



**REGULATORY
INFORMATION
BULLETIN**

**RB-00-04
May 12, 2000**

TO: ALL PACIFIC EXCHANGE MEMBERS AND MEMBER ORGANIZATIONS

FROM: ENFORCEMENT DEPARTMENT

SUBJECT: DISCIPLINARY SANCTIONS IMPOSED AND ARBITRATION AWARDS RENDERED

The purpose of this Regulatory Information Bulletin is to advise Members and Member Organizations of certain final disciplinary actions that resulted in the imposition of penalties for violations of specified provisions of the federal securities laws and/or the Constitution and Rules of the Exchange. This Bulletin also advises the Membership of the results of arbitration proceedings that were resolved at the Exchange.

A. Disciplinary Sanctions imposed during the Period January 1, 2000 through March 31, 2000

The Exchange Regulatory Staff resolved the following matters pursuant to the Minor Rule Plan:

OPTIONS:

- | | |
|-----------|--|
| OS9912171 | A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or indecorous language. (PCX Rules 6.2(c)(2)(A)(iv)) |
| OS9912171 | A Member was fined Five Hundred Dollars (\$500.00) for using abusive or indecorous language. (PCX Rules 6.2(c)(2)(A)(iv)) |
| OS0001103 | A Member was fined Five Hundred Dollars (\$500.00) for using abusive or indecorous language. (PCX Rules 6.2(c)(2)(A)(iv)) |
| OS9912226 | A Member was fined Five Hundred Dollars (\$500.00) for using abusive or indecorous language. (PCX Rules 6.2(c)(2)(A)(iv)) |
| OS0002142 | A Member was fined Two Hundred Fifty Dollars (\$250.00) for engaging in unprofessional conduct. (PCX Rules 6.2(c)(2)(A)(ii)) |
| OS0002142 | A Member was fined Two Hundred Fifty Dollars (\$250.00) for engaging in unprofessional conduct. (PCX Rules 6.2(c)(2)(A)(ii)) |

- OS0001271 A Member was fined Five Hundred Dollars (\$500.00) for using abusive or indecorous language. (PCX Rule 6.2(c)(2)(A)(iv))
- OS0003012 A Member was fined Five Hundred Dollars (\$500.00) for engaging in unprofessional and disruptive conduct. (PCX Rule 6.2(c)(2)(A)(ii))
- OS0003013 A Member was fined Seven Hundred Fifty Dollars (\$750.00) for engaging in unprofessional and disruptive contact. (PCX Rule 6.2(c)(2)(A)(ii))
- OS0003014 A Member was fined Two Hundred Fifty Dollars (\$250.00) for engaging in unprofessional and disruptive conduct. (PCX Rule 6.2(c)(2)(A)(ii))
- OS0003202 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or indecorous language. (PCX Rule 6.2(c)(2)(A)(iv))
- OS0003161 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or indecorous language. (PCX Rule 6.2(c)(A)(iv))
- OS0003161 A Member was fined Five Hundred Dollars (\$500.00) for using abusive or indecorous language. (PCX Rule 6.2(c)(A)(iv))

The Exchange Regulatory Staff resolved the following matters pursuant to the Minor Rule Plan:

OPTIONS:

- OS0003163 A Member was fined Five Hundred Dollars (\$500.00) for using abusive or indecorous language. (PCX Rule 6.2(c)(A)(iv))
- OS0003164 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or indecorous language. (PCX Rule 6.2(c)(A)(iv))
- OS9909084 A Member was fined given an Informal Letter of Caution for using abusive or indecorous language.
(PCX Rule 6.2(c)(A)(iv))

EQUITIES:

- CES-991013-1 A Member was fined Five Hundred Dollars (\$500.00) executing a short sale. (PCX Rule 5.18(a))
- CEL-990907-1 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-990902-5 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to display order. Order Display Rule (SEC Rule 11Ac-1-4)

- CEL-991028-1 A Member was fined One Hundred Dollars (\$100.00) for failing to display order. Order Display Rule (SEC Rule 11Ac-1-4)
- CEL-991006-3 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to submit trade data in a timely manner. (PCX Rule 10.2(c))
- CEL-991223-1 A Member was fined Five Hundred Dollars (\$500.00) for failing to submit trade data in a timely manner. (PCX Rule 10.2(c))
- CEL-991223-1 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to furnish books, records, or other requested information of financial responsibility in a timely manner. (PCX Rule 2.12.(e))
- CEL-991223-1 A Member was fined Five Hundred Dollars (\$500.00) for delaying, impeding and failing to cooperate in an Exchange Investigation. (PCX Rule 10.2(b))
- CES-990917-1 A Member was fined Five Hundred Dollars (\$500.00) for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-990922-1 A Member was fined Five Hundred Dollars (\$500.00) for executing a short sale. (Short Sale Rule) (PCX Rule 5.18(a))
- CEL-991119-3 A Member was fined One Hundred Dollars (\$100.00) for failing to display order. Order Display Rule (SEC Rule 11Ac-1-4)
- CES-991207-2 A Member was fined Three Hundred Fifty Dollars (\$350.00) for failing to display order. Order Display Rule (SEC Rule 11Ac-1-4)
- CES-991208-2 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-000118-1 A Member was fined One Thousand Dollars (\$1000.00) for executing a short sale. (Short Sale Rule) (PCX Rule 5.18(a))
- CES-990917-2 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

The Exchange Regulatory Staff resolved the following matters pursuant to the Minor Rule Plan:

EQUITIES:

- CES-990922-2 A Member was fined Five Hundred Dollars (\$500.00) for executing a short sale. (Short Sale Rule) (PCX Rule 5.18(a))

- CES-991227-1 A Member was fined Five Hundred Dollars (\$500.00) for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991201-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order (PCX Rule 5.8(c))
- CES-991201-2 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11ac 1-4)
- CES-991207-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order (PCX Rule 5.8(c))
- CES-991208-1 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)
- CEL-991216-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order (PCX Rule 5.8(c))
- CES-991216-2 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order (PCX Rule 5.8(c))
- CEL-991005-2 A Member was issued an Official Letter of Warning for failing to keep a legible record of a trade and failing to maintain all books and records for a prescribed period of time. (PCX Rule 5.29(e) and PCX Rule 9.17))
- CES-991025-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-991221-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991228-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-000104-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-000105-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-000106-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-000107-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

- CEL-000204-3 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-000208-2 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)

The Exchange Regulatory Staff resolved the following matters pursuant to the Minor Rule Plan:

EQUITIES:

- CEL-991028-2 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991028-3 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991029-3 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991110-1 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)
- CES-991110-2 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)
- CES-991111-2 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-991111-5 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-991119-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-991103-4 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CES-991103-2 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991102-2 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))
- CEL-991102-1 A Member was issued an Official Letter of Warning for failing to give priority to a

pre-existing order. (PCX Rule 5.8(c))

CES-991119-2 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

CES-991013-2 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)

CES-991103-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

CEL-991108-1 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)

CEL-991109-1 A Member was issued an Official Letter of Warning for failing to display order. Order Display Rule (SEC Rule 11Ac 1-4)

CES-991208-3 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

The Exchange Regulatory Staff resolved the following matters pursuant to the Minor Rule Plan:

EQUITIES:

CES-990913-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

CES-991011-1 A Member was issued an Official Letter of Warning for failing to give priority to a pre-existing order. (PCX Rule 5.8(c))

CEL-991006-1 A Member was issued an Official Letter of Warning for failing to properly yield priority, parity and precedence to public orders. (SEC Rule 11(a))

CES-990924-1 A Member was issued an Official Letter of Warning for failing to properly display order. Order Display Rule (SEC Rule 11Ac 1-4)

CES-990921-1 A Member was issued an Official Letter of Warning for failing to properly display order. Order Display Rule (SEC Rule 11Ac 1-4)

CEL-990917-3 A Member was issued an Official Letter of Warning for failing to properly display order. Order Display Rule (SEC Rule 11Ac 1-4)

Arbitration Awards During the Period January 1, 2000 through March 31, 2000

There were no Arbitration Awards reported for this quarterly bulletin.

Pursuant to PCX Rule 12.29(f), arbitration awards shall be made publicly available provided that the name of the customer party will not be disclosed if he/she so requests in writing.

Award summaries will be published, as controversies are resolved. Upon written request, copies of the awards will be available from the Department of Arbitration of the Pacific Exchange.

Questions regarding Disciplinary Sanctions may be directed to the Carol Ware, Secretary Enforcement, at (415) 393-7963.