

NEW YORK STOCK EXCHANGE, INC.

**EXCHANGE HEARING PANEL DECISION 05-80**

July 6, 2005

RAJ SINGHAL  
FORMER REGISTERED EMPLOYEE

\* \* \*

**Engaged in conduct inconsistent with just and equitable principles of trade by misappropriating funds from his member Firm employer in the amount of \$86,283 and violated Exchange Rule 477 by failing to cooperate with Exchange's investigation. – Consent to censure and a permanent bar.**

**Appearances:**

For the Division of Enforcement  
Tracy Timbers, Esq.  
Marianne Paoli, Esq.  
Thomas Kay

For Respondent  
Roland G. Riopelle, Esq.

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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 Raj Singhal ("Respondent"), former registered representative with member firm J.P. Morgan Securities 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 misappropriating funds from his member Firm employer in the amount of \$86,283, and violated Exchange Rule 477 by failing to cooperate with the Exchange's investigation.

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 August 1973. He entered the securities industry in August 2000 as a registered associate with the Firm, where he worked until his termination February 13, 2004. Since leaving the Firm, Respondent has not been employed in the securities industry.
2. On March 2, 2004, Enforcement received a Uniform Termination Notice for Securities Industry Registration ("Form U-5") reporting that the Firm had terminated Respondent for receiving reimbursements for unauthorized expenses, thereby violating the Firm's travel and entertainment policy.

3. By letter dated July 23, 2004, which Respondent received, the Exchange notified him that it was formally investigating the allegations reported by the Firm and requested that he provide the Exchange with a written statement concerning the allegations.

#### **Summary of Violative Conduct**

4. Between 2002 and February 2004 Respondent, in his capacity as a registered associate and vice president, misappropriated Firm funds by: charging the Firm's car service account a total of \$19,040 for trips that were unauthorized, over the course of a two year time period; and charging personal purchases to a corporate credit card and receiving reimbursement for unauthorized yellow taxicab usage that totaled \$67,243 over the course of a two year time period. In addition, Respondent failed to respond to written requests from the Exchange for information regarding this matter.

#### **Misappropriation of Firm Funds**

5. Respondent, in his capacity as a registered associate and vice president, was issued a JP MorganChase Corporate Card ("Corporate Card") during his employment. The Firm's written policies and procedures limited employees to submitting expenses for business purposes and prohibited using the card for personal expenses.
6. Between 2002 and February 2004, Respondent charged unauthorized personal purchases to the Corporate Card and received reimbursement for unauthorized yellow taxicab usage that totaled \$67,243.
7. Between 2002 and February 2004, Respondent charged the Firm's car service account a total of \$19,040, for trips that were unauthorized.
8. Specifically, in 2002, Respondent charged unauthorized personal purchases expenses to the Firm's car service account and to the Corporate Card issued by the Firm. His unauthorized expenses consisted of personal purchases charged to the Corporate Card totaling \$9,110, and car service usage totaling \$7,040.
9. Specifically, in 2003, Respondent charged unauthorized expenses that consisted of Corporate Card charges for personal purchases and non-business related yellow taxi cab reimbursements totaling \$55,126 and out of compliance car usage totaling \$12,000.
10. Specifically, in 2004, Respondent charged unauthorized expenses that consisted of Corporate Card charges for personal purchases totaling \$3,007.
11. After being fired, Respondent reimbursed the Firm in the amount of \$39,084.39 out of a total of \$86,283.

#### **Failure to Cooperate**

12. By letter to Respondent dated July 23, 2004, sent via first class and certified mail return receipt requested, Enforcement requested that Respondent submit, within 20

days of the letter, a detailed written explanation of the allegations that he received reimbursements from the Firm for unauthorized expenses.

13. By fax dated August 2, 2004, Respondent's attorney submitted a letter to the Enforcement Division stating that his client does not wish to make a written explanation answering the allegations outlined in the Form U-5.
14. During a telephone conversation on August 2, 2004 Respondent's counsel confirmed that he would not comply with the Exchange's request and stated that Respondent would not cooperate with the investigation into this matter by the Exchange.
15. By letter dated February 14, 2005, Respondent's attorney confirmed that he declines to cooperate in the NYSE investigation, declines to provide the NYSE with a detailed written explanation of his conduct as requested by Enforcement's July 23, 2004 letter sent to Respondent, and declines to provide the NYSE with any oral testimony concerning his employment and conduct at the Firm.

### **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.

In support of the penalty, Enforcement relies on In the Matter of Matthew S. Wasserman, HPD 02-158 (July 31, 2002), In the Matter of Adam Neil Lesnick, HPD 05-7 (Jan. 19, 2005) and In the Matter of Douglas E. Spainer, HPD 02-145 (July 17, 2002), all of which involved consents to censure and permanent bar for misappropriation. The Hearing Panel notes that either the charge of misappropriation or failure to cooperate – given Respondent's stated refusal ever to comply – alone would justify a permanent bar.

For the Hearing Panel

Peggy Kuo – Chief Hearing Officer  
Panelists:  
Soo-Mi Lee, Esq.  
Nancy Romanzo