

**Disciplinary Panel
American Stock Exchange LLC**

IN THE MATTER
OF
CHRISTIAN BUCK

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:
: Case No. 04-187
: Hearing Officer – DMF
:
: **DECISION**
: May 23, 2005
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In accordance with a Stipulation of Facts and Consent to Penalty, the Disciplinary Panel Chair determined that Respondent violated Exchange Rule 11(a) of the Rules of Procedure, as stipulated, and as a penalty imposed a censure and a fine of \$7,500.

I. Introduction

The American Stock Exchange, LLC (the “Exchange”) instituted a formal disciplinary proceeding against Christian Buck, a Regular Member of the Exchange. The Disciplinary Panel Chair, presiding without convening a full Disciplinary Panel, pursuant to Article V, Section 1(b) of the Exchange Constitution, held a hearing on April 18, 2005, pursuant to Article V, Section 2 of the Exchange Constitution, to review a Stipulation of Facts and Consent to Penalty (Stipulation). The Exchange and Buck entered into that Stipulation for the purposes of settling this proceeding and concluding all disciplinary actions by the Exchange against Buck based upon or arising out of the facts set forth in the Stipulation.

II. Stipulated Facts

Buck, without admitting or denying liability, stipulated to the facts, set forth in the Stipulation of Facts and Consent to Penalty. The Disciplinary Panel Chair has determined to accept the facts for purposes of this Decision, and they are incorporated herein as follows:

1.0 At all relevant times herein, Buck was a Regular Member of the Exchange and Managing Member of B&W.

1.1 At all relevant times herein, Buck was a floor broker on the Exchange for B&W, an AMEX member firm engaged in floor brokerage activities.

1.2 At all relevant times herein, DS was a Registered Options Trader associated with a Member firm of the Exchange and a Floor Official.

1.3 During the relevant time herein, Buck executed trades as a broker for trades initiated and authorized by DS.

1.4 During all relevant periods herein, Exchange Rule 11(a) of the Exchange Rules of Procedure in Disciplinary Matters (“Rules of Procedure”) provided in relevant part:

Members, employees of member organizations and prospective employees of member organizations who are the subject of, or are questioned in connection with, an Exchange investigation shall not discuss such investigation publicly or with any member of the Board of Governors or any Exchange Official.

Rule 11 Violation

2.0 On March 22, 2004, in connection with a routine investigation of off-floor trading, the Derivative Trading Analysis Department (“DTA”) of the Exchange spoke with Buck regarding his execution of orders initiated by DS during the fourth quarter of 2003.

2.1 During the conversation on March 22, 2004 with Buck on the Exchange floor, DTA investigative staff advised Buck that they were conducting an investigation of DS’s trading activity for the period October 2003 through December 2003.

2.2 At the conclusion of this meeting with Buck on March 22, 2004, the DTA investigative staff handed a copy of Rule 11 of the Exchange Rules of Procedure to Buck.

2.3 At the time of the meeting with Buck on March 22, 2004, DTA investigative staff instructed Buck not to discuss the Exchange’s investigation with anyone else.

2.4 Following this meeting on March 22, 2004, DTA investigative staff received a telephone call from DS inquiring about the nature of the Exchange's investigation being conducted about him. DS reported that Buck had contacted him to apprise him of the Exchange's investigation.

2.5 On or about April 22, 2004, DTA investigative staff conducted an on-the-record interview of Buck regarding his discussions with DTA and DS.

2.6 During Buck's interview on or about April 22, 2004, Buck admitted that he had been verbally instructed by DTA investigative staff not to discuss matters on which he was questioned with others.

2.7 During Buck's interview on or about April 22, 2004, Buck admitted that, despite the staff's instruction, he telephoned DS approximately five minutes after receiving the staff's admonition and advised DS that the Exchange was conducting an investigation against him (DS). During this telephone call to DS, Buck did not request that DS conceal the fact that he had made this call to DS.

2.8 During Buck's interview on or about April 22, 2004, Buck admitted that DTA staff had provided him with a copy of Rule 11(a) of the Exchange Rules of Procedure at the conclusion of this interview on the floor on March 22, 2004.

2.9 During Buck's interview on or about April 22, 2004, Buck admitted that DS was his friend and that he wanted to give DS notification of the Exchange's pending investigation.

III. Violation

Based upon the stipulated facts, the Disciplinary Panel Chair concludes that on March 22, 2004, Buck violated Exchange Rule 11(a) of the Exchange Rules of Procedure by contacting DS and discussing the Exchange's investigation, after the DTA staff instructed him not to discuss the matter, and also gave him a copy of Rule 11(a) of the Exchange Rules of Procedure.

IV. Penalties and Publicity

The Stipulation proposes that the Disciplinary Panel Chair impose a censure and a fine of \$7,500 on Buck. After considering the stipulated facts and the statements of the parties, the Chair finds that the proposed penalty is appropriate under the facts and circumstances of this case, and therefore it will be imposed. The Chair further finds that the results of this disciplinary proceeding should be publicly disclosed, as provided in Rule 12 of the Exchange Rules on Disciplinary Proceedings.¹

V. Conclusion

The Disciplinary Panel Chair accepts the Stipulation of Facts and Consent to Penalty and hereby imposes upon Christian Buck a censure and a fine of \$7,500.

FOR THE DISCIPLINARY PANEL

David M. FitzGerald, Chair

Copies to: Thomas J. McCabe, Esq. (*via facsimile and first class mail*)
Jennifer D. Kim, Esq. (*electronically and via first class mail*)
Arlene Collins-Day (*electronically and via first class mail*)

¹ Rule 12 exempts from publicity those cases in which the Panel finds that the offense "related solely to minor administrative requirements of the Exchange and does not materially affect the public interest or the interest of investors." Those exemptions do not apply to the facts of this case.

Disciplinary Panel
American Stock Exchange LLC

IN THE MATTER
OF
CHRISTIAN BUCK

STIPULATION OF FACTS
AND
CONSENT TO PENALTY

Case No. 04-187

This proceeding was instituted by the American Stock Exchange LLC (the “Exchange”) against CHRISTIAN BUCK (“Buck”) (CRD #4653304), a Regular Member of the Exchange. This Stipulation of Facts and Consent to Penalty is entered into with Buck pursuant to Article V, Section 2, of the Exchange Constitution in order to settle and conclude all disciplinary actions by the Exchange against Buck based upon or arising out of the facts hereinafter stipulated. Buck, without admitting or denying the facts, allegations and conclusions contained in this Stipulation of Facts and Consent to Penalty, hereby consents to the findings of violations of the Exchange Rules and to the imposition of the penalties hereinafter provided. Buck understands that this settlement is subject to approval by an Exchange Disciplinary Panel and by the Amex Adjudicatory Council and that, if so approved, shall constitute a final decision that may not be appealed by the parties. Buck understands and acknowledges that the Disciplinary Panel’s decision in this matter will become part of his disciplinary record and may be considered in any future proceeding brought by the Exchange.

STIPULATION OF FACTS:

- 1.0 At all relevant times herein, Buck was a Regular Member of the Exchange and Managing Member of B&W.
- 1.1 At all relevant times herein, Buck was a floor broker on the Exchange for B&W, an AMEX member firm engaged in floor brokerage activities.
- 1.2 At all relevant times herein, “DS” was a Registered Options Trader associated with a Member firm of the Exchange and a Floor Official.
- 1.3 During the relevant time herein, Buck executed trades as a broker for trades initiated and authorized by “DS.”
- 1.4 During all relevant periods herein, Exchange Rule 11(a) of the Exchange Rules of Procedure in Disciplinary Matters (“Rules of Procedure”) provided in relevant part:

Members, employees of member organizations and prospective employees of member organizations who are the subject of, or are questioned in connection with, an Exchange investigation shall not discuss such investigation publicly or with any member of the Board of Governors or any Exchange Official.

Rule 11 Violation

- 2.0 On March 22, 2004, in connection with a routine investigation of off-floor trading, the Derivative Trading Analysis Department (“DTA”) of the Exchange spoke with Buck regarding his execution of orders initiated by “DS” during the fourth quarter of 2003.
- 2.1 During the conversation on March 22, 2004 with Buck on the Exchange floor, DTA investigative staff advised Buck that they were conducting an investigation of “DS” trading activity for the period October 2003 through December 2003.

- 2.2 At the conclusion of this meeting with Buck on March 22, 2004, the DTA investigative staff handed a copy of Rule 11 of the Exchange Rules of Procedure to Buck.
- 2.3 At the time of the meeting with Buck on March 22, 2004, DTA investigative staff instructed Buck not to discuss the Exchange's investigation with anyone else.
- 2.4 Following this meeting on March 22, 2004, DTA investigative staff received a telephone call from "DS" inquiring about the nature of the Exchange's investigation being conducted about him. "DS" reported that Buck had contacted him to apprise him of the Exchange's investigation.
- 2.5 On or about April 22, 2004, DTA investigative staff conducted an on-the-record interview of Buck regarding his discussions with DTA and "DS."
- 2.6 During Buck's interview on or about April 22, 2004, Buck admitted that he had been verbally instructed by DTA investigative staff not to discuss matters on which he was questioned with others.
- 2.7 During Buck's interview on or about April 22, 2004, Buck admitted that, despite the staff's instruction, he telephoned "DS" approximately five minutes after receiving the staff's admonition and advised "DS" that the Exchange was conducting an investigation against him ("DS"). During [this telephone call to DS, Buck did not request that DS conceal the fact that he had made this call to DS.](#)
- 2.8 During Buck's interview on or about April 22, 2004, Buck admitted that DTA staff had provided him with a copy of Rule 11(a) of the Exchange Rules of Procedure at the conclusion of this interview on the floor on March 22, 2004.

2.9 During Buck's interview on or about April 22, 2004, Buck admitted that "DS" was his friend and that he wanted to give "DS" notification of the Exchange's pending investigation.

CONCLUSIONS:

By reasons of the above, a Disciplinary Panel may conclude that:

3.0 Buck violated Exchange Rule 11(a) of the Rules of Procedure in that, after being questioned by Exchange staff in connection with an investigation, he discussed such investigation publicly, as set forth above in paragraphs 2.0 and 2.1.

DISCIPLINARY ACTION:

By reason of the foregoing Stipulated Facts, a Disciplinary Panel may impose the following penalties upon Buck:

- (a) a censure;
- (b) a fine of \$7,500.

ON BEHALF OF:
AMERICAN STOCK EXCHANGE LLC

By: _____

David Rosenstein
Vice President and Chief Counsel
Enforcement Department
NASD Amex Regulation Division

Agreed to this _____ day of _____, 2005.
