

Bond Case Briefs

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Oppenheimer's Sirianni Suspended for Muni-Bond Price Gouging.

David Sirianni, Oppenheimer Holdings Inc. (OPY)'s head municipal bond trader, was fined \$100,000 and suspended for 60 days by the Financial Industry Regulatory Authority for overcharging customers.

Sirianni marked up bonds as much as 16 percent from July 2008 through June 2009, Finra said today in a statement. New York-based Oppenheimer also was ordered to pay a \$675,000 fine and \$246,000 in restitution. The brokerage and the trader settled the case without admitting to the allegations, Wall Street's self-regulator said in the statement.

"Finra has no tolerance for firms or individuals who charge customers excessive markups," Thomas Gira, Finra's head of market regulation, said in the statement.

The investigation involved 89 transactions in which the brokerage added more than 5 percent to the cost of the bonds, Finra said. Oppenheimer didn't disclose the markups to its customers, according to the regulator. The firm's supervisory system didn't flag the trades for review because it looks at same-day markups and in these cases the bonds were held at least overnight, Finra said.

Oppenheimer altered its procedures to make sure that customers get fair prices on municipal bonds, according to Mary Beth Kissane, a spokeswoman for the firm at WalekPeppercomm. Finra's claims involve a small number of trades, she said.

Sirianni declined to comment when reached by phone.

In one instance cited by the regulator, Oppenheimer bought Dowling College revenue bonds for 52.35 cents on the dollar on Dec. 9, 2008, and then sold them the next day for 14 percent more. On Dec. 11, Oppenheimer bought more securities of the Oakdale, New York-based college for 52.85 cents and 52.5 cents, which it flipped at a 13 percent markup.

Oppenheimer's stock fell 0.8 percent today to \$23.28.