

BrokerCheck Report

ALADDIN CAPITAL LLC

CRD# 103766

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



ALADDIN CAPITAL LLC

CRD# 103766

SEC# 8-52253

Main Office Location

1 LANDMARK SQUARE
2ND FLOOR
STAMFORD, CT 06901

Mailing Address

1 LANDMARK SQUARE
2ND FLOOR
STAMFORD, CT 06901

Business Telephone Number

203-357-8500

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in Delaware on 11/05/1999.
Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm?

Yes

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 01/13/2012

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 11/05/1999.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

ALADDIN CAPITAL LLC

Doing business as ALADDIN CAPITAL LLC

CRD# 103766

SEC# 8-52253

Main Office Location

1 LANDMARK SQUARE
2ND FLOOR
STAMFORD, CT 06901

Mailing Address

1 LANDMARK SQUARE
2ND FLOOR
STAMFORD, CT 06901

Business Telephone Number

203-357-8500



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): ALADIN, AMINKHAN ABDULALI

1215501

Is this a domestic or foreign entity or an individual? Individual

Position CEO & CHAIRMAN

Position Start Date 11/2000

Percentage of Ownership 50% but less than 75%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ALADDIN CAPITAL HOLDINGS, LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Position 49% SHAREHOLDER

Position Start Date 11/1999

Percentage of Ownership 25% but less than 50%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MANDELLA, STEPHEN W

4934235

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF FINANCIAL OFFICER/FIN OP/ CHIEF COMPLIANCE OFFICER

Position Start Date 12/2009

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.



Indirect Owners

Legal Name & CRD# (if any):	ALADIN LP
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	ALADDIN CAPITAL HOLDINGS LLC
Relationship to Direct Owner	MEMBER
Relationship Established	12/2003
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 05/23/2000 to 03/30/2012.

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 8 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
U S. government securities broker
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities
Broker or dealer selling interests in mortgages or other receivables

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	11/19/2008
Description:	PERSHING WILL REPLACE CITIGROUP AS ALADDIN CAPITAL LLC'S CLEARING FIRM.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does have individuals who control its management or policies through agreement.

Name:	SOJITZ CORPORATION
Business Address:	1-23 SHIBA 4-CHOME MINATO-KU TOKYO, JAPAN 108-8405
Effective Date:	04/01/2004
Description:	SOJITZ CORPORATION (TOKYO, JAPAN) IS THE SUCCESSOR ENTITY TO NICHIMEN CORPORATION. REPRESENTATIVES OF THE COMPANY OR ITS AFFILIATES ARE ON THE SUPERVISORY COMMITTEE OF ALADDIN CAPITAL HOLDINGS LLC.
<hr/>	
Name:	SOJITZ CORPORATION OF AMERICA
Business Address:	1211 AVENUE OF THE AMERICAS NEW YORK, NY 10036
Effective Date:	04/01/2004
Description:	SOJITZ CORPORATION OF AMERICA IS THE SUCCESSOR ENTITY TO NICHIMEN AMERICA INC. REPRESENTATIVES OF THE COMPANY OR ITS AFFILIATES ARE ON THE SUPERVISORY COMMITTEE OF ALADDIN CAPITAL HOLDINGS LLC.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

ALADDIN CAPITAL MANAGEMENT UK LLP is under common control with the firm.

Business Address:	23-25 MADDOX STREET LONDON, UNITED KINGDOM W1S 2QN
Effective Date:	10/30/2006
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	ALADDIN CAPITAL MANAGEMENT UK LLP IS A SUBSIDIARY OF ALADDIN CAPITAL HOLDINGS LLC.

ALADDIN CAPITAL MANAGEMENT JAPAN CO., LTD. is under common control with the firm.

Business Address:	BUREX KYOBASHI 7TH FLOOR 7-14, KYOBASHI 2-CHOME, CHUO-KU TOKYO 104-0031, JAPAN
Effective Date:	08/06/2003
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	COMMONLY OWNED BY ALADDIN CAPITAL HOLDINGS LLC.

ALADDIN CAPITAL MANAGEMENT LLC is under common control with the firm.

Business Address:	SIX LANDMARK SQUARE
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Firm Operations



Organization Affiliates (continued)

	STAMFORD, CT 06901
Effective Date:	11/05/1999
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	APPLICANT AND ALADDIN CAPITAL MANAGEMENT LLC ARE OWNED BY ALADDIN CAPITAL HOLDINGS LLC.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source: Regulator

Current Status: Final

**Allegations:**

SEC ADMIN RELEASE 33-9374, IA RELEASE 3514, DECEMBER 17, 2012: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMED IT APPROPRIATE THAT CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST ALADDIN CAPITAL LLC ("ALADDIN CAPITAL").

THE COMMISSION FOUND THAT THE CASE INVOLVED COMPLEX STRUCTURED FINANCIAL PRODUCTS KNOWN AS COLLATERALIZED DEBT OBLIGATIONS ("CDOS"). CDOS ARE SECURITIES BACKED BY DEBT OBLIGATIONS INCLUDING, SUBPRIME RESIDENTIAL MORTGAGE-BACKED SECURITIES. THE UNDERLYING MORTGAGE-BACKED, OR OTHER, SECURITIES ARE PACKAGED AND GENERALLY HELD BY A SPECIAL PURPOSE VEHICLE THAT ISSUES NOTES ENTITLING THEIR HOLDERS TO PAYMENTS DERIVED FROM THE UNDERLYING ASSETS.

IN LATE 2006, AN SEC REGISTERED INVESTMENT ADVISER MARKETED TO ITS CLIENTS TWO CDOS THAT IT WAS MANAGING AND STATED THAT IT WOULD CO-INVEST IN THE SAME CDOS. THE ADVISER DID NOT CO-INVEST AS IT REPRESENTED. ALADDIN CAPITAL COLLECTED A PLACEMENT FEE FROM THE CDOS' UNDERWRITERS. FROM 2007 TO 2010, AFTER THREE CLIENTS HAD INVESTED IN THE TWO CDOS, THE ADVISER ERRONEOUSLY CONTINUED TO INFORM ITS CLIENTS THAT IT CO-INVESTS ALONGSIDE THEM.

DESPITE THE CENTRALITY OF ITS REPRESENTATIONS THAT IT WOULD CO-INVEST, AND HAD CO-INVESTED, IN CDOS ALONGSIDE ITS INVESTMENT ADVISORY PROGRAM CLIENTS, THE ADVISER FAILED TO CO-INVEST IN TWO CDOS THAT IT OFFERED IN LATE 2006. IN PARTICULAR, THE ADVISER FAILED TO CO-INVEST IN TWO CDOS DESPITE THE FACT THAT THREE PROGRAM CLIENTS INVESTED IN THE EQUITY TRANCHES OF THOSE CDOS.

IN 2005, THE ADVISER BEGAN AN INVESTMENT ADVISORY PROGRAM. UNDER THE PROGRAM, THE ADVISER AND ITS CLIENTS SIGNED INVESTMENT MANAGEMENT AGREEMENTS UNDER WHICH THE ADVISER AGREED TO RENDER INVESTMENT MANAGEMENT SERVICES, AND THE CLIENT AGREED TO COMMIT TO INVEST IN THE EQUITY TRANCHE OF CERTAIN UPCOMING CDO OR CLO DEALS THAT WOULD BE MANAGED BY THE ADVISER. THE ADVISER REPRESENTED TO ITS PROGRAM CLIENTS THAT IT WAS SERVING AS THEIR INVESTMENT ADVISER AND DISCLOSED TO THE COMMISSION ON ITS FORM ADV THAT PROGRAM ACCOUNTS WERE A TYPE OF SEPARATELY MANAGED ACCOUNT. THE ADVISER DID NOT RECEIVE ADVISORY FEES DIRECTLY FROM PROGRAM CLIENTS;



RATHER THE ADVISER INFORMED ITS CLIENTS AND THE COMMISSION ON ITS FORM ADV THAT IT WOULD BE COMPENSATED FROM THE MANAGEMENT FEES THAT IT EARNED THROUGH MANAGING THE CDOS THAT ITS CLIENTS INVESTED IN. ALADDIN CAPITAL PLACED THE EQUITY INTEREST WITH THE CLIENT AND TYPICALLY RECEIVED A NEGOTIATED (USUALLY TEN-PERCENT) PLACEMENT FEE OR COMMISSION FROM THE CDOS' OR CLOS' UNDERWRITER FOR DOING SO.

WHEN MARKETING THE PROGRAM, THE ADVISER AND ALADDIN CAPITAL STATED THAT THE ADVISER WOULD CO-INVEST IN THE SAME EQUITY TRANCHES OF EACH CDO OR CLO ALONGSIDE ITS CLIENTS. THE ADVISER'S CO-INVESTMENT REPRESENTATION WAS A KEY FEATURE OF, AND SELLING POINT FOR, THE PROGRAM. FOR EXAMPLE, THE ADVISER EXPLAINED IN MARKETING MATERIAL THAT, "[W]E ALIGN OUR INTERESTS WITH PROGRAM INVESTORS BY CO-INVESTING IN EVERY TRANSACTION WITH THEM. AND DON'T FORGET, WE ARE NOT INVESTING IN OTHER FIRMS' TRANSACTIONS. INSTEAD, WE ONLY INVEST IN DEALS WHERE WE CAN CONTROL THE MANAGEMENT OF THE COLLATERAL - OUR OWN PROGRAMS." IN THE SAME MARKETING PIECE, THE ADVISER ALSO POSED THE QUESTION, "[W]HY IS AN INVESTOR BETTER OFF JUST INVESTING IN ADVISER SPONSORED CLOS AND CDOS?" THE ADVISER ANSWERED BY EMPHASIZING THAT THE "MOST POWERFUL RESPONSE I CAN GIVE TO YOUR QUESTION IS THAT THE ADVISER CO-INVESTS ALONGSIDE PROGRAM INVESTORS IN EVERY PROGRAM. PUTTING MEANINGFUL 'SKIN IN THE GAME' AS WE DO MEANS OUR FINANCIAL INTERESTS ARE ALIGNED WITH THOSE OF OUR PROGRAM INVESTORS." ALADDIN CAPITAL ALSO EMPHASIZED THAT THE ADVISER WOULD CO-INVEST IN THE SAME PRODUCTS WHEN MARKETING SPECIFIC CDOS TO POTENTIAL PROGRAM PARTICIPANTS.

AS A RESULT OF THE CONDUCT, ALADDIN CAPITAL VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 12/17/2012

Docket/Case Number: 3-15134

Principal Product Type: Other

Other Product Type(s): COLLATERALIZED DEBT OBLIGATIONS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution:	Order
Resolution Date:	12/17/2012
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine \$450,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	PREJUDGMENT INTEREST
Sanction Details:	THE COMMISSION DEEMED IT APPROPRIATE TO IMPOSE THE SANCTIONS AGREED TO IN ALADDIN CAPITAL'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT AND SECTION 203(K) OF THE ADVISERS ACT, IT IS HEREBY ORDERED THAT ALADDIN CAPITAL SHALL, JOINTLY AND SEVERALLY, PAY DISGORGEMENT IN THE AMOUNT OF \$900,000 AND PREJUDGMENT INTEREST IN THE AMOUNT OF \$268,831. ALADDIN CAPITAL SHALL, JOINTLY AND SEVERALLY, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$450,000.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THE PROCEEDINGS, ALADDIN CAPITAL SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THE PROCEEDINGS, WHICH ARE ADMITTED, ALADDIN CAPITAL CONSENTED TO THE ENTRY OF THE ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER ("ORDER").

Disclosure 2 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULES G-2, G-3, G-27: ALADDIN EFFECTED A TOTAL OF SIX MUNICIPAL SECURITIES TRANSACTIONS WITH INSTITUTIONAL CLIENTS WITHOUT BEING REGISTERED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) TO CONDUCT SUCH TRANSACTIONS. AT



THAT TIME, ALADDIN DID NOT HAVE AN ASSOCIATED PERSON PROPERLY QUALIFIED AS A REGISTERED MUNICIPAL SECURITIES PRINCIPAL OR ANY SUPERVISORY PROCEDURES REGARDING MUNICIPAL SECURITIES ACTIVITIES.

Initiated By:	FINRA
Date Initiated:	12/14/2010
Docket/Case Number:	2009020707601
Principal Product Type:	Other
Other Product Type(s):	MUNICIPAL SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/14/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$7,500.

Reporting Source:	Firm
Current Status:	Final
Allegations:	AN ALADDIN RR INADVERTENTLY INITIATED A SMALL QUANTITY OF MUNICIPAL SECURITIES TRANSACTIONS OVER A 2-DAY PERIOD WITH INSTITUTIONAL CLIENTS WITHOUT REALIZING THE FIRM HAD NOT YET REGISTERED WITH THE MSRB OR SOUGHT FINRA AUTHORIZATION TO CONDUCT SUCH TRANSACTIONS. AT THAT TIME, ALADDIN DID NOT HAVE AN ASSOCIATED PERSON REGISTERED AS A MUNICIPAL SECURITIES



PRINCIPAL OR SUPERVISORY PROCEDURES REGARDING MUNICIPAL SECURITIES ACTIVITIES. THIS OVERSIGHT WAS DISCOVERED BY THE CCO SHORTLY AFTER THE TRADES WERE COMPLETED AND WERE SELF-REPORTED TO FINRA AND THE MSRB. CORRECTIVE MEASURES AND FIRM TRAINING HAVE BEEN INSTITUTED TO PREVENT A RECURRENCE.

Initiated By: FINRA

Date Initiated: 12/14/2010

Docket/Case Number: 2009020707601

Principal Product Type: Other

Other Product Type(s): MUNICIPAL SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/14/2010

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THE FIRM WAS CENSURED AND FINED \$7,500.

Disclosure 3 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 1021, 2110, 3011(C) AND (E): RESPONDENT MEMBER FIRM, ACTING THRU AN INDIVIDUAL, PERMITTED AN ASSOCIATED PERSON TO FUNCTION AS ITS CHIEF COMPLIANCE OFFICER WHEREIN HE PERFORMED VARIOUS SUPERVISORY FUNCTIONS WITHOUT BEING REGISTERED AS A PRINCIPAL; IT FAILED TO CONDUCT INDEPENDENT TESTING FOR COMPLIANCE WITH ITS AML PROGRAM AND TO PROVIDE FOR ONGOING TRAINING FOR APPROPRIATE PERSONNEL.

Initiated By: NASD

Date Initiated: 12/19/2006



Docket/Case Number: [2006003873401](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/19/2006

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$15,000 OF WHICH \$10,000 IS JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 1021, 2110, 3011(C) AND (E). THE FIRM, ACTING THROUGH MARSHMAN, PERMITTED AN ASSOCIATED PERSON TO FUNCTION AS ITS CHIEF COMPLIANCE OFFICER WHEREIN HE PERFORMED VARIOUS SUPERVISORY FUNCTIONS WITHOUT BEING REGISTERED AS A PRINCIPAL. THE FIRM ALSO FAILED TO CONDUCT INDEPENDENT TESTING FOR COMPLIANCE WITH ITS ANTI-MONEY LAUNDERING PROGRAM AND TO PROVIDE FOR ONGOING TRAINING FOR APPROPRIATE PERSONNEL UNDER THAT PROGRAM.

Initiated By: NASD

Date Initiated: 12/19/2006

Docket/Case Number: [2006003873401](#)



Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE OF \$15,000
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$15,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THE FIRM WAS CENSURED AND FINED \$15,000.

End of Report



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