

RB-01-05  
August 27, 2001

**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 April 1, 2001 through June 30, 2001**

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

**OPTIONS:**

OS0012011 A Member was fined One Thousand Seven Hundred Fifty Dollars (\$1750.00) for engaging in physical contact and using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0003028 A Member was fined Five Hundred Dollars (\$500.00) for a second instance of failing to time-stamp a trade ticket. (PCX Rules 6.67(a) and 6.68)

OS0003028 A Member was fined One Hundred Dollars (\$100.00) for failing to maintain dissemination of a revised bid or offer for a reasonable period of time. (PCX Rule 6.37(d) Comm. 10(d))

OS0002101 A Member was fined One Thousand Three Hundred Dollars (\$1300.00) for failing to use due diligence in executing an order, failing to vocalize a trade at the post and violating crossing and solicitation rules. (PCX Rules 6.46(a), 6.66(c), 6.73 and 6.47(c))

OS0003019 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to use due diligence in executing an order. (PCX Rule 6.46(a))

OS0003146 A Member was fined One Thousand Dollars (\$1000.00) for executing a Broker/Dealer customer order on Auto-Ex. (PCX Rules 6.86(b) and 6.87(a))

OS0102613 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0008102 A Member was fined Two Hundred Fifty Dollars (\$250.00) for engaging in unprofessional and disruptive conduct on the Options Floor. (PCX Rule 6.2(c)(2)(ii))

***Summary Sanctions issued by PCX Options Floor Officials pursuant to the Minor Rule Plan:***

OS0103261 A Member was fined One Hundred Dollars (\$100.00) failing to log off Auto-Ex when leaving the trading crowd. (PCX Rule 6.87(d)(3))

OS0101111 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or hostile language on the

Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0103262 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to time-stamp a trade ticket. (PCX Rules 6.68, 6.69, OFPA G-12)

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***Summary Sanctions issued by PCX Options Floor Officials pursuant to the Minor Rule Plan:***

OS0104062 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0103263 A Member was fined Two Hundred Fifty Dollars (\$250.00) for failing to time-stamp a trade ticket. (PCX Rules 6.68, 6.69, OFPA G-12)

OS0104063 A Member was fined Two Hundred Fifty Dollars (\$250.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0105234 A Member was fined Five Hundred Dollars (\$500.00) for a second instance of failing to time-stamp a trade ticket. (PCX Rule 6.69)

OS0105236 A Member was fined Five Hundred Dollars (\$500.00) for a second instance of failing to time-stamp a trade ticket. (PCX Rule 6.69)

OS0105235 A Member was fined Five Hundred Fifty Dollars (\$500.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0105235 A Member was fined Five Hundred Fifty Dollars (\$500.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0105237 A Member was fined Five Hundred Dollars (\$500.00) for a second instance of failing to time-stamp a trade ticket. (PCX Rule 6.69)

OS0105231 A Member was fined Five Hundred Dollars (\$500.00) for failing to log off Auto-Ex when leaving the trading crowd. (PCX Rule 6.87(e)(3))

OS0105232 A Member was fined Five Hundred Dollars (\$500.00) for engaging in unprofessional conduct on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0105232 A Member was fined Five Hundred Dollars (\$500.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0105233 A Member was fined Five Hundred Dollars (\$500.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv) and OFPA A-1)

OS0105233 A Member was fined Five Hundred Dollars (\$500.00) for using abusive or hostile language on the Options Floor. (PCX Rule 6.2(c)(2)(iv) and OFPA A-1)

OS0104306 A Member was fined Five Hundred Dollars (\$500.00) for engaging in unprofessional conduct on the Options Floor. (PCX Rule 6.2(c)(2)(iv))

OS0105031 A Member was fined Five Hundred Dollars (\$500.00) for failing to time-stamp a trade ticket. (PCX Rule 6.69 OFPA G-12)

- OS0105032 A Member was fined Five Hundred Dollars (\$500.00) for failing to log off Auto-Ex when leaving the trading crowd. (PCX Rule 6.87(c)(3))
- OS0104304 A Member was fined Two Thousand Dollars (\$2000.00) for a second instance of engaging in unprofessional and disruptive behavior on the Options Floor. (PCX Rule 6.2(c)(2)(iv))
- OS0104305 A Member was fined Five Hundred Dollars (\$500.00) for disruptive behavior and use of abusive or hostile language on the Options Floor. (PCX Rule 6.2 OFPA A-1)
- OS0104301 A Member was fined Five Hundred Dollars (\$500.00) for failing to time-stamp a trade ticket. (PCX Rule 6.69 OFPA G-12)

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***Summary Sanctions issued by PCX Options Floor Officials pursuant to the Minor Rule Plan:***

- OS0106053 A Member was fined Two Thousand Dollars (\$2000.00) for a second instance of engaging in unprofessional and disruptive behavior on the Options Floor. (PCX Rule 6.2(c)(2)(A)(iii))
- OS0106181 A Member was fined Two Thousand Dollars (\$2000.00) for engaging in unprofessional, disruptive conduct, and use of physical contact on the Options Floor. (PCX Rule 6.2(c)(2)(A)(iii))

***The Ethics and Business Conduct Committee resolved the following matters by a rendering a Decision and or rendering a Decision accepting Offer of Settlement and Consent.***

**OPTIONS:**

- ME99120210 DAVID TILLMAN was censured and fined Five Thousand Dollars (\$5000.00) by the Ethics and Business Conduct Committee for failing to create and produce proper written ITSFEA policies. (PCX Rule 2.6(e) and SEC Act of 1934, Section 15(f))
- OS0005171 WILLIAM WHITE was censured and fined Fifteen Thousand Dollars (\$15,000.00) for five separate instances of engaging in unprofessional and disruptive behavior and use of abusive or hostile language on the Options Floor. White was also put on one year of probation and required to complete anger management classes.  
 OS9904199  
 OS9908044  
 OS9908043  
 OS0001141 (PCX Constitution Article XI, section 2(b) and (e) and PCX Rules 6.2(c)(2)(A) and 6.37(a))
- FC0006021 ST. CLAIRE SECURITIES consented to a censure and penalty of Seven Thousand Five Hundred Dollars (\$7500.00) failing to maintain a minimum net capital requirement. (PCX Rule 2.1(a) and SEC Act of 1934, Rule 15c3-1(a))
- ME9910061 GARY W. PIKE was fined One Thousand Dollars (\$1000.00) by the Ethics and Business Conduct Committee for failing to create and produce written ITSFEA policies. (PCX Rule 2.6(e) and SEC Act of 1934, Section 15(f))

Questions regarding Disciplinary Sanctions may be directed to Claire McMillan, Senior Enforcement Attorney, at (415) 393-4839.