

## BrokerCheck Report

# STEVEN BART SCHONFELD

CRD# 1051868

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

**STEVEN B. SCHONFELD**

CRD# 1051868

This broker is not currently registered.

**Report Summary for this Broker**

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

**Broker Qualifications**

**This broker is not currently registered.**

**This broker has passed:**

- 2 Principal/Supervisory Exams
- 1 General Industry/Product Exam
- 1 State Securities Law Exam

**Registration History**

**This broker was previously registered with the following securities firm(s):**

- B SCHON-EX LLC**  
CRD# 32211  
JERICHO, NY  
02/2009 - 12/2010
- B SCHONFELD SECURITIES, LLC**  
CRD# 23304  
JERICHO, NY  
11/1988 - 11/2009
- B SCHONFELD & COMPANY, LLC**  
CRD# 35519  
NEW YORK, NY  
06/1994 - 05/2004

**Disclosure Events**

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

Are there events disclosed about this broker? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	5

## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

**This individual has passed 2 principal/supervisory exams, 1 general industry/product exam, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Principal Examination	Series 24	02/03/1986
<b>B</b> Registered Options Principal Examination	Series 4	01/04/1985

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> General Securities Representative Examination	Series 7	06/19/1982

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	03/27/1984

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).

## Broker Qualifications



## Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 02/2009 - 12/2010	SCHON-EX LLC	32211	JERICO, NY
<b>B</b> 11/1988 - 11/2009	SCHONFELD SECURITIES, LLC	23304	JERICO, NY
<b>B</b> 06/1994 - 05/2004	SCHONFELD & COMPANY, LLC	35519	NEW YORK, NY
<b>B</b> 06/1993 - 05/2004	SCHON-EX LLC	32211	JERICO, NY
<b>B</b> 01/1987 - 11/1988	PRUDENTIAL-BACHE SECURITIES INC.	7471	
<b>B</b> 06/1982 - 02/1987	BLINDER, ROBINSON & CO.,INC.	5096	

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

**Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment	Employer Name	Position	Investment Related	Employer Location
12/2008 - Present	SCHON-EX LLC	ALLIED MEMBER	Y	JERICO, NY, United States

## Disclosure Events



### What you should know about reported disclosure events:

**1. Disclosure events in BrokerCheck reports come from different sources:**

- As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

**For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.**

	Final	On Appeal
Regulatory Event	5	0



## Disclosure Event Details

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

#### Disclosure 1 of 5

**Reporting Source:** Regulator  
**Regulatory Action Initiated By:** NYSE ARCA, INC. DIVISION OF ENFORCEMENT

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 12/23/2008

**Docket/Case Number:** HBD: 08-AE-05

**Employing firm when activity occurred which led to the regulatory action:**

**Product Type:** Options

**Other Product Type(s):**

**Allegations:** \*\*12/23/2008\*\*STIPULATION EXECUTED CONSENTED TO FINDINGS: 1. THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN THE SETTLEMENT CAUSED VIOLATIONS OF NYSE ARCA EQUITIES RULE 6.15(B) BY THE FIRM IN THAT SCHONFELD ALLOWED THE FIRM TO ENGAGE IN PREARRANGED TRADES WITH OTHER ENTITIES THAT HE CONTROLLED ON NUMEROUS BUT UNQUANTIFIED OCCASIONS. 2. THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN THE SETTLEMENT CONSTITUTE VIOLATIONS OF NYSE ARCA EQUITIES RULE 6.2(B) IN THAT SCHONFELD CONTRAVENED JUST AND EQUITABLE PRINCIPLES OF TRADE BY ALLOWING THE FIRM TO ENGAGE IN PREARRANGED TRADING WITH RELATED ENTITIES THAT HE CONTROLLED ON NUMEROUS BUT UNQUANTIFIED OCCASIONS FOR THE PURPOSE OF INCREASING THE FIRM'S NET CAPITAL POSITION IN AN ATTEMPT TO ENABLE THE FIRM TO REMAIN IN NET CAPITAL COMPLIANCE.3. THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN THE SETTLEMENT CONSTITUTE VIOLATIONS OF NYSE ARCA EQUITIES RULE 6.18(A) BY SCHONFELD IN THAT HE, AS THE



FIRM'S CHAIRMAN AND PRINCIPAL, FAILED TO ADEQUATELY SUPERVISE THE FIRM'S PERSONNEL IN A MANNER REASONABLY DESIGNED TO ACHIEVE THEIR COMPLIANCE WITH NYSE ARCA EQUITIES RULES AND/OR FEDERAL SECURITIES LAWS AND REGULATIONS PERTAINING TO (I) PREARRANGED TRADES; AND (II) NET CAPITAL REQUIREMENTS  
 SANCTIONS:1. A CENSURE;2. A \$200,000 FINE;  
 3. A SUSPENSION OF 90 DAYS FROM ACTING IN A SUPERVISORY CAPACITY;  
 AND 4. AN UNDERTAKING TO RETAKE AND PASS THE SERIES 24 EXAMINATION IN THE EVENT THAT HE SEEKS TO RESUME ANY SUPERVISORY ROLE AT THE FIRM OR WITH ANOTHER NYSE ARCA EQUITIES OR OPTIONS FIRM.

**Current Status:** Final  
**Resolution:** Decision  
**Resolution Date:** 12/31/2008  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$200,000.00  
 Suspension

**Other Sanctions Ordered:**

**Sanction Details:**

**\*\*12/31/2008\*\*DECISION ISSUED CONSENTED TO FINDINGS:**  
 1. THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN THE SETTLEMENT CAUSED VIOLATIONS OF NYSE ARCA EQUITIES RULE 6.15(B) BY THE FIRM IN THAT SCHONFELD ALLOWED THE FIRM TO ENGAGE IN PREARRANGED TRADES WITH OTHER ENTITIES THAT HE CONTROLLED ON NUMEROUS BUT UNQUANTIFIED OCCASIONS.  
 2. THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN THE SETTLEMENT CONSTITUTE VIOLATIONS OF NYSE ARCA EQUITIES RULE 6.2(B) IN THAT SCHONFELD CONTRAVENED JUST AND EQUITABLE PRINCIPLES OF TRADE BY ALLOWING THE FIRM TO ENGAGE IN PREARRANGED TRADING WITH RELATED ENTITIES THAT HE CONTROLLED ON NUMEROUS BUT UNQUANTIFIED OCCASIONS FOR THE PURPOSE OF INCREASING THE FIRM'S NET CAPITAL POSITION IN AN ATTEMPT TO ENABLE THE FIRM TO REMAIN IN NET CAPITAL COMPLIANCE.3. THE ACTS, PRACTICES AND CONDUCT DESCRIBED IN THE SETTLEMENT CONSTITUTE VIOLATIONS OF NYSE ARCA EQUITIES RULE 6.18(A) BY SCHONFELD IN THAT HE, AS THE FIRM'S CHAIRMAN AND PRINCIPAL, FAILED TO ADEQUATELY SUPERVISE THE FIRM'S PERSONNEL IN A MANNER REASONABLY DESIGNED TO ACHIEVE THEIR COMPLIANCE WITH NYSE ARCA EQUITIES RULES AND/OR FEDERAL SECURITIES LAWS AND REGULATIONS PERTAINING TO (I) PREARRANGED TRADES; AND (II) NET CAPITAL REQUIREMENTS  
 SANCTIONS: 1. A CENSURE;2. A \$200,000 FINE;  
 3. A SUSPENSION OF 90 DAYS FROM ACTING IN A SUPERVISORY CAPACITY;



AND

4. AN UNDERTAKING TO RETAKE AND PASS THE SERIES 24 EXAMINATION IN THE EVENT THAT HE SEEKS TO RESUME ANY SUPERVISORY ROLE AT THE FIRM OR WITH ANOTHER NYSE ARCA EQUITIES OR OPTIONS FIRM.

**\*\*12/31/2008\*\*THE DECISION IS FINAL.**

### Regulator Statement

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** NYSE ARCA, INC.

**Sanction(s) Sought:** Censure

**Date Initiated:** 12/23/2008

**Docket/Case Number:** HBD: 08-AE-05

**Employing firm when activity occurred which led to the regulatory action:** SCHONFELD SECURITIES LLC

**Product Type:** No Product

**Allegations:** VIOLATED NYSE ARCA EQUITIES RULE 6.15(B) BY ALLOWING SCHONFELD SECURITIES TO ENGAGE IN PREARRANGED TRADING; VIOLATED NYSE ARCA EQUITIES RULE 6.2(B) BY ALLOWING SCHONFELD SECURITIES TO ENGAGE IN PREARRANGED TRADING FOR THE PURPOSE OF INCREASING THE FIRM'S NET CAPITAL POSITION IN AN ATTEMPT TO REMAIN IN NET CAPITAL COMPLIANCE; AND VIOLATED NYSE ARCA EQUITIES RULE 6.18(A) BY FAILING TO ADEQUATELY SUPERVISE CERTAIN ACTIVITIES OF SCHONFELD SECURITIES PERTAINING TO PREARRANGED TRADING AND NET CAPITAL REQUIREMENTS.

**Current Status:** Final

**Resolution:** Decision & Order of Offer of Settlement

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 12/31/2008

**Sanctions Ordered:** Censure



Civil and Administrative Penalty(ies)/Fine(s)  
 Requalification  
 Suspension

#### Sanction 1 of 1

**Sanction Type:** Suspension  
**Capacities Affected:** GENERAL SECURITIES PRINCIPAL  
**Duration:** 90 DAYS  
**Start Date:** 12/31/2008  
**End Date:** 03/30/2009

#### Requalification 1 of 1

**Requalification Type:** Requalification by Exam  
**Length of time given to requalify:** NONE

**Type of exam required :** SERIES 24  
**Has condition been satisfied:** No

#### Monetary Sanction 1 of 1

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)  
**Total Amount:** \$200,000.00  
**Portion Levied against individual:** \$200,000.00

#### Payment Plan:

**Is Payment Plan Current:**  
**Date Paid by individual:** 02/10/2009

**Was any portion of penalty waived?** No

#### Amount Waived:

#### Disclosure 2 of 5

**Reporting Source:** Regulator  
**Regulatory Action Initiated By:** ILLINOIS SECURITIES DEPARTMENT



**Sanction(s) Sought:** Revocation

**Other Sanction(s) Sought:**

**Date Initiated:** 03/28/2000

**Docket/Case Number:** 0000078

**Employing firm when activity occurred which led to the regulatory action:** SCHONFELD SECURITIES, LLC

**Product Type:** No Product

**Other Product Type(s):**

**Allegations:** RESPONDENT'S SALESPERSON REGISTRATION IS SUBJECT TO REVOCATION PURSUANT TO NEW YORK STOCK EXCHANGE, INC. ACCEPTED STIPULATION OF FACTS AND CONSENT TO PENALTY, FILE NO. 99-159.

**Current Status:** Final

**Resolution:** Consent

**Resolution Date:** 09/14/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,000.00

**Other Sanctions Ordered:** THE RESPONDENT SHALL NOT ACT AS AN ILLINOIS DESIGNATED PRINCIPAL FOR A PERIOD OF THREE YEARS FROM ENTRY OF THE CONSENT ORDER.

**Sanction Details:** THE RESPONDENT IS CENSURED, AND SHALL PAY \$2,000.00 FOR CERTAIN COSTS OF INVESTIGATION OF THIS MATTER. THE FORMAL HEARING SCHEDULED ON THIS MATTER IS DISMISSED.

**Regulator Statement** A NOTICE OF HEARING, ISSUED MARCH 28, 2000. THE HEARING IS SET FOR MAY 17, 2000. A CONSENT ORDER OF CENSURE ISSUED SEPTEMBER 14, 2000.

CONTACT: 217 785-4948

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** STATE OF ILLINOIS



**Sanction(s) Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s) Sought:** CENSURE

**Date Initiated:** 03/28/2000

**Docket/Case Number:** 0000078

**Employing firm when activity occurred which led to the regulatory action:** SCHONFELD SECURITIES, LLC

**Product Type:** No Product

**Other Product Type(s):**

**Allegations:** THE RESPONDENT CAUSED A VIOLATION BY PERMITTING THE FIRM TO GUARANTEE CUSTOMERS AGAINST LOSS AND BY DIRECTING THAT THE FIRM SHARE IN PROFITS OR LOSSES IN CERTAIN CUSTOMER ACCOUNTS.

**Current Status:** Final

**Resolution:** Stipulation and Consent

**Resolution Date:** 03/28/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,000.00

**Other Sanctions Ordered:**

**Sanction Details:** CENSURED; CANNOT ACT AS DESIGNATED PRINCIPAL IN THE STATE OF ILLINOIS FOR 3 YEARS; FINED \$2000.00 PAID 10/9/2000.

#### Disclosure 3 of 5

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 04/27/2000

**Docket/Case Number:** C10000047



**Employing firm when activity occurred which led to the regulatory action:** MAJOR LEAGUE SECURITIES LLC

**Product Type:** Other

**Other Product Type(s):**

**Allegations:** 05-03-00, SEC RULES 17A-3 AND 17-4,NASD RULES 1120(B),2110, 2510(C),3010(B), AND 3110 - A MEMBER FIRM, ACTING THROUGH THE RESPONDENT, FAILED TO MAKE AND KEEP ORDER MEMORANDA CONCERNING SEPARATE SECURITES TRANSACTIONS AND FAILED TO RECORD THE CORRECT TIME OF EXECUTION WITH RESPECT TO SECURITIES TRANSACTIONS;MAINTAINED DISCRETIONARY ACCOUNTS WITHOUT EACH CUSTOMER'S PRIOR WRITTEN AUTHORIZATION TO SPECIFICALLY DESIGNATED INDIVIDUALS AND WITHOUT THE FIRM'S ACCEPTANCE IN WRITING OF THE DISCRETIONARY AUTHORIZATIONS; FAILED TO CONDUCT AN ANNUAL NEEDS ANALYSIS, PREPARE A WRITTEN TRAINING PLAN, OR PROVIDE ANY TRAINING TO ITS COVERED REGISTERED PERSONS AS REQUIRED BY THE FIRM ELEMENT OF THE CONTINUING EDUCATION PROGRAM; AND FAILED TO PREPARE, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES COVERING EACH OF THE ABOVE AREAS.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/27/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$13,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED JOINTLY AND SEVERALLY WITH MEMBER FIRM  
  
10-03-00, \$13,500 PAID J&S ON 5/22/00, INVOICE 00-10-295

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s) Sought:**



**Date Initiated:** 04/27/2000

**Docket/Case Number:** C10000047

**Employing firm when activity occurred which led to the regulatory action:** MAJOR LEAGUE SECURITIES, LLC

**Product Type:** Other

**Other Product Type(s):**

**Allegations:** PERMITTED SEPARATE AGENCY ORDERS IN EXCESS OF THE MAXIMUM SOES ORDER SIZE. FAILED TO MAKE AND KEEP ORDER TICKETS. FAILED TO MAINTAIN CUSTOMER'S PRIOR WRITTEN AUTHORIZATION FOR DISCRETIONARY ACCOUNTS. FAILED TO CONDUCT AN ANNUAL NEEDS ANALYSIS, PREPARE A WRITTEN TRAINING PLAN, OR PROVIDE ANY TRAINING TO ITS COVERED REGISTERED PERSONS. FAILED TO PREPARE, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES COVERING EACH OF THE ABOVE AREAS.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/27/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$13,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED JOINTLY AND SEVERELY WITH MEMBER FIRM.

#### Disclosure 4 of 5

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** NYSE DIVISION OF ENFORCEMENT.

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 11/01/1999

**Docket/Case Number:** HPD#99-159



<b>Employing firm when activity occurred which led to the regulatory action:</b>	SCHONFELD SECURITIES LLC
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	<p>**11/01/1999**EVENT STIPULATION AND CONSENT TO PENALTY FILED WITH NYSE HEARING PANEL CONSENTED TO FINDINGS:</p> <p>1. FINDINGS BY THE HEARING PANEL THAT HE:</p> <p>(A)ENGAGED IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT HE EXTENDED CREDIT OF APPROXIMATELY \$23 MILLION FROM HIS PERSONAL FUNDS TO APPROXIMATELY 68 INDIVIDUALS FOR THE PURPOSE OF OPENING AND PROVIDING THE TOTAL INITIAL TRADING EQUITY IN CUSTOMER ACCOUNTS AT THE FIRM OR A NON-MEMBER ORGANIZATION OWNED BY SCHONFELD AND AFFILIATED WITH THE FIRM, THROUGH WHICH IT CLEARED.</p> <p>(B)VIOLATED SECTION 220.13 OF REGULATION T IN THAT, AS AN ASSOCIATED PERSON OF A MEMBER ORGANIZATION, HE EXTENDED CREDIT TO ONE OR MORE PERSONS MAINTAINING CUSTOMER ACCOUNTS AT THE FIRM ON TERMS AND CONDITIONS BETTER THAN THE REGULATION ALLOWS.(C)VIOLATED EXCHANGE RULE 342 IN THAT, AS THE PERSON WITH OVERALL AUTHORITY AND RESPONSIBILITY FOR SUPERVISION AND CONTROL OF THE FIRM AND ITS COMPLIANCE WITH SECURITIES LAWS AND REGULATIONS, HE:</p> <p>(I)FAILED TO DELEGATE TO QUALIFIED PRINCIPALS OR EMPLOYEES RESPONSIBILITY AND AUTHORITY FOR SUPERVISION AND CONTROL OF CERTAIN OFFICE AND BUSINESS ACTIVITIES;</p> <p>(II)FAILED TO ESTABLISH A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW TO ENSURE THAT DELEGATED AUTHORITY AND RESPONSIBILITY WAS PROPERLY EXERCISED AND FAILED TO PROVIDE FOR APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL WITH A VIEW TOWARD COMPLIANCE WITH APPLICABLE SECURITIES LAWS, RULES AND REGULATIONS;(III)FAILED TO ENSURE THAT DELEGATED AUTHORITY IN COMPLIANCE, SUPERVISORY AND REGISTRATION FUNCTIONS WAS PROPERLY EXERCISED; AND(IV) FAILED TO ESTABLISH A REASONABLE SYSTEM TO DOCUMENT ACCOUNT DESIGNATION CHANGES AND RECORD SUPERVISORY APPROVAL OF ACCOUNT DESIGNATION CHANGES AS REQUIRED BY EXCHANGE RULE 410(A) AND SEA REGULATION 240.17A-3(A)(6).(V)PERMITTED EMPLOYEES TO REPRESENT THE FIRM TO EXCHANGE MEMBERS, AND MEMBER ORGANIZATIONS BY USING THE NAME OF ANOTHER ENTITY WHEN EFFECTING ORDERS**CONTINUE 13**</p>
<b>Current Status:</b>	Final



<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	12/16/1999
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$150,000.00 Suspension
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	*11/18/1999*DECISION 99-159 ISSUED BY NYSE HEARING PANEL EXTENDED CREDIT TO INDIVIDUALS FOR THE PURPOSE OF OPENING AND PROVIDING INITIAL EQUITY IN CUSTOMER ACCOUNTS; VIOLATED SECTION 220.13 OF REGULATION T BY EXTENDING CREDIT ON TERMS BETTER THAN THE REGULATION ALLOWS; VIOLATED EXCHANGE RULE 342 BY FAILING TO PROVIDE FOR ADEQUATE SUPERVISION AND CONTROL; CAUSED VIOLATIONS OF EXCHANGE RULE 352(B) AND (C) BY PERMITTING FIRM TO GUARANTEE CUSTOMERS AGAINST LOSS AND BY DIRECTING THAT THE FIRM SHARE IN PROFITS OR LOSSES IN CERTAIN CUSTOMER ACCOUNTS; CAUSED VIOLATIONS OF SEA REGULATION 240.10A-1 AND EXCHANGE RULE 440 B BY FAILING TO ESTABLISH A SYSTEM TO ENSURE THAT FIRM ORDER TICKETS WERE PROPERLY MARKED LONG OR SHORT AND BY FAILING TO ESTABLISH SYSTEM TO ENSURE THAT SHORT SALES NOT BE EFFECTED BELOW PRICE OF LAST SALE-CONSENT TO CENSURE, THIRTY DAY SUSPENSION, AND \$150,000 FINE.
<b>Regulator Statement</b>	*12/16/1999* THE DECISION IS NOW FINAL. THE BAR OR SUSPENSION IMPOSED IS EFFECTIVE 2/14/2000.*CONTACT*PEGGY GERMINO 212 656-8450.

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	NYSE DIVISION OF ENFORCEMENT
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	11/01/1999
<b>Docket/Case Number:</b>	HPD99-159
<b>Employing firm when activity occurred which led to the regulatory action:</b>	SCHONFELD SECURITIES, LLC
<b>Product Type:</b>	No Product
<b>Allegations:</b>	EXTENDED CREDIT FROM PERSONAL FUNDS FOR DAY-TRADING.



PERMITTED THE FIRM TO GUARANTEE CERTAIN CUSTOMERS AGAINST LOSS AND DIRECTED FIRM TO SHARE PROFITS OR LOSSES. FAILURE TO REASONABLY DISCHARGE CERTAIN SUPERVISORY AUTHORITY AND RESPONSIBILITIES.

**Current Status:** Final

**Resolution:** Stipulation and Consent

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 12/16/1999

**Sanctions Ordered:** Censure  
Civil and Administrative Penalty(ies)/Fine(s)  
Suspension  
Undertaking

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL CAPACITITES

**Duration:** 30 DAYS

**Start Date:** 02/14/2000

**End Date:** 03/14/2000

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$150,000.00

**Portion Levied against individual:** \$150,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 01/29/2000

**Was any portion of penalty waived?** No



## Amount Waived:

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### Disclosure 5 of 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Sanction(s) Sought:</b>	
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	10/05/1990
<b>Docket/Case Number:</b>	NY-9034-AWC
<b>Employing firm when activity occurred which led to the regulatory action:</b>	SCHONFELD SECURITIES, INC.
<b>Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/05/1990
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	ON OCTOBER 5, 1990, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. NY-9034-AWC (DISTRICT NO. 12) SUBMITTED BY RESPONDENTS SCHONFELD SECURITIES, INC., KATHRYN LICURSI AND STEVEN SCHONFELD WAS ACCEPTED, THEREFORE RESPONDENT MEMBER AND RESPONDENT LICURSI ARE CENSURED AND FINED \$1,000 JOINTLY AND SEVERALLY; AND RESPONDENT MEMBER AND RESPONDENT S. SCHONFELD ARE CENSURED AND FINED \$1,000 JOINTLY AND SEVERALLY - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT



MEMBER, ACTING THROUGH RESPONDENT LICURSI, FAILED TO MAKE THE REQUIRED DEPOSIT INTO THE SPECIAL RESERVE BANK ACCOUNT; AND RESPONDENT MEMBER, ACTING THROUGH RESPONDENT S. SCHONFELD, FAILED TO COMPLY WITH THE TERMS OF THEIR RESTRICTION AGREEMENT, IN THAT THE FIRM DID NOT MAINTAIN EXCESS NET CAPITAL OF AT LEAST \$250,000).

\*\*\*\$1,000.00 J&S1 PAID ON 10/15/90 INVOICE #90-12-1183\*\*\*

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** NASD DBCC FOR DISTRICT NO. 12

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 10/05/1990

**Docket/Case Number:** NY-9034-AWC

**Employing firm when activity occurred which led to the regulatory action:** SCHONFELD SECURITIES, INC.

**Product Type:**

**Other Product Type(s):**

**Allegations:** I WAS ACTING FOR THE MEMBER, AND FAILED TO COMPLY WITH THE TERMS OF THE RESTRICTION AGREEMENT DATED FEBRUARY 5, 1990. AS OF MAY 25, 1990 THE FIRMS EXCESS NET CAPITAL WAS \$178,000, THE REQUIREMENT WAS \$250,000.

**Current Status:** Final

**Resolution:** Consent

**Resolution Date:** 10/05/1990

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** CONSENT TO A PENALTY AND CENSURE AND A \$1000 FINE

**Broker Statement** Not Provided



## End of Report



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