

**Disciplinary Panel
American Stock Exchange LLC**

IN THE MATTER

of

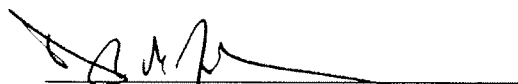
LOUIS LONG

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: Case No. 04-170
: [AMXC08015]

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: Hearing Officer – DMF
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NOTICE OF DECISION

Enclosed is a copy of the decision of the Disciplinary Panel in this disciplinary proceeding, dated May 21, 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, Chair

Dated: May 21, 2008

Copies to: Louis James Long (*via overnight and first-class mail*)
Neil A. Riemann (*via first-class mail*)
Jacqueline Gorham, Esq. (*via electronic and first-class mail*)
Jocelyn Thrower (*via electronic and first-class mail*)

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: **DECISION**

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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 Exchange Rules 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, the Hearing Officer hereby accepts the Stipulation, and accordingly finds that Respondent violated Exchange Rules 421(a) and 924(a) by accepting equity and option orders for a customer account from the customer’s mother without first obtaining the written authorization of the customer.

In accordance with the Stipulation, for these violations Respondent is censured and fined \$10,000¹.

SO ORDERED.



David M. FitzGerald
Hearing Officer

Copies to: Louis James Long (*via overnight and first-class mail*)
Neil A. Riemann (*via first-class mail*)
Jacqueline Gorham, Esq. (*via electronic and first-class mail*)
Jocelyn Thrower (*via electronic and first-class mail*)

¹ The Exchange agreed to waive the fine due to Respondent's demonstrated inability to pay. The Hearing Officer notes that Respondent has not been associated with an Exchange member since 2003.

EXHIBIT A

**Disciplinary Panel
American Stock Exchange LLC**

MAR 24 2008

IN THE MATTER
OF
LOUIS LONG

STIPULATION OF FACTS
AND CONSENT TO PENALTY

Case No.: 04-170

This proceeding was instituted by the American Stock Exchange LLC ("Amex" or "Exchange") against Louis Long ("Long" or the "Respondent") (CRD# 1465432), and former registered representative with A.G. Edwards & Sons, Inc. ("A.G. Edwards"), a Regular Member organization of the Exchange. This Stipulation of Facts and Consent to Penalty ("Stipulation") is entered into with Long pursuant to Exchange Rule 345(k) in order to settle and conclude all disciplinary actions by the Amex against Long based upon or arising out of the facts hereinafter stipulated. Long, 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 Amex Rules 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 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, A.G. Edwards was a Regular Member Organization of the Exchange.
- 1.1 During all relevant periods herein, A.G. Edwards maintained a retail branch office in Riverside, California.
- 1.2 During all relevant periods herein, Long was employed as a Registered Representative for A.G. Edwards in its Riverside, California branch office and was authorized to service public customer accounts. Long has not worked in the industry since his employment with A.G. Edwards was terminated in April 2003. Jurisdiction was retained over Long pursuant to Exchange Rule 345(c), via certified mail, return receipt requested on July 7, 2003.
- 1.3 During all relevant periods herein, Exchange Rule 421(a) prohibited members, partners, officers or employees of a member organization from exercising any discretionary power in any customer's account, or accepting orders for an account from a person other than the customer, without first obtaining the written authorization of the customer.
- 1.4 During all relevant periods herein, Exchange Rule 924(a) prohibited an employee from exercising any discretionary power with respect to the trading in option contracts in a customer's account unless such customer has given prior written authorization and the account has been accepted in writing by a Registered

Options Principal who is qualified with respect to the category of options trading for which discretionary power is to be exercised (debt or equity).

- 1.5 On or about August 17, 2001, Long opened an account at A.G. Edwards for public customer MDP ("MDP").
- 1.6 During the life of the account, Long accepted trading instructions for MDP's account from LF ("LF"). LF is MDP's mother.
- 1.7 At no time during the life of the account did Long obtain written approval from MDP to accept instructions from LF for the purchase and/or sale of securities and/or options contracts in MDP's account.
- 1.8 In a letter sent to the Exchange's Enforcement staff on July 24, 2003, Long acknowledged that he had accepted trading instructions for the MDP account from LF and that he was consequently terminated from his employment at A.G. Edwards. In his letter, Long stated:

"I was terminated because I received verbal approval from [MDP] to allow [LF] (her mother) to continue to make changes and decisions in her account after it was change[d] from a UGMA [Uniform Gift to Minors Act account] to a single account in [MDP's] name. . . . Under A.G. Edward's [sic] policy, I should have received the approval in writing. Thus, I was terminated for unauthorized trades."

CONCLUSION:

- 2.0 Long violated Exchange Rules 421(a) and 924(a) by accepting equity and option orders for an account from a person other than the customer without first obtaining the written authorization of the customer as set forth in paragraphs 1.5 through 1.8.

Disciplinary Action

4.0 By reason of the foregoing stipulated facts and violations, a Hearing Officer may impose the following penalties against Respondent:

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

Waiver of Fine

5.0 The Exchange agrees to waive the fine due to Long's demonstrated inability to pay.

The Respondent 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 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 on a Charge Memorandum as provided by Exchange rules.

Further, the Respondent 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 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 (including any reviewing person or body authorized by the Amex Constitution and/or Rules), neither Enforcement nor the Respondents, 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.

ON BEHALF OF THE
AMERICAN STOCK EXCHANGE LLC:

By: Claudia Crowley

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

Agreed to this 27 day of February, 2008.

By: Louis Long
Louis Long