

NEW YORK STOCK EXCHANGE, INC.

EXCHANGE HEARING PANEL DECISION 05-77

June 16, 2005

DANIEL SETH PETERSON
NON-REGISTERED FORMER EMPLOYEE

* * *

Failed to disclose a prior criminal conviction on an employment application submitted to his member firm employer. – Consent to censure and a four year bar.

Appearances:

For the Division of Enforcement
Kathleen Lynch, Esq.
Julie Han Broderick, Esq.
Joseph Mastrocovi

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 Daniel Seth Peterson (“Respondent”), a non-registered former employee with member firm A.G. Edwards & Sons, 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 by failing to disclose a prior criminal conviction on an employment application submitted to his member firm employer.

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 September 1982. On or about October 23, 2003, he was hired in a non-registered capacity to work as a runner at the Firm.
2. Respondent was terminated from the Firm on December 30, 2003. He is not currently employed in the securities industry.
3. By Form RE-3 from the Firm dated January 7, 2004, Enforcement received notice that the Firm discharged him for failure to provide requested documents relating to a Department of Justice (“DOJ”) report.
4. By letter dated August 6, 2004, which he received, Enforcement notified Respondent of its investigation. Thereafter, by letter dated September 2, 2004, he responded to the Exchange.

Summary of Violative Conduct

5. In October 2003, in connection with his employment with a member organization, Respondent failed to disclose a prior conviction on an employment application that he submitted to his member firm employer.

Failure to Disclose Prior Conviction

6. On or about October 21, 2000, Respondent was arrested by the Northbrook, Illinois Police Department and was charged with misdemeanor theft for stealing property, which had a total value of \$290.
7. On or about December 22, 2000, Respondent was found guilty and convicted of misdemeanor theft. He was sentenced to a twelve-month conditional discharge and fined \$150.
8. On or about October 22, 2003, Respondent completed a Firm document entitled "A.G. Edwards Application for Employment" (the "Employment Application").
9. Question 3 on the Employment Application asked, in pertinent part, if Respondent had ever been convicted of, or pleaded guilty or no contest to, any felony or any misdemeanor other than minor traffic offenses. In response to Question 3, he answered "No," which was not true.
10. Question 5 on the Employment Application asked, in pertinent part, if Respondent had ever been arrested for, or charged with, a misdemeanor involving: dishonesty, the wrongful taking of any property or any manner of fraud. In response to Question 5, he answered "No," which was not true.
11. As part of the employment process, Respondent was fingerprinted. On or about November 25, 2003, the Firm received notification of a Department of Justice report disclosing his conviction based on a review of his fingerprints.
12. The Firm terminated Respondent's employment on December 30, 2003.

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 four year 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:

Dale E. Miller

Mary Lou Peters, Esq.