

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 05-61

May 24, 2005

ERIC P. STEFFENS

FORMER NON-REGISTERED EMPLOYEE

* * *

**Engaged in conduct inconsistent with just and equitable principles of trade
by misappropriating funds belonging to his member firm employer –
Consent to censure and permanent bar.**

Appearances:

For the Division of Enforcement
Julie Han Broderick, Esq.
Tahra Kerman, Esq.

For Respondent
pro se

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A Hearing Panel of the New York Stock Exchange, Inc. (“Exchange”) met to consider a Stipulation of Facts and Consent to Penalty entered into between the Exchange’s Division of Enforcement (“Enforcement”) and Eric P. Steffens (“Respondent”), a former non-registered employee with UBS Financial Services Inc. (the “Firm”). Without admitting or denying guilt, Respondent consented to a finding by the Hearing Panel that he engaged in conduct inconsistent with just and equitable principles of trade in that he misappropriated funds belonging to the Firm.

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

Background and Jurisdiction

1. Respondent was born in May 1975. He entered the securities industry in June 1998 in an unregistered capacity with the Firm. Respondent was hired as an employee in the Human Resources Department at the Firm’s Weehawken, New Jersey branch office, and remained with the Firm until his employment was terminated on June 25, 2004. Respondent has not been employed in the securities industry since that time.
2. On or about July 23, 2004, the Firm filed a Form RE-3 with the Exchange reporting that the Firm terminated Respondents’ employment because Respondent misappropriated several refund checks from a moving company made payable to the Firm.
3. By letter dated September 29, 2004, which Respondent received, Enforcement informed Respondent of its investigation and requested a written explanation.

Overview

4. As set forth below, during the period from approximately March 2001 to April 2004 (the “relevant period”), Respondent misappropriated funds belonging to his member firm employer in the amount of approximately \$11,824.67.

Misappropriation of Member Firm Funds

5. Respondent was an employee in the Human Resources Department of the Firm.
6. During the relevant period, Respondent misappropriated funds on five different occasions totaling approximately \$11,824.67.
7. On March 1, 2001 Respondent deposited a refund check¹ payable to the Firm from the moving company in the amount of \$996.97 into the Firm payroll related balance sheet account. He then processed and released a journal entry using another employee’s journal entry identification to transfer these funds from the Firm payroll related balance sheet account to his personal account held at the Firm.
8. On July 10, 2001 Respondent deposited a refund check from the moving company in the amount of \$301.71 into the Firm payroll related balance sheet account. He then processed and released a journal entry using that same employee’s journal entry identification to transfer these funds from this payroll related balance sheet account to his personal account held at the Firm.
9. On October 23, 2001 Respondent completed the Firm Treasury Department deposit slip for a refund check from the moving company in the amount of \$2,379.92 and deposited the check directly into his personal account held at the Firm.
10. On October 28, 2002 Respondent completed the Firm Treasury Department deposit slip for a refund check from the moving company in the amount of \$4,822.29 and deposited the check directly into his personal account held at the Firm.
11. On April 27, 2004 Respondent deposited a check from the moving company in the amount of \$3,323.78 into the Firm payroll related balance sheet account. He then processed and released a journal entry using that same employee’s journal entry identification to transfer these funds from the Firm payroll related balance sheet account to his personal account held at the Firm.
12. In June 2004, the Firm conducted an internal investigation of Respondent and became aware that he had misappropriated these refund checks.
13. The Firm terminated Respondent’s employment on June 25, 2004.

¹ The refund check was a rebate owed to the Firm as part of a promotion from the moving company for the Firm using its shipping services.

14. Respondent admitted to both the Firm and Enforcement that he deposited five refund checks totaling \$11,824.67 made payable to the Firm into his personal account at the Firm between March 2001 and April 2004.

DECISION

The Hearing Panel, in accepting the Stipulation of Facts and Consent to Penalty, found Respondent 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 Respondent of a censure and a permanent bar from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization.

For the Hearing Panel

Peggy Kuo – Chief Hearing Officer
Panelists:
Ruth Fialko
Charles Siegel, Esq.