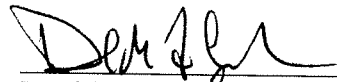


**Disciplinary Panel
American Stock Exchange LLC**

IN THE MATTER	:	Case No. 05-244
	:	
OF	:	[AMXC08001]
	:	
CREST MANAGEMENT PARTNERS, LP	:	Hearing Officer – DMF
	:	
	:	

NOTICE OF DECISION

Enclosed is a copy of the decision of the Disciplinary Panel in this disciplinary proceeding, dated February 19, 2008 (“Decision”). Under Article V, Section 2 of the Exchange Constitution, this Decision will become the final decision of the Exchange 10 days after service of the Decision upon you unless the Amex Adjudicatory Council calls the Decision for review. Pursuant to Exchange Disciplinary Rule 12, the Disciplinary Panel has decided that its Decision shall be publicized as provided therein. However, no publicity release shall be made until the Decision becomes final.



David M. FitzGerald
Hearing Officer

Dated: February 19, 2008

Copies to: Peter G. Thomas (*via FedEx and first-class mail*)
Crest Management Partners, LP (*via FedEx and first-class mail*)
D. Christopher Walker, Esq. (*via electronic and first-class mail*)
Joycelyn Thrower (*via electronic and first-class mail*)

**Disciplinary Panel
American Stock Exchange LLC**

IN THE MATTER	:	Case No. 05-244
	:	[AMXC08001]
OF	:	Hearing Officer – DMF
	:	
CREST MANAGEMENT PARTNERS, LP	:	DECISION
	:	
	:	February 19, 2008
	:	

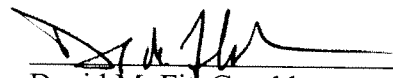
Pursuant to Article V, Section 2 of the Exchange Constitution and Rules 2(a) and (b) of the Rules of Procedure Applicable to Exchange Disciplinary Proceedings, this proceeding came before the Hearing Officer for review of the attached Stipulation and Consent to Penalty (Stipulation), which was entered into by the Parties for the purposes of settling this proceeding and concluding all disciplinary actions by the Exchange against Respondent based upon or arising out of the facts set forth in the Stipulation. Respondent, without admitting or denying the facts, allegations and conclusions contained in the Stipulation, consented to the entry of findings of violations of the Exchange Constitution and Rules and the federal securities laws, and the imposition of penalties, as set forth in the Stipulation.

After considering the stipulated facts, as well as the analysis and authorities set forth in the Exchange’s Memorandum in Support of Proposed Settlement, and noting in particular that Respondent is no longer a Regular Member Organization of the Exchange, the Hearing Officer hereby accepts the Stipulation, and accordingly finds that Respondent:

1. Violated SEC Rule 15b7-1 and Exchange Rule 462(c)(8)(B) in 2002 and 2005 by failing to have a registered Financial Operation Principal (FINOP) associated with the firm; and
2. Violated Exchange Rule 320(c) during the period August 2002 through June 2005 (a) by failing to delegate responsibility or establish a separate system of follow-up and review sufficient to reasonably ensure that supervisory authority and responsibility in connection with the firm's applicable net capital, record-keeping and other financial and operational rules were appropriately received so as to prevent the preceding violations, and (b) by failing to establish adequate policies or procedures, or a system to implement such policies and procedures, which would reasonably be expected to detect the preceding violations.

In accordance with the Stipulation, for these violations Respondent is censured and fined \$10,000.

SO ORDERED.



David M. FitzGerald
Hearing Officer

Copies to: Peter G. Thomas (*via FedEx and first-class mail*)
Crest Management Partners, LP (*via FedEx and first-class mail*)
D. Christopher Walker, Esq. (*via electronic and first-class mail*)
Joycelyn Thrower (*via electronic and first-class mail*)

EXHIBIT A

Disciplinary Panel
American Stock Exchange LLC

IN THE MATTER
OF
CREST MANAGEMENT PARTNERS, LP

DISCIPLINARY
JAN 14 2007
OFFICE OF ADMINISTRATIVE SERVICES
**STIPULATION OF FACTS AND
CONSENT TO PENALTY**

Case No. 05-244

This proceeding was instituted by the American Stock Exchange LLC (the "Exchange" or "Amex") against Crest Management Partners, LP ("Respondent", "Crest" or the "Firm") (CRD# 38698), a former Regular Member Organization of the Exchange. This Stipulation of Facts and Consent to Penalty ("Stipulation") is entered into with Crest pursuant to Article V, Section 2 of the Exchange Constitution in order to settle and conclude all disciplinary actions brought by the Exchange against the Respondent based upon or arising out of the facts hereinafter stipulated. The Respondent, without admitting or denying the facts, allegations and conclusions contained in this Stipulation, hereby consents to the entry of findings of violations of Exchange Rules and the Federal securities laws, and the imposition of the penalties hereinafter provided. The Respondent understands that a hearing officer, without conducting a formal hearing, will determine whether the Respondent has committed the violations set forth herein and may fix and impose the agreed upon penalty or reject the Stipulation. This Stipulation can also be the subject of review by the Amex Adjudicatory Council ("AAC"). The Respondent understands and acknowledges that the hearing officer's acceptance of this Stipulation may not be appealed by the parties, will become part of its

disciplinary record and may be considered in any future proceeding brought by the Exchange.

Statement of Facts:

- 1.0 During all relevant periods herein, Crest was a Regular Member organization of the Exchange.
- 1.1 On or about May 31, 2006, Crest terminated its membership with the Exchange. Jurisdiction was retained over Crest by a letter dated February 28, 2007, that was sent by regular and certified mail. Receipt of this letter was acknowledged on March 5, 2007.

Failure to have a Series 27 Financial Operation Principal

- 2.0 During all relevant periods herein, U.S. Securities and Exchange Commission ("SEC") Rule 15b7-1, concerning the compliance with qualification requirements of Self-Regulatory Organizations ("SRO"), required broker-dealers to have employees that are registered or approved in accordance with applicable qualification standards, which includes a firm having a registered Series 27 Financial Operation Principal ("FINOP"), when required by an SRO, as is the situation in this matter.
- 2.1 During all relevant periods herein, Exchange Rule 462(c)(8)(B), as delineated by SEC Release No. 34-42453, File No. SR-Amex-99-26, required that firm's with Joint Back Office ("JBO") Agreements have associated with the firm a registered Series 27 FINOP.

- 2.2 While conducting a regular financial examination of Crest in 2002 (the "2002 examination"), the FINRA Market Regulation Department – Amex Division Financial Regulatory Department ("FRD") determined that Crest maintained a JBO agreement with ABC SECURITIES, although Crest did not have a registered FINOP associated with the firm.
- 2.3 On August 29, 2002, FRD notified Crest by letter that the firm was in violation of SEC and Exchange Rules for failing to have a registered FINOP associated with the firm. On September 5, 2002, Crest acknowledged by letter to FRD that the firm did not have a registered FINOP, as required.
- 2.4 On December 9, 2002, at the conclusion of the 2002 examination, FRD again notified Crest that the firm was in violation of SEC and Exchange Rules for failing to have a registered FINOP associated with the firm. On January 3, 2003, Crest again acknowledged by letter to FRD that the firm was required to have a FINOP.
- 2.5 While conducting another regular financial examination of Crest in 2005 (the "2005 examination"), FRD again determined that Crest did not have a registered FINOP associated with the firm.
- 2.6 On February 28, 2005, FRD notified Crest by letter that the firm was still in violation of SEC and Exchange Rules for failing to have a registered FINOP associated with the firm. On March 14, 2005, Crest, by letter to FRD, said the firm would begin taking the necessary actions to have an employee of the firm obtain the study materials in order to take the Series 27 (FINOP) exam.

2.7 On or about June 23, 2005, FRD reviewed the NASD's (now know as "FINRA") CRD system and contacted the Exchange to determine whether Crest had a registered FINOP associated with the firm. FRD determined that Crest did not have a registered FINOP associated with the firm as of June 23, 2005.

Supervision

- 3.0 During all relevant periods herein, Exchange Rule 320(c) required member organizations to delegate to qualified principals or employees (i.e., a Registered FINOP) the responsibility and authority for supervision and control of each office, department or business activity, and provide for appropriate procedures of supervision and control.
- 3.1 FINOPs play an important role in ensuring investor protection as they are responsible for the member firm's compliance with applicable net capital, record-keeping and other financial and operational rules. Additionally, FINOPs are responsible for the following: (1) supervising individuals who assist in the preparation of financial reports; (2) supervision of and responsibility for individuals who are involved in the actual maintenance of the member's books and records from which such reports are derived; (3) supervision and/or performance of the member's responsibilities under all financial responsibility rules promulgated pursuant to the provisions of the Securities Exchange Act of 1934 (Exchange Act); and (4) the overall supervision of and responsibility for the individuals who are involved in the administration and maintenance of the member's back office operations.

- 3.2 During the period of August 29, 2002 through June 23, 2005, by not having a registered FINOP, Crest failed to delegate responsibility or establish a separate system of follow-up and review sufficient to reasonably ensure that supervisory authority and responsibility in connection with the firm's applicable net capital, record-keeping and other financial and operational rules were appropriately received so as to prevent the preceding violations.
- 3.3 During the period of August 29, 2002 through June 23, 2005, Crest failed to establish adequate policies or procedures, or a system to implement such policies or procedures, which would reasonably be expected to detect the preceding violations.

CONCLUSION:

By reason of the foregoing Stipulated Facts, a Disciplinary Panel may conclude:

- 4.0 Crest violated SEC Rule 15b7-1 and Exchange Rule 462(c)(8)(B), as delineated by SEC Release No. 34-42453, File No. SR-Amex-99-26, by failing to have a registered FINOP associated with the firm, as described above in paragraphs 2.2 through 2.7.
- 4.1 Crest violated Exchange Rule 320(c) by not having a FINOP and thereby, failing to properly delegate supervisory responsibility and failing to provide for appropriate supervision and control, as described above in paragraphs 3.2 and 3.3.

* * * * *

DISCIPLINARY ACTION:

By reason of the foregoing Stipulated Facts and violations, a Hearing Officer may impose the following penalties against the Respondent:

- (a) censure; and
- (b) a fine in the amount of \$10,000.

The Respondent hereby acknowledges that a qualified representative of the firm has read carefully this Stipulation and understands all of the provisions contained herein; that the firm agrees to its provisions voluntarily; and that no offer, promise, threat or inducement of any kind has been tendered to the Respondent by the Exchange, its staff or representatives to induce the Respondent 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.

Further, the Respondent hereby agrees that it 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 the Respondent'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.

Further, the Respondent understands and agrees that the Exchange may make a public announcement concerning this Stipulation and the subject matter thereof in a manner consistent with those specified in Rule 12 of the Rules and Procedures Applicable to Exchange Disciplinary Proceedings.

Finally, it is understood and agreed that in any written submission to or proceeding before any person reviewing and/or body convened to consider this Stipulation of Facts and Consent to Penalty (including any reviewing person or body authorized by the Amex Constitution and/or Rules), neither Enforcement nor the Respondent, 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 (including arguing that no penalty should be imposed) other than that agreed upon in this Stipulation of Facts and Consent to Penalty.

AMERICAN STOCK EXCHANGE LLC

By: Claudia Crowley
Claudia Crowley
Senior Vice President
Chief Regulatory Officer
American Stock Exchange LLC

Agreed to this 26 day of December, 2007.

Peter D. Thum
On behalf of Crest Management Partners, LP