000, which Perichon received, the Exchange notified Perichon that it was investigating the allegations set forth in the Form RE-3.

### **Overview**

5. As set forth below, Perichon failed to provide on-the-record testimony regarding matters that occurred during the course of his employment as a registered representative at a member organization, as requested by the Exchange.

### **Failure to Cooperate**

6. During the course of the Exchange's investigation, the Firm provided Exchange staff with documents related to an internal Firm investigation of two accounts that were in the name of AB, for which Perichon served as the broker of record. Specifically, the Firm documents indicated that there were several ATM cash withdrawals, totaling over \$4,000, from the AB accounts, which appeared to indicate that Perichon was possibly exercising control over the accounts and using the accounts for his personal benefit.
7. In addition, Firm documents also indicate that there were numerous journal entries that occurred over the course of several months in which securities were transferred to and from the AB accounts to other accounts that belonged to other customers of Perichon.
8. On August 22, 2002, Perichon, represented by counsel, appeared for on-the-record testimony related to the numerous customer complaints described above. Perichon provided testimony on some of the subjects described above.
9. When the Exchange staff began an inquiry concerning the two AB accounts, however, Perichon refused to answer questions related to the AB accounts. Exchange staff advised Perichon that his refusal to answer questions concerning this matter would result in a failure to cooperate charge.
10. At the request of Perichon's attorney, staff agreed to postpone the completion of the on-the-record testimony in order to afford Perichon an opportunity to determine if he would further cooperate with Enforcement's investigation.
11. On September 5, 2002, Exchange staff mailed a letter to Perichon and his attorney, requesting that Perichon appear on September 23, 2002, to complete his on-the-record-testimony.

12. By letter dated September 12, 2002, Perichon's attorney notified staff that Perichon would not appear for additional on-the-record testimony scheduled for September 23, 2002.
13. To date, Perichon has not appeared to complete his on-the-record testimony regarding his activities when he was employed by a member organization.

**DECISION**

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Mr. Perichon 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 Mr. Perichon of a censure and a bar from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization until he complies with the Exchange's request with which he has failed to comply, such bar to become permanent if he does not comply within three months from the date this decision becomes final.

For the Hearing Panel

Edward W. Morris, Jr.  
Chief Hearing Officer