

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 03-113

June 11, 2003

ILIR ALIJI

FORMER NON-REGISTERED EMPLOYEE

* * *

Failed to disclose prior conviction on employment application; caused a violation of Exchange Rule 345.12 by submitting a Form U-4 containing false information; violated Exchange Rule 476(a)(10) by misstatement on registration application – Consent to censure and seven year bar.

Appearances:

For the Division of Enforcement
James D. O'Donnell, Esq
Elena Salzman Kindler, Esq.

For the Respondent
Ilir Aliji
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 Ilir Aliji, a former non-registered employee with A.G. Edwards & Sons, Inc. (the "Firm"). Without admitting or denying guilt, Mr. Aliji consents to findings by the Hearing Panel that he:

- I. Engaged in conduct inconsistent with just and equitable principles of trade by failing to disclose a prior conviction on his employment application with a member organization which made him subject to a statutory disqualification.
- II. Caused a violation of Exchange Rule 345.12 by submitting a Uniform Application for Securities Registration and Transfer (Form U-4) containing false information.
- III. Violated Exchange Rule 476(a)(10) on one or more occasions by making a misstatement and/or omission of fact on his application for registration filed with the Exchange.

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

Background and Jurisdiction

1. Ilir Aliji ("Aliji") was born in December 1977. His only employment in the securities industry was with the Franklin, Wisconsin office of the Firm, where he was employed as a Financial Consultant Trainee from January 2002 until May 2002. Aliji has not

been employed in the securities industry in a capacity known to the Exchange since he was permitted to resign from the Firm.

2. On or about June 10, 2002, Enforcement received a Form RE-3 from the Firm, which reported that Aliji was suspended on May 23, 2002 and subsequently permitted to resign on May 30, 2002 after he “voluntarily disclosed arrest information” (the “Form RE-3”).
3. By letter dated July 9, 2002, which he received, Enforcement notified Aliji that it received the Form RE-3 and requested that he provide a written explanation as to why he failed to disclose his arrest on his employment application with the Firm (the “Application”).
4. Thereafter, Aliji responded and submitted information and documents to Enforcement.

Summary of Violative Conduct

5. Between in or about January and May 2002, Aliji failed to disclose on the Application, which he submitted to his member organization employer, a prior conviction that made him subject to a statutory disqualification; submitted a Form U-4 (Uniform Application for Securities Registration and Transfer) (the “Form U-4”) containing false information; and, on one or more occasions, made a misstatement and/or omission of fact on his application for registration filed with the Exchange.

Violative Conduct

6. On or about January 7, 2002, Aliji commenced employment at the Firm and signed the Application to work as a registered representative.
7. The Application asked, “Have you ever been: Convicted of . . . any felony or any misdemeanor, except minor traffic offenses?” In response, Aliji circled the word “No”, which was not true.
8. On or about January 16, 2002, Aliji also completed, signed, and submitted to the Firm the Form U-4, which was filed with the Exchange.
9. On the Form U-4, Question 14A(1)(a) asked, “Have you ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any *felony*?” Question 14A(1)(b) asked, “Have you ever been *charged* with any *felony*?” Aliji responded “No” to each question, which responses were not true.
10. On or about September 4, 1997, prior to his employment at the Firm, Aliji was arrested in Milwaukee County, Wisconsin (the “Arrest”) and was charged under the Wisconsin Statutes with one felony count of attempting to possess with intent to deliver 500 grams or less of a certain controlled substance.

11. Aliji was convicted, as charged, on or about March 19, 1998 (the “Felony Conviction”).
12. On or about May 26, 1998, Aliji was sentenced to 6 months in the house of corrections, which was stayed; 18 months of probation; a 6-month suspension of his driver’s license; 30 days of electronic monitoring; 50 hours of community service; alcohol/drug treatment; and fines/costs/surcharges totaling approximately \$250.
13. By virtue of the Felony Conviction, Aliji is subject to a statutory disqualification (“SD”) under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 for a period of ten years, that is, until 2008.
14. As a result of the Felony Conviction, Aliji was subject to an SD when he applied for employment with the Firm in 2002.
15. Aliji failed to disclose on the Application and on the Form U-4 submitted to the Exchange facts that made him subject to an SD.
16. Aliji disclosed the Felony Conviction to the Firm on or about May 13, 2002.

DECISION

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Mr. Aliji 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. Aliji 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 for a period of seven years.

For the Hearing Panel

Milton M. Stein
Hearing Officer