

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

R. MATTHEW SHINO,
CRD No. 1380293,

AND

PATRICK BUTRICO,
CRD No. 2295351,

RESPONDENTS.

DISCIPLINARY PROCEEDING
No. E3A20030495-01

HEARING OFFICER: LBB

**ORDER ACCEPTING
OFFER OF SETTLEMENT
OF RESPONDENT BUTRICO**

Date: May 30, 2008

INTRODUCTION

Disciplinary Proceeding No. E3A20030495 was filed on February 7, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondent Patrick Butrico submitted an Offer of Settlement ("Offer") to Complainant on May 15, 2008. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to NASD Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

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Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent Butrico entered the securities industry in 1992 as an associated person of a member of FINRA. In July 2002, he joined Berry-Shino Securities, Inc. (BSSI) as a General Securities Representative and Principal. He left BSSI on August 31, 2004. From August 31, 2004, until August 3, 2006, he was associated with another FINRA member. He has not been in the securities business since August 3, 2006. Butrico has not previously been the subject of disciplinary action.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows. The findings herein are pursuant to Respondent Butrico's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

Market Timing

1. Between August 15, 2002 and September 30, 2003 (relevant period), Respondent Butrico accepted orders on behalf of seven customers to buy and sell mutual fund shares. These orders, individually by customer and collectively, involved the short-term buying and selling of mutual fund shares and/or market timing. Butrico caused the execution of these

orders through BSSI's clearing firm by entering them in the clearing firm's electronic order-entry system.

2. During the relevant period, multiple accounts were established for three of the seven customers referenced in paragraph 1 above. Each account was assigned a different account number. Respondent Butrico facilitated the establishment and use of these multiple accounts. The multiple accounts were employed to disguise the accounts' market timing and evade prohibitions and restrictions imposed by mutual funds and communicated to the clearing firm. The communications (block notices) were forwarded by the clearing firm to Respondent Butrico.
3. Butrico received and was responsible for the entry and execution of approximately 600 orders to exchange, purchase and/or sell mutual funds in contravention of the restrictions, prohibitions and instructions set forth in the block notices.
4. By engaging in the conduct described in paragraphs 1-3 above, Respondent Butrico facilitated abusive and deceptive market-timing practices by the customer accounts. Each transaction he facilitated that contravened a block notice constituted conduct inconsistent with high standards of commercial honor and just and equitable principles of trade and a separate and distinct violation of NASD Conduct Rule 2110 by Respondent Butrico.

Late Trading

5. On approximately 190 occasions between October 24, 2002 and August 29, 2003, Respondent received orders for the purchase or sale of mutual fund shares for his customers after 4:00 P.M. ET and caused those orders to be entered and executed at that day's NAV, although he knew or should have known that the transactions should be priced at the following day's NAV.

6. By engaging in the conduct described in paragraph 5 above, Respondent Butrico facilitated impermissible late trading by customers. Each late trade he facilitated constituted conduct inconsistent with high standards of commercial honor and just and equitable principles of trade and a separate and distinct violation of NASD Conduct Rule 2110 by Respondent Butrico.

Based on the foregoing, Respondent violated NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from association with any member of FINRA in any capacity.

Pursuant to IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority


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