

NEW YORK STOCK EXCHANGE, INC.

**EXCHANGE HEARING PANEL DECISION 05-24**

February 15, 2005

CYNTHIA BARNES HALL  
FORMER NON-REGISTERED EMPLOYEE

\* \* \*

**Violated Exchange Rule 345.12 by submitting a Form U-4 containing false information; violated Exchange Rule 476(a)(10) by making a misstatement on application for registration; failed to disclose misdemeanor conviction on employment application – Censure and four year bar.**

**Appearances:**

For the Division of Enforcement  
Anthony J. Cavallaro, Esq.  
Virginia J. Harnisch, Esq.  
Radhika Bhargava, Esq.

For the Respondent  
No Appearance

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An Exchange Hearing Panel conducted a hearing on charges brought by the Exchange's Division of Enforcement against Cynthia Barnes Hall, a former non-registered employee with Edward D. Jones & Co. (the "Firm"). Ms. Hall was charged with having:

- I. Violated Exchange Rule 345.12 by submitting a Form U-4 containing false information.
- II. Violated Exchange Rule 476(a)(10) by making a misstatement and /or omissions of fact on her application for registration with the Exchange.
- III. Engaged in conduct inconsistent with just and equitable principles of trade by failing to disclose, on an employment application submitted to her member firm employer, a prior misdemeanor conviction, which made her subject to statutory disqualification.

Ms. Hall did not submit an Answer to the Charge Memorandum, and neither Ms. Hall nor any person on her 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 Ms. Hall did not submit an Answer. The motion was granted on proof of notice to Ms. Hall and, on that basis, and on evidence presented, the Hearing Panel found as follows:

### **Background and Jurisdiction**

1. Cynthia Barnes Hall (“Hall”) was born on April 13, 1972. Her only employment in the securities industry has been with the Firm, working as an investment representative. The Firm employed Hall in its St. Louis, Missouri office from July 21, 2003 to August 20, 2003.
2. On or about September 3, 2003, Enforcement received a Uniform Termination Notice for Securities Industry Registration (“Form U-5”) from the Firm reporting that Hall’s employment had been terminated on August 20, 2003 for her failing to disclose a prior conviction on her employment application and Uniform Application for Securities Industry Registration or Transfer (“Form U-4”) submitted to the Firm. Hall is no longer employed in the securities industry.
3. By letter dated April 30, 2004, which she received, Enforcement notified Hall that it was conducting an investigation of the possibility that she failed to disclose a prior conviction on her employment application and Form U-4 submitted to the Firm.

### **Failure to Disclose Prior Criminal Record**

4. Under Section 3(a)(39)(F) and Section 15(b)(4)(B) of the Securities and Exchange Act of 1934, a person is subject to a statutory disqualification if such person has been convicted, within the past ten years, of any felony and certain specified misdemeanors.
5. On April 29, 1992, Hall was arrested in Lafayette, Indiana and charged with the crime of theft of funds relating to a credit card, a class A misdemeanor.
6. On April 11, 1994, Hall pled guilty to the charge and on May 9, 1994 was convicted of theft, a class A misdemeanor. Hall received a suspended one-year jail sentence, was placed on probation for a period of one year and was required to pay approximately \$3,000 in restitution.
7. Hall became subject to statutory disqualification until May 2004, as a result of her plea of guilty and conviction of theft on May 9, 1994.
8. On June 19, 2003, Hall completed an employment application with the Firm for a position as an investment representative. In the application, despite being asked “have you ever been convicted, plead guilty or nolo contendere (“no contest”) or received deferred adjudication in a domestic, foreign or military court to any felony offense or misdemeanor”, Hall answered “no” denying her prior plea of guilty to a misdemeanor.
9. As a part of the employment application, Hall also completed a Form U-4 that was submitted to the Exchange. Question 14B(1)(a) of the Form U-4 asked Hall if she had ever “been convicted of or plead guilty or nolo contendere (“no contest”) in a

domestic, foreign or military court to a misdemeanor?” Hall answered “no” to this question.

10. Likewise, question 14B(1)(b) of the Form U-4 asked Hall if she had ever “been charged with a misdemeanor?” Hall answered “no” to this question.
11. Thereafter, the Firm received the Department of Justice fingerprint report disclosing Hall’s prior theft, class A misdemeanor conviction.
12. By denying her prior plea of guilty on her employment application and Form U-4, Hall failed to disclose to the Firm her misdemeanor conviction, that at the time subjected her to statutory disqualification.
13. The Firm discussed the incidents in the Department of Justice report with Hall and her employment was terminated on August 20, 2003.

### **DECISION**

The Hearing Panel, by unanimous vote, found Ms. Hall guilty as charged.

### **PENALTY**

In view of the above findings, the Hearing Panel, by unanimous vote, determined that Ms. Hall 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 for a period of four years.

For the Hearing Panel

Milton M. Stein – Hearing Officer  
Panelists:  
William B. Peterson  
Peter Tuzzo