



**Disciplinary Panel  
American Stock Exchange LLC**

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IN THE MATTER  
of  
VINCENT P. MANNETTA

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: Case No. 03-54  
: [AMXC08013]  
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: Hearing Officer – DMF  
:  
: **DECISION**  
:  
: March 19, 2008  
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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.

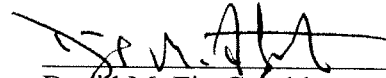
After considering the stipulated facts, as well as the analysis and authorities set forth in the Exchange’s Memorandum in Support of Proposed Settlement, the Hearing Officer hereby accepts the Stipulation, and accordingly finds that Respondent:

1. Violated Exchange Rule 170(b) by failing to maintain a fair and orderly market in a security for which he was registered as a specialist;

2. Violated Exchange Rule 170(d) by failing to provide adequate continuity and depth in a security for which he was registered as a specialist;
3. Violated Exchange Rule 170, Commentary .02(a) by failing to obtain required Floor Official approval prior to liquidating a position for his own account by selling on a direct minus tick; and
4. Violated Exchange Rule 155 by trading, out of sequence, an order entrusted to him as agent in a security, after executing a transaction in the same security, at the same price, for an account in which he had an interest.

In accordance with the Stipulation, for these violations Respondent is censured and fined \$17,000.

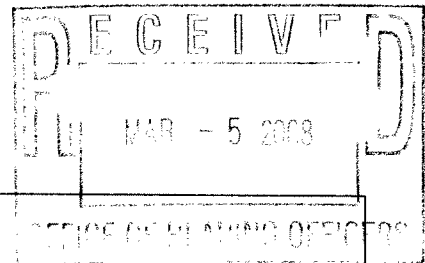
**SO ORDERED.**

  
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David M. FitzGerald  
Hearing Officer

Copies to: Vincent P. Manna (*via overnight and first-class mail*)  
James Hubbert, Esq. (*via first-class mail*)  
Brian F. Sklar, Esq. (*via electronic and first-class mail*)  
Jocelyn Thrower (*via electronic and first-class mail*)

# **EXHIBIT A**

Disciplinary Panel  
American Stock Exchange LLC



<p>IN THE MATTER OF VINCENT P. MANNETTA</p>	<p>STIPULATION OF FACTS AND CONSENT TO PENALTY</p> <p>Case No. 03-54</p>
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This proceeding was instituted by the American Stock Exchange LLC (the "Exchange" or "Amex") against Vincent P. Manna (CRD # 2787147), a Regular Member of the Exchange. This Stipulation of Facts and Consent to Penalty ("Stipulation") is entered into with Manna ("the Respondent") 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 the Exchange 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, Mannetta was a Regular Member of the Amex, employed by HBH Specialists LLC (CRD# 111559), a Regular Member Organization of the Exchange and registered as a specialist in several securities, including Amex listed security ABC (“ABC”).<sup>1</sup>
- 1.1 During all relevant periods herein, Exchange Rule 170(b) required members registered as specialists to engage in a course of dealings for their own account to assist in the maintenance of a fair and orderly market on the Exchange in the securities in which they are registered.
- 1.2 During all relevant periods herein, Exchange Rule 170(d) required members’ transactions on the Exchange for their own account to constitute a course of dealings reasonably calculated to contribute to the maintenance of price continuity with reasonable depth.
- 1.3 During all relevant periods herein, Exchange Rule 170 Commentary .02(a) required specialists to obtain the approval of a Floor Official prior to effecting transactions for their own account in which they liquidate a position by selling stock on a direct minus tick.
- 1.4 During all relevant periods herein, Exchange Rule 155 required specialists to give precedence to orders entrusted to them as agent in any stock in which they are registered before executing a transaction in the same stock at the same price for an account in which they have an interest.

### Trading Activity

- 2.0 At certain times on June 6, 2002 and June 7, 2002 (the “Relevant Period”),

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<sup>1</sup> A generic identifier is used throughout the Stipulation to make reference to the specific security in which Mannetta acted as a specialist.

Mannetta failed to provide a fair and orderly market, and reasonable price continuity and depth in ABC. In addition, Mannetta failed to obtain required Floor Official approval prior to liquidating a position in his own account by selling ABC on a direct minus tick, and traded out of sequence an order entrusted to him as agent in ABC after executing a transaction in the same stock at the same price for an account in which he had an interest.

- 2.1 A timeline of Mannetta's activities on June 6, 2002, and June 7, 2002, are described below.

June 6, 2002

- 3.0 At 9:30 a.m. the market for ABC was quoted 15.75 – 15.76 (5x1). At 9:31 a.m., ABC traded 500 shares at 15.76 (+0) of which Mannetta, long 2,010 shares, sold 100 shares. Between 9:31 a.m. and 9:45 a.m., ABC traded up, an aggregate of four cents on 800 shares, of which Mannetta, long 1,910 shares, sold 300 shares.
- 3.1 Between 9:45 a.m. and 10:25 a.m., ABC declined 19 cents on 2,100 shares, of which Mannetta, long 1,610 shares, made no purchases or sales.
- 3.2 At 10:44 a.m., with the quoted market 15.60 – 15.61 (9x8), Mannetta, long 1,610 shares, crossed the market and sold 800 shares at the displayed bid price of 15.60 (-.01). Mannetta did not obtain the required Floor Official approval prior to effecting this trade. This trade was immediately followed by Mannetta selling an additional 100 shares at 15.60 (-0). Between 10:44 a.m. and 12:57 p.m., ABC continued to decline in price and traded down from 15.60 to 15.21 on 6,000 shares of which Mannetta, long 710 shares, purchased 1,000 shares and sold 100 shares.
- 3.3 At 1:00 p.m., with the quoted market 15.20 – 15.22 (10x8), 1,000 shares traded at 15.20 (-.01) of which Mannetta, long 1,610 shares, sold 1,000 shares with the

- approval of a Floor Official. Between 1:00 p.m. and 3:21 p.m., ABC traded 7,400 shares (5,000 on down ticks) of which Manna, long 610 shares, purchased 700 shares and sold 3,000 shares.
- 3.4 At 3:51 p.m., with the market quoted at 14.75 – 14.91 (1x2), 200 shares printed at 14.75 (-.16). PER Order 1<sup>2</sup> (entered at 3:50 p.m. to sell 200 shares at 14.71) sold 100 shares to PER Order 2 (entered at 3:46 p.m. to buy 100 shares at 14.75). Manna, who was short 690 shares, purchased the additional 100 shares from PER Order 1.
- 3.5 At 3:52 p.m., with the quoted market 14.53 – 14.75 (3x2), Manna, who was short 590 shares, purchased 300 shares from PER Order 3 (entered at 3:56 pm to sell 300 shares at 14.49) at 14.55 (-.20). The 300 share print at 14.55 elected a stop order (PER Order 4, which was entered to sell 3,100 shares at 14.67 stop on June 3, 2002). At 3:57 p.m., Manna, while short 290 shares, purchased 2,600 shares from PER Order 4 at 14.25 notwithstanding that there was an order (\$14.50 bid for 500 shares) entered at 3:22 p.m. that was eligible to trade against the stop order.
- 3.6 ABC declined \$0.36 on 500 shares between 3:51 p.m. and 3:56 p.m. This decline resulted in the election of the stop order (PER Order 4) and its subsequent execution at \$14.25, down \$0.30 from the last sale, of which Manna purchased 2,600 shares of the 3,100 share sell order.
- 3.7 At 3:57 p.m., with the quoted market at 14.05 – 14.26 (4x1), 100 shares printed at 14.26 (+.01). PER Order 5 (entered to buy 1,000 shares at 14.35 at 3:57 p.m.) purchased 100 shares from PER Order 6 (entered to sell short 100 shares at the market). At 3:58 p.m., 900 shares printed at 14.35 (+09). PER Order 5 purchased

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<sup>2</sup> Generic identifiers are used throughout the Stipulation to reference the specific orders entered on Manna's specialist book for ABC security.

- 100 shares from PER Order 7 (entered at 3:57 p.m. to sell short 100 shares at 14.05), 500 shares from PER Order 8 (entered at 3:58 p.m. to sell 500 shares at 14.35) and 300 shares from PER Order 9 (entered at 3:58 p.m. to sell 500 shares at 14.35).
- 3.8 At 3:59 p.m., with the quoted market 14.05 – 14.35 (4x3), Mannetta, long 2,310 shares, purchased 300 shares for his own account from PER Order 11 (which was entered to sell 300 shares at 14.31 at 3:59 p.m.) at 14.31 (-.04), even though PER Order 10 (buy 3,000 shares at 14.40) was entered on the specialist book according to the Exchange PER Merged Order/Report Log at 3:58 p.m.
- 3.9 At 3:59 p.m., with the quoted market 14.04 – 14.35 (4x3), PER Order 10 purchased 100 shares from PER Order 12 (entered at 3:59 p.m. to sell short 100 shares at 14.05) at 14.32 (+.01). At 3:59 p.m., with the quoted market 14.05 – 14.35 (4x3), PER Order 10 purchased at the following shares at 14.35 (+.03): 200 shares from PER Order 9 (entered to sell 500 shares at 14.35), 400 shares from PER Order 13 (entered at 3:59 to sell short 400 shares at 14.35), 100 shares from PER Order 14 (entered at 3:59 to sell 100 shares at 14.35) and 100 shares from PER Order 15 (entered at 3:59 to sell 100 shares at 14.35).
- 3.10 At 3:59 p.m., with the quoted market 14.05 – 14.35 (4x1), Mannetta, long 2,310 shares, sold 2,100 shares to PER Order 10 at 14.40 (+.05). This was the first re-entry into the market on the sell side by Mannetta after he purchased 2,600 shares (in stop orders) at 14.25.
- 3.11 At 3:59 p.m., with the quoted market 14.05 – 14.40 (4x9), Mannetta, long 510 shares, sold 100 shares to PER Order 16 (entered at 3:58 p.m. to buy 100 shares at the market) at 14.40 (+0). At 4:01 p.m., Mannetta, long 410 shares, sold 500

shares to PER Order 17 (entered at 1:19 p.m. to buy 500 shares Market On Close) at 14.40 (+0).

- 3.12 Between 3:57 p.m. and 4:01 p.m., the spreads in ABC were noted to be significantly greater than the average spread (12.1 cents) for ABC during the month of May 2002. On June 6, 2002, the Dow Jones Industrial Average experienced an intraday high-low difference of 207.89 points.

June 7, 2002

- 3.13 Between 9:41 a.m. and 9:52 a.m., ABC advanced 40 cents on four trades, trading from 14.40 to 14.80 on an aggregate volume of 400 shares, of which Manna, long 675 shares, sold 300 shares. Furthermore, between 2:14 p.m. and 2:29 p.m., ABC advanced 35 cents on two trades, trading from 14.65 to 15.00 on an aggregate volume of 200 shares, of which Manna, long 1,375 shares, sold 200 shares.

**CONCLUSIONS:**

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

- 4.0 Manna, by reason of the facts set forth in the Statement of Facts above, violated Exchange Rule 170(b) in that he failed to maintain a fair and orderly market in ABC, as described in paragraphs 3.0 to 3.13.
- 4.1 Manna, by reason of the facts set forth in the Statement of Facts above, violated Exchange Rule 170(d) in that he failed to provide adequate continuity and depth in ABC, as described in paragraphs 3.0 to 3.13.
- 4.2 Manna, by reason of the facts set forth in the Statement of Facts above, violated Exchange Rule 170 Commentary .02(a) in that he failed to obtain required Floor

Official approval prior to liquidating a position for his own account by selling ABC on a direct minus tick, as described in paragraph 3.2.

4.3 Manna, by reason of the facts set forth in the Statement of Facts above, violated Exchange Rule 155 in that he traded out of sequence an order entrusted to him as agent in ABC after executing a transaction in the same stock at the same price for an account in which he had an interest, as described in paragraph 3.8.

**DISCIPLINARY ACTION:**

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

- (a) a censure; and
- (b) a fine in the amount of \$ 17,000.

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 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 15 day of FEB, 2008.

*Vincent P. Manna*  
Vincent P. Manna