

NEW YORK STOCK EXCHANGE, INC.

**EXCHANGE HEARING PANEL DECISION 04-142**

September 8, 2004

ARTHUR ISAAC CAMPBELL

FORMER REGISTERED REPRESENTATIVE

\* \* \*

**Violated Exchange Rule 477 by failing to comply with requests for testimony – Censure and bar until he complies.**

**Appearances:**

For the Division of Enforcement  
Steven F. Korostoff, Esq.  
Richard Chin, Esq.

For the Respondent  
No Appearance

\* \* \*

An Exchange Hearing Panel conducted a hearing on a charge brought by the Exchange's Division of Enforcement against Arthur Isaac Campbell, a former registered representative with Prudential Securities Inc. (the "Firm"). Mr. Campbell was charged with having violated Exchange Rule 477 by failing to comply with one or more written requests by the Exchange that he appear and testify concerning one or more matters which occurred prior to the termination of his status as an employee of a member firm.

Mr. Campbell did not submit an Answer to the Charge Memorandum, and neither Mr. Campbell or any person on his behalf appeared at the hearing in this matter. At the hearing, the Division of Enforcement moved, pursuant to Exchange Rule 476, to have the facts alleged in the Charge Memorandum deemed admitted, since Mr. Campbell did not submit an Answer. The motion was granted on proof of notice to Mr. Campbell and, on that basis, the Hearing Panel found as follows:

**Background and Jurisdiction**

1. Arthur Isaac Campbell ("Campbell") was born in August of 1947. He entered the securities industry in April 1983 with the Firm as a broker trainee. In August 1983, Campbell was approved as a registered representative by the Exchange.
2. Campbell was employed as a registered representative with the Firm until March 28, 2002, when his employment was terminated. Campbell has not been employed in the securities industry in a registered capacity since his termination from the Firm.
3. On or about May 2, 2002, the Exchange received from the Firm a Form U-5 ("Uniform Termination Notice For Securities Industry Registration") reporting that Campbell was discharged because the Firm had concerns with Campbell's trading philosophy. Thereafter, the Firm reported to the Exchange several customer

complaints, which alleged that Campbell may have engaged in unauthorized trading and unsuitable investments in several customer accounts.

4. By letter dated January 30, 2003, which Campbell received, the Exchange's Division of Enforcement ("Enforcement") informed Campbell that it was investigating the complaints filed against him by customers of the Firm for unauthorized trading and unsuitable investments, and requested that Campbell provide a written explanation by February 18, 2003. In the January 30<sup>th</sup> letter, Enforcement informed Campbell that his failure to provide the requested information could result in formal disciplinary action against him for failure to cooperate.
5. The January 30<sup>th</sup> letter was sent to Campbell via certified mail, return receipt requested, at his last place of residence as reflected in Exchange records (the "Address"), with a copy sent to him by first class mail at the Address. Enforcement received the return receipt for the January 30<sup>th</sup> letter, sent via certified mail, indicating that the letter was received and signed for at the Address. The copy of the January 30<sup>th</sup> letter sent by first class mail has not been returned to Enforcement by the Postal Service.
6. On or about February 21, 2003, Campbell responded and requested an extension of time until March 12, 2003, to submit his written explanation in this matter. Enforcement agreed to the request for extension.
7. By letter dated March 12, 2003, Campbell responded and provided a written explanation to Enforcement in this matter.

#### **Failure to Testify**

8. In or about July 2003, Enforcement contacted Campbell via telephone and requested that Campbell provide testimony on September 10, 2003. It was agreed that Campbell would be expected to appear and testify on September 10<sup>th</sup>, unless he contacted Enforcement to set an alternative date.
9. On or about September 9, 2003, Campbell contacted Enforcement and requested that his on-the-record testimony be postponed because of family obligations. Enforcement agreed to the postponement, and informed Campbell that it would contact him to reschedule a date for his on-the-record testimony.
10. By letter dated December 31, 2003, which Campbell received, Enforcement requested that Campbell appear and provide testimony in this matter on February 24, 2004. In the December 31<sup>st</sup> letter, Enforcement informed Campbell that his failure to appear and provide testimony on the requested date could result in formal disciplinary action against him for failure to cooperate.
11. The December 31<sup>st</sup> letter was sent to Campbell via certified mail, return receipt requested, at the Address, with a copy sent to him by first class mail at the Address. Enforcement received the return receipt for the December 31<sup>st</sup> letter sent via certified mail, indicating that the letter was received and signed for at the Address. The copy

of the letter sent by first class mail has not been returned to Enforcement by the Postal Service.

12. On or about February 17, 2004, Enforcement contacted Campbell via telephone and confirmed that Campbell was required to appear and provide testimony to Enforcement on February 24, 2004. Campbell stated that he was unable to provide testimony to Enforcement on the scheduled date, because of time limitations as a result of working two jobs and preparing for a pending arbitration matter. Campbell also was unwilling to commit to an alternative date for him to appear and provide testimony. Campbell noted that he was out of the securities industry and did not intend to return. Enforcement informed Campbell that his failure to appear and provide testimony as scheduled in this matter could result in formal disciplinary action against him for failure to cooperate.
13. By letter dated February 17, 2004, Enforcement confirmed that Campbell's on-the-record testimony was scheduled for February 24, 2004, and that his failure to appear and provide testimony as requested could result in formal disciplinary action against him for failure to cooperate. The February 17<sup>th</sup> letter was sent to Campbell via Federal Express at the Address and was received at the Address on February 19, 2004.
14. Campbell did not appear and provide testimony on February 24, 2004.
15. To date, Campbell has not complied with the Exchange's requests that he appear and provide testimony.

### **DECISION**

The Hearing Panel, by unanimous vote, found Mr. Campbell guilty as charged.

### **PENALTY**

In view of the above findings, the Hearing Panel, by unanimous vote, determined that Mr. Campbell be censured and barred 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 requests with which he has failed to comply.

For the Hearing Panel

Milton M. Stein  
Hearing Officer