

II. Facts

Peregoy, without admitting or denying liability, stipulated to the facts set forth in the attached Stipulation. The Chair has determined to accept the facts for purposes of this Decision, and they are incorporated herein.

III. Violations

Based upon the stipulated facts, the Chair concludes that Peregoy:

(1) violated Article V, Section 4(d) of the Exchange Constitution [made applicable through American Stock Exchange Rule 345(a)(1)], between August 2003 and January 2004 by entering, or causing to be entered, orders on the OTC Bulletin Board in the common stock of Company #1, which orders upset the equilibrium of the market and brought about a condition of demoralization in which prices did not fairly reflect market values;

(2) violated Article V, Section 4(j) of the Exchange Constitution [made applicable through American Stock Exchange Rule 345(a)(1)] between August 2003 and January 2004 by engaging in acts detrimental to the interest and welfare of the Exchange, in that he entered, or caused to be entered, orders on the OTC Bulletin Board in the common stock of Company #1, in order to increase the share price for the purpose of meeting AMEX listing requirements;

(3) violated Exchange Rule 345(a)(4) between August 2003 and January 2004 by engaging in acts and/or conduct inconsistent with the just and equitable principles of trade, in that he entered, or caused to be entered, orders on the OTC Bulletin Board in the common stock of Company #1, in order to increase the share price for the purpose of meeting AMEX listing requirements; and

(4) violated Exchange Rule 31 between May and August 2006 by failing to appear and testify before a designated representative of the Exchange.

IV. Penalties and Publicity


The Stipulation proposes that the Chair impose on Peregoy a permanent plenary bar from Exchange membership in any capacity, including Approved Person and Limited Trading Permit status, and from employment or association in any capacity with an Exchange Member or Member organization.

After considering the stipulated facts and the statements of the parties, as well as the decisions cited in the Exchange's precedent memorandum, 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 Chair accepts the Stipulation of Facts and Consent to Penalty and hereby imposes upon Ralph Peregoy a permanent plenary bar from Exchange membership in any capacity, including Approved Person and Limited Trading Permit status, and from employment or association in any capacity with an Exchange Member or Member organization.

FOR THE DISCIPLINARY PANEL



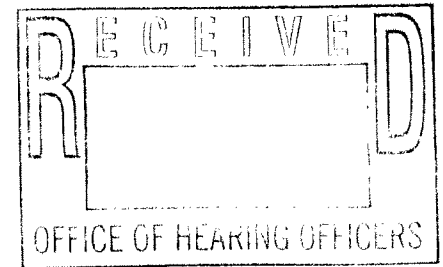
Rochelle S. Hall, Chair

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." That exemption does not apply to the facts of this case.

Copies to: Ralph Peregoy (*via overnight courier and first class mail*)
Ralph V. De Martino, Esq. (*via facsimile and first class mail*)
Jeffrey S. Rosen, Esq. (*via facsimile and first class mail*)
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Shawn Mallon, Esq. (*electronically and via first class mail*)
David Rosenstein, Esq. (*electronically and via first class mail*)
Arlene Collins-Day (*electronically and via first class mail*)

EXHIBIT A

Disciplinary Panel
American Stock Exchange LLC



IN THE MATTER
OF
RALPH PEREGOY

**STIPULATION OF FACTS AND
CONSENT TO PENALTY**

Case No.: 07-02
Star No.: 20050028039

This proceeding was instituted by the American Stock Exchange LLC ("AMEX" or the "Exchange") against RALPH NORMAN "PERRY" PEREGOY ("Peregoy") (CRD # 4707246), a former employee of Cohen Specialists LLC, a Member Organization of the Exchange. This Stipulation of Facts and Consent to Penalty ("Stipulation") is entered into with Peregoy pursuant to Article V, Section 2 of the Exchange Constitution in order to settle and conclude all disciplinary actions by the Exchange against Peregoy based upon or arising out of the facts hereinafter stipulated. Peregoy, without admitting or denying the facts, allegations and conclusions contained in this Stipulation of Facts and Consent to Penalty, hereby consents to the entry of findings of violations of the Exchange Constitution and Rules, and the imposition of the penalties hereinafter provided. Peregoy understands that this settlement is subject to approval by an Exchange Disciplinary Panel and can be the subject of review by the Amex Adjudicatory Council ("AAC") and that, if so approved, shall constitute a final decision, which may not be appealed by the parties. Peregoy 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.

STATEMENT OF FACTS:

- 1.0 During all relevant periods herein, Peregoy was employed as the President of Cohen Specialists, LLC (“Cohen” or the “Firm”) (CRD# 43418) a Regular Member organization of the Exchange.
- 1.1 Peregoy was terminated from Cohen on or about November 2, 2005.
- 1.2 The NASD’s AMEX Regulation Division (“the Division”) retained jurisdiction over Peregoy by certified letter dated December 19, 2005; receipt acknowledged.
- 1.3 During all relevant periods herein, Cohen was a Regular Member organization of the Exchange and was registered with the Exchange as an equities specialist firm.
- 2.0 During all relevant periods herein, Article V, Section 4(d) of the Exchange Constitution provided that a member or member organization adjudged guilty in a proceeding under this Article of making any purchases or sales or offers of purchase or sale of securities for the purpose of upsetting the equilibrium of the market and bringing about a condition of demoralization in which prices will not fairly reflect market values, or of assisting in making any such purchases or sales or offers of purchase or sale with knowledge of such purpose, or of being, with such knowledge, a party to or of assistance in carrying out any plan or scheme for the making of such purchases or sales or offers of purchase or sale, shall be deemed to be guilty of conduct or proceeding inconsistent with just and equitable principles of trade, and may be suspended or expelled from membership.
- 2.1 During all relevant periods herein, Article V, Section 4(j) of the Exchange Constitution provided that a member or member organization adjudged guilty in a proceeding under this Article of any act which may be determined to be

detrimental to the interest or welfare of the Exchange, may be suspended or expelled from membership.

- 2.2 During all relevant periods herein, Exchange Rule 345(a)(1), provided if the Exchange determines that any employee of a member or member organization has been guilty of any conduct which if he were a member of the Exchange would be a violation of any provision of the Constitution or of any rule of the Board of Governors of the Exchange, the Exchange may disapprove or suspend or withdraw its approval of his employment by a member or member organization and the Exchange may, in addition to or in lieu of any such action, (a) censure him; (b) declare him ineligible for employment in specified capacities; and/or (c) assess a fine against them.
- 2.3 During all relevant periods herein, Exchange Rule 345(a)(4), provided if the Exchange determines that any employee of a member or member organization has been guilty of any conduct or proceeding inconsistent with just and equitable principles of trade the Exchange may disapprove or suspend or withdraw its approval of his employment by a member or member organization and the Exchange may, in addition to or in lieu of any such action, (a) censure him; (b) declare him ineligible for employment in specified capacities; and/or (c) assess a fine against them.
- 2.4 During all relevant periods herein, Exchange Rule 31, provided that a member, member organization, approved person or any employee, partner, trustee or director of a member organization or member shall comply with any request by an authorized representative or committee of the Exchange to produce his or its

books, papers or records, or to appear and testify as to any matter pertaining to his or its business, within the time specified by the representative or committee of the Exchange making the request.

- 2.5 During all relevant periods herein, the NASD's AMEX Regulation Division was an authorized representative of the Exchange.
- 2.6 As is set forth in the following paragraphs, Peregoy entered numerous orders on the Over-The-Counter ("OTC") market that caused an increase in Company #1's stock price. The orders aided Company #1 to meet the AMEX listing requirements and achieve listing on the AMEX.

Peregoy's Conduct in Company #1

- 3.0 On or about January 14, 2003, Company #1 ("XXX#1"), a freight forwarding company based in Hong Kong, submitted an application for listing on the Exchange. At the time of the application, Company #1 was a publicly held company that was trading on the OTC Bulletin Board under the symbol XXX#1.
- 3.1 During all relevant periods herein, to be qualified for listing on the AMEX pursuant to Section 101(c) of the AMEX Company Guide (Initial Listing Standard #3),¹ Company #1 needed, among other things, to have a market value of public float of \$15 million and a market capitalization of \$50 million. In order to meet these requirements, its stock price needed to be a minimum of \$2.62

¹ Pursuant to the AMEX listing Qualification requirements, Section 101(c) requires a minimum market capitalization of \$50,000,000, stockholders equity of at least \$4,000,000, and a market value of public float of at least \$15,000,000. Market value of public float is calculated by multiplying the amount of shares in the public float by the price per share. Therefore an increase in public shares outstanding or in the price per share will increase the market value of the public float. During the relevant period, Initial Listing Standard #3 had no independent price requirement.

through mid-November 2003 and \$1.96 thereafter. The change in minimum price was attributable to Company #1's apparent issuance of shares in mid-November to persons asserted to be part of the public float. During all relevant periods herein, Company #1 did not qualify for listing under any other AMEX Initial Listing Standard.

- 3.2 On or about February 20, 2003, in connection with its pending listing application, Company #1 indicated to the Exchange that it was "preferencing"² Specialist Unit #12 as its specialist.
- 3.3 On March 5, 2003, Peregoy recorded in his handwritten notes that he and the Executive Vice President of Company #1 had lunch in New York. (Exhibit 1)
- 3.4 On or about July 1, 2003, Peregoy recorded in his handwritten notes that a \$.72 price per share was Company #1's 'only obstacle' to listing on the Exchange.
- 3.5 On or about July 21, 2003, Peregoy recorded in his handwritten notes that he and the Executive Vice President of Company #1 again had lunch in New York.
- 3.6 In an e-mail exchange on or about August 14, 2003, the Executive Vice President of Company #1 and Peregoy discussed making Company #1's net assets stronger to increase the likelihood that the Exchange would approve its listing. In addition, Peregoy and the President of IR Firm #4³ discussed hiring IR Firm #4 to be Company #1's Investor Relations firm and Investment Bank #5⁴ as its Investment Bank. (Exhibit 2)

² In the context of the listing of a prospective company on the AMEX, 'preferencing' a specialist firm is when the company requests that a particular specialist firm be its designated specialist. Preferencing a specialist firm generally occurs after the application is filed and prior to the company being traded on the Exchange.

³ IR Firm #4 holds itself out to be an Investor Relations firm and is not registered with the NASD or the SEC.

⁴ Investment Bank #5 holds itself out to be an Investment Banking firm and terminated its membership with

- 3.7 On September 10, 2003, Peregoy recorded in his handwritten notes that he had a conversation with the President of IR firm #3 regarding Company #1.
- 3.8 On or about September 11, 2003, Peregoy recorded in his handwritten notes that Company #1's price per share was \$1.30. The last quote on the OTC in XXX#1 on September 11, 2003 was \$1.25 x \$2.00.
- 3.9 On or about September 24, 2003, Peregoy received an email from the President of IR Firm #3 titled "Update XXX#1". In his email the President of IR Firm #3 stated, in part, to Peregoy, "I would like to see them get to the \$1.50 to \$1.75 level, and then do a modest reverse to get them to the \$2.25 level, with you being able to *freeze the bid* for whatever time it takes to make it happen" (emphasis added). (Exhibit 3)
- 3.10 On or about September 25, 2003, Peregoy recorded in his handwritten notes that he had had a conversation with the Executive Vice President of Company #1 and that the approval of the AMEX application was pending, but for compliance with AMEX pricing requirements. Peregoy further indicated in his handwritten notes, "possible investment from 3rd parties".
- 3.11 On or about October 2, 2003, Peregoy recorded in his handwritten notes that he had had breakfast with the Executive Vice President of Company #1 and "all was back on track".
- 3.12 At 12:02:00 on October 2, 2003, with the OTC quoted market in XXXX#1 of \$1.63 x \$1.80, Peregoy entered an order for the Cohen Specialists account to Buy

- 3,000 shares of XXX#1 at a \$1.70 limit.⁵ Peregoy's order received an execution at the limit price at 12:51:42 p.m. on the same date.
- 3.13 On or about October 6, 2003, Peregoy recorded in his handwritten notes that he had had a conversation with President of IR #4 in which they discussed working together to ensure XXX#1's successful listing on the AMEX.
- 3.14 At 3:10:36 on October 7, 2003, with the OTC quoted market in XXX#1 of \$1.90 x \$2.05, Peregoy entered an order for the Cohen Specialists account to Buy 1,500 shares of XXX#1 at a \$1.90 limit. Peregoy's order received a 'Nothing Done' at 4:02:49 p.m. on the same date.
- 3.15 On or about October 15, 2003, Peregoy's Outlook calendar on his computer indicated that he had a morning meeting with the Executive Vice President of Company #1.
- 3.16 At 9:44:40 a.m. on October 15, 2003, with the OTC quoted market in XXX#1 of \$1.75 x \$1.85, Peregoy entered a Good Til Cancel ("GTC") order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$1.70 limit. Peregoy's order was cancelled at 4:20:36 p.m. on the same date.
- 3.17 At 9:45:41 a.m. on October 15, 2003, with the OTC quoted market in XXX#1 of \$1.75 x \$1.85, Peregoy entered a GTC order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$1.65 limit. Peregoy's order was cancelled at 4:20:32 p.m. on the same date.
- 3.18 At 9:46:02 a.m. on October 15, 2003, with the OTC quoted market in XXX#1 of \$1.75 x \$1.85, Peregoy entered a GTC order for the Cohen Specialists account to

⁵ All PCCM orders entered by Peregoy in the Cohen Specialist account that are addressed within this Stipulation were entered through the OTC broker-dealer.

- Buy 5,000 shares of XXX#1 at a \$1.75 limit. Peregoy's order received a partial execution of 1,300 shares at 4:02:30 at the limit price, with the balance cancelled at 4:20:28 p.m., on the same date.
- 3.19 At 11:02:33 a.m. on October 15, 2003, with the OTC quoted market in XXX#1 of \$1.80 x \$1.90, Peregoy entered a GTC order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$1.80 limit. Peregoy's order was executed at the limit price at 2:57:54 p.m. on the same date.
- 3.20 On or about October 21, 2003, Broker-Dealer Firm #2 became an OTC market-maker in XXX#1.
- 3.21 At 1:09:57 p.m. on October 22, 2003, with the OTC quoted market in XXX#1 of \$1.80 x \$1.90, Peregoy entered a GTC order for the Cohen Specialists account to Buy 5,000 shares of XXX#1 at a \$1.80 limit. At 1:13:03 on October 24, 2003, with the OTC quoted market in XXX#1 of \$2.00 x \$2.10, Peregoy raised the limit price in his order to \$2.00. Peregoy's order received a partial execution on 500 shares at the limit price of \$2.00, at 3:37:22 p.m. on October 24, 2003. Peregoy cancelled the balance of the order at 9:56:22 a.m. on October 28, 2003.
- 3.22 At 2:55:28 p.m. on October 27, 2003, with the OTC quoted market in XXX#1 of \$2.10 x \$2.30, Peregoy entered a GTC order for the Cohen Specialists account to Buy 5,000 shares of XXX#1 at a \$2.10 limit. Peregoy's order was cancelled at 9:56:20 a.m. on October 28, 2003.
- 3.23 At 9:48:38 p.m. on October 28, 2003, with the OTC quoted market in XXX#1 of \$2.15 x \$2.20, Peregoy entered an order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$2.15 limit. Peregoy's order also directed the

- cancellation of all outstanding orders in XXX#1 previously entered by Peregoy.
- Peregoy's order was executed at the limit price, at 10:13:00 a.m. on the same date.
- 3.24 At 12:01:28 p.m. on October 28, 2003, with the OTC quoted market in XXX#1 of \$2.25 x \$2.30, Peregoy entered a GTC order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$2.25 limit. Peregoy's order received a partial execution of 2,500 shares at the limit price, at 4:01 p.m. on the same date.
- 3.25 On or about October 29, 2003, Company #1 indicated to the Exchange that it was changing its prior "preferencing" of Specialist Unit #12 to Cohen.
- 3.26 On October 29, 2003, Peregoy was blind copied on an email exchange between the President of IR Firm #3 and CEO of Company #1. The email exchange discussed the necessity to increase Company #1's market value of public float ("MVPF") to meet AMEX listing requirements. In addition, The President of IR Firm #3 made several recommendations on how to effect an increase in the MVPF. One suggestion made by the President of IR Firm #3 was to issue two million shares of XXX#1 to key Company #1 employees.
- 3.27 At 12:33:16 p.m. on October 31, 2003, with the OTC quoted market in XXX#1 of \$2.20 x \$2.35, Peregoy entered a GTC order for the Cohen Specialists account to Buy 3,300 shares of XXX#1 at a \$2.20 limit. On November 13, 2003, with the OTC quoted market in XXX#1 of \$2.40 x \$2.60, Peregoy raised the limit price to \$2.40. On November 14, 2003, with the OTC quoted market in XXX#1 of \$2.60 x \$2.65, Peregoy raised the limit price to \$2.60. Peregoy's forgoing orders appear to have been cancelled on or about November 14, 2003.

- 3.28 On or about November 18, 2003, Company #1 completed a "PIPE"⁶ offering pursuant to which it issued 1,242,240 shares of common stock at a price of \$1.61 per share to a group of approximately 14 investors. On November 17, 2003, Company #1's stock was trading between \$2.36 to \$2.60. On November 20, 2003, Company #1's stock was trading between \$1.80 to \$2.42. The orders entered on November 13 and 14, at prices higher than the price required to meet Initial Listing Standard #3, counteracted the price dilution caused by the additional shares issued in the PIPE.
- 3.29 At 1:19:01 p.m. on November 21, 2003, with the OTC quoted market in XXX#1 of \$2.00 x \$2.10, Peregoy entered a GTC order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$2.00 limit. Peregoy's order was cancelled on December 4, 2003.
- 3.30 At 11:35:03 a.m. on November 25, 2003, with the OTC quoted market in XXX#1 of \$2.05 x \$2.10, Peregoy entered an order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$2.05 limit. Peregoy's order was cancelled at 4:00:39 p.m. on the same date.
- 3.31 At 11:35:06 a.m. on November 25, 2003, with the OTC quoted market in XXX#1 of \$2.05 x \$2.10, Peregoy entered a second order for the Cohen Specialists account to Buy 3,000 shares of XXX#1 at a \$2.00 limit. Peregoy's order was cancelled at 11:37:39 a.m. on the same date.

⁶ A "PIPE" offering, or Private Investment in a Public Equity, is often used by companies when conventional means of financing are unavailable. A company sells unregistered shares that are generally locked up for two to four months until the company files a registration statement under the Securities Act. PIPE shares are customarily offered to investors at a discount to attract investors and compensate them for the temporary illiquidity during the lock-up period.

3.32 In or about November 26, 2003, the Exchange approved Company #1 for trading under Initial Listing Standard #3⁷.

IR Firm #4's Trading Activity

3.33 Between the dates of August 15, 2003 and November 25, 2003, IR Firm #4 entered numerous orders on the Over-The-Counter ("OTC") market that caused an increase in Company #1's stock price. The orders aided Company #1 meeting the AMEX listing requirements and achieve listing on the AMEX.

Broker-Dealer Firm #2's Trading Activity

3.34 Between the dates of October 20, 2003 and December 4, 2003, Broker-Dealer Firm #2 entered numerous orders on the Over-The-Counter ("OTC") market that caused an increase in Company #1's stock price. The orders aided Company #1 meeting the AMEX listing requirements and achieve listing on the AMEX.

Post Listing Activity

3.35 On or about January 9, 2004, the President of IR Firm #3 sent an email to Peregoy regarding another company applying for AMEX listing, Company #6. In this email to Peregoy, the President of IR Firm #3 states: "Two friendly market makers are entering the picture this week. One helped make Company #1 happen with Perry's help, and will soon be high on the box on the bid, and a second, who

⁷ See footnote #2.

clears through Clearing Firm #7, will be stealth on the offer to ensure that the listing price soon gets to and stays where it should be".⁸ (Exhibit 4)

- 3.36 On or about January 9, 2004, Peregoy was blind copied on an email exchange between the President of IR Firm #3 and the President of Company #8. The email exchange discusses Company #8's AMEX listing application and whether it should choose to preference Cohen Specialists.⁹ The President of IR Firm #3 cited several reasons in support of choosing Cohen. In the President of IR Firm #3's email he stated that: "In Company #1's case, we also engaged our other broker-dealer, market maker friends at Broker-Dealer Firm #2 on Long Island... When they support a stock, you learn what a friendly market maker really is all about. The very Monday after the weekend conference in Miami, they went on the box, at the top of the bid level, and supported by timely buying by Cohen Specialist. Then, when I became clear the short sellers were in a panic, they dropped back to third position on the bid, and let Broker-Dealer Firm #9 and Broker-Dealer Firm #10 take the lead. With one important difference: they then jumped over to the offer side and sat in first position on that, forcing the shorts to cover their positions at huge losses to them. In a little more than a month, Company #1 climbed from its closing price of \$1.70 on the first night of the Miami conference and marched all the way up to \$3.35."(sic) (Exhibit 5)
- 3.37 On or about May 31, 2004, Executive Vice President of Company #1 sent an email to Peregoy indicating that Company #1 no longer employed him and that he had begun to work with several other Hong Kong based companies that wished to

⁸ Company #6 was not approved for AMEX listing.

⁹ Company #8 was not approved for AMEX listing.

go public in the USA. In Executive Vice President of Company #1's email to Peregoy he stated: "I will work with the 'old team' (the President of IR Firm #4, Broker-Dealer Firm #2, the President of IR Firm #4 etc.) that greatly helped us achieving the listing on the AMEX in the future, as I know they have the abilities and have proven they can do it." (Exhibit 6)

- 3.38 On or about March 07, 2005, Peregoy engaged in an email exchange with Cohen Specialists Employee J. At the time of the email, Cohen Specialists Employee J was the Director of New Business Development for Cohen. The subject of the email was "\$3 Share Price Requirements". In this email exchange Cohen Specialists Employee J inquires of Peregoy as to whether "\$2.90...is close enough for the Amex listing people". Peregoy replied, "We can place orders on the "bid" side of the market. This accomplishes two objectives – one, it shows depth (support) to the market and second, should there be a seller our orders on the bid side would absorb the supply with no negative impact on the stock". (Exhibit 7)
- 3.39 On or about June 23, 2005, Peregoy met with the CEO of Company #11. At the time of their meeting, Company #11 was trading on the OTC and had applied for listing on the AMEX. The purpose of the meeting was to discuss whether Company #11 would preference Cohen Specialists. During the meeting Peregoy indicated that he would "like to see [Company #11's] stock above \$2.50 to get thru the committee" and that Cohen would "bring some folks in to help out". Company #11's CEO

asked whether Cohen would be making a market in Company 11 and Peregoy replied “others would”.¹⁰

Peregoy’s Failure to Cooperate

- 3.40 On or about May 8, 2006 the NASD’s AMEX Regulation Division (“the Division”) sent Peregoy’s attorney a certified letter requesting Peregoy’s attendance at an on-the-record interview, to be conducted on May 17, 2006. To accommodate Peregoy and his attorney the interview was rescheduled for June 12, 2006.
- 3.41 On or about June 12, 2006, Peregoy accompanied by counsel, submitted to an on-the-record examination conducted by the Division. Prior to the conclusion of the interview, Peregoy, through counsel, requested an adjournment of the proceedings. The Division permitted the adjournment, but indicated that the examination was not complete.
- 3.42 On or about June 30, 2006, the Division sent Peregoy’s attorney a certified letter requesting Peregoy’s attendance for the completion of the interview that began on June 12, 2006. After several mutually agreed upon extensions, on or about August 9, 2006, Peregoy, through counsel, indicated he would not submit to the Division’s continued examination.

¹⁰ CEO of Company #11 memorialized his recollection of the June 23, 2005 meeting with Peregoy in a sworn and signed affidavit attached as Exhibit #8. In addition, the NASD AMEX Regulation Staff conducted an OTR interview of CEO of Company #11.

CHARGES PREFERRED:

- 4.0 Peregoy violated Article V, Section 4(d) of the Exchange Constitution [made applicable through American Stock Exchange Rule 345(a)(1)], by entering, or causing to be entered, orders on the OTC Bulletin Board in the common stock of Company #1, which orders upset the equilibrium of the market and brought about a condition of demoralization in which prices did not fairly reflect market values, as set forth in above paragraphs 3.0 through 3.39.
- 4.1 Peregoy violated Article V, Section 4(j) of the Exchange Constitution [made applicable through American Stock Exchange Rule 345(a)(1)], by engaging in acts detrimental to the interest and welfare of the Exchange, in that he entered, or caused to be entered, orders on the OTC Bulletin Board in the common stock of Company #1, in order to increase the share price for the purpose of meeting AMEX listing requirements, as set forth in above paragraphs 3.0 through 3.39.
- 4.3 Peregoy violated American Stock Exchange Rule 345(a)(4), by engaging in acts and/or conduct inconsistent with the just and equitable principles of trade, in that he entered, or caused to be entered, orders on the OTC Bulletin Board in the common stock of Company #1, in order to increase the share price for the purpose of meeting AMEX listing requirements, as set forth in above paragraphs 3.0 through 3.39.
- 4.4 Peregoy violated American Stock Exchange Rule 31, in that he failed to appear and testify before a designated representative of the Exchange, as set forth in above paragraphs 3.40 through 3.42.

DISCIPLINARY ACTION:

By reason of the foregoing Stipulated Facts and violations, a Disciplinary Panel may impose the following penalties against Peregoy:

- (a) a permanent plenary bar from Exchange membership in any capacity, including Approved Person and Limited Trading Permit status, and from employment or association in any capacity with an Exchange Member or Member organization.

Peregoy hereby acknowledges that he has read carefully this Stipulation and understands all of the provisions contained herein; that he has agreed to its provisions voluntarily; and that no offer, promise, threat or inducement of any kind has been tendered to Peregoy by the Exchange, its staff or representatives to induce Peregoy to enter into this Stipulation, aside from the prospect of settling this disciplinary proceeding based on the terms and conditions set forth in this Stipulation rather than adjudicating this matter by way of a hearing on a Charge Memorandum as provided by Exchange rules.

Further, Peregoy hereby agrees that he may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this Stipulation or create the impression that the Stipulation is without factual basis. Nothing in this provision affects Peregoy's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which the Exchange is not a party.

Finally, it is understood and agreed that in any written submission to or proceeding before any person or body convened to consider this Stipulation of Facts and Consent to Penalty (including to, a Hearing Officer acting alone, a Hearing Panel, or any reviewing body authorized by the Amex Constitution and/or Rules), neither Enforcement nor

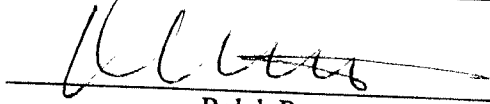
Peregoy shall offer any argument that is inconsistent with the stipulated facts or the agreed-upon penalty, nor shall either party ask for the imposition of any penalty other than that agreed upon in this Stipulation of Facts and Consent to Penalty.

AMERICAN STOCK EXCHANGE LLC

By: 

David Rosenstein
Vice President and Chief Counsel
NASD Amex Regulation Division

Agreed to this 17 day of January, 2007.


Ralph Peregoy