

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 03-95

May 22, 2003

DAVID RONALD SCHNITZER
FORMER REGISTERED REPRESENTATIVE

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Violated Exchange Rule 627(g) by failing to satisfy an arbitration award – Consent to censure, a bar until the arbitration award is fully paid or otherwise satisfied or resolved and an additional three month bar after that.

Appearances:

For the Division of Enforcement
David H. Steiner, Esq.
Jennifer Lobato-Church, Esq.
Tahra N. Kerman, Esq.

For the Respondent
Arthur C. Koski, 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 David Ronald Schnitzer, a former registered representative with Prudential Securities, Inc. (the "Firm"). Without admitting or denying guilt, Mr. Schnitzer consented to a finding by the Hearing Panel that he violated Exchange Rule 627(g) by failing to satisfy an arbitration award.

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

Background and Jurisdiction

1. David Ronald Schnitzer ("Schnitzer") was born in July 1961. He entered the securities industry in May 1987 as a registered representative ("RR") with a non-member firm. Schnitzer remained there until February 1990. During that month, Schnitzer joined Firm A in a registered capacity, and was approved by the Exchange as an RR. Schnitzer remained with Firm A until March 1993, when he joined Firm B as an RR.
2. In January 1998, Schnitzer left Firm B and became employed as an RR at the Firm. Schnitzer's employment at the Firm was terminated in April 1999.

3. In January 2000, Schnitzer joined a non-member firm, as an RR and remained there until March 2001, when he joined Firm C, also as an RR, where he remained until April 2002.
4. Schnitzer is not currently employed in a registered capacity in the securities industry.
5. In February 2002, the Division of Enforcement (“Enforcement”) opened an investigation based upon information from the Firm that Schnitzer failed to satisfy an arbitration award in favor of the Firm issued by an Exchange arbitration panel.
6. By letter dated February 27, 2002, which Schnitzer received, Enforcement informed Schnitzer of its investigation and requested a written explanation of his failure to satisfy the arbitration award. By letter dated March 11, 2002, Schnitzer responded to Enforcement.
7. On or about January 6, 2003, Enforcement issued a charge memorandum against Schnitzer relating to failure to pay an arbitration award.

Failure to Pay an Arbitration Award

8. On or about June 7, 1999, the Firm filed an arbitration complaint against Schnitzer with the New York Stock Exchange Arbitration Department.
9. On March 8, 2001, an Exchange arbitration panel issued an award in the matter, finding in favor of the Firm. The award assessed damages against Schnitzer in the amount of approximately \$249,077 plus interest, fees and other costs.
10. On or about March 13, 2001, the decision of the arbitration panel was transmitted to Schnitzer.
11. Exchange Rule 627(g) requires that all Exchange monetary arbitration awards be satisfied or a motion to vacate be filed with the appropriate court within 30 days of receipt of the decision.
12. Schnitzer did not file a motion to vacate the award of the arbitration panel.
13. To date, the arbitration award has not been satisfied.

DECISION

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Mr. Schnitzer 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. Schnitzer 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 the arbitration award is fully paid or otherwise lawfully satisfied or resolved and for an additional period of three months after the award is fully paid or otherwise lawfully satisfied or resolved.

For the Hearing Panel

Vincent F. Murphy
Hearing Officer