

BrokerCheck Report

SAXONY SECURITIES, INC.

CRD# 115547

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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.

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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.](http://www.finra.org)



SAXONY SECURITIES, INC.

CRD# 115547

SEC# 8-53490

Main Office Location

11152 S TOWNE SQUARE
ST. LOUIS, MO 63123
Regulated by FINRA Kansas City Office

Mailing Address

11152 S TOWNE SQUARE
ST. LOUIS, MO 63123

Business Telephone Number

314 963-9336

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 corporation.

This firm was formed in Missouri on 07/13/2001.

Its fiscal year ends in March.

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 firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 52 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 14 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

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	2
Arbitration	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in Missouri on 07/13/2001.

Its fiscal year ends in March.

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.

SAXONY SECURITIES, INC.

Doing business as SAXONY SECURITIES, INC.

CRD# 115547

SEC# 8-53490

Main Office Location

11152 S TOWNE SQUARE
ST. LOUIS, MO 63123

Regulated by FINRA Kansas City Office

Mailing Address

11152 S TOWNE SQUARE
ST. LOUIS, MO 63123

Business Telephone Number

314 963-9336

Other Names of this Firm

Name	Where is it used
SAXONY ADVISORS	MO, WI
SAXONY SECURITIES	MO



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): SAXONY HOLDINGS, INC.

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

Position SHAREHOLDER

Position Start Date 01/2008

Percentage of Ownership 75% or more

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

Is this a public reporting company? No

Legal Name & CRD# (if any): CLARK, BRIAN LESLEY
4802438

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

Position CFO/PFO

Position Start Date 11/2004

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

Legal Name & CRD# (if any): GRIFFARD, RICHARD EDWARD
2472251

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

Position PRESIDENT/CEO/DIRECTOR

Position Start Date 07/2001

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

Legal Name & CRD# (if any): KLUMP, RYAN CHRISTOPHER
4762698

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

Position COO/POO

Position Start Date 12/2011

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

Legal Name & CRD# (if any): PALOS, KURT ROBERT
6063745

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

Position VICE PRESIDENT

Position Start Date 12/2020

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

Legal Name & CRD# (if any): PFEIFFER, STEPHANIE ANN

Firm Profile



Direct Owners and Executive Officers (continued)

	2278515
Is this a domestic or foreign entity or an individual?	Individual
Position	CCO
Position Start Date	04/2016
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):	CLARK, BRIAN LESLEY 4802438
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	SAXONY HOLDINGS, INC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	01/2008
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):	DAIRAGHI, CHARLES ANDREW
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	SAXONY HOLDINGS, INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	06/2017
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	GRIFFARD, RICHARD EDWARD 2472251
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Firm Profile



Indirect Owners (continued)

Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	SAXONY HOLDINGS, INC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	01/2008
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 currently registered with the SEC, 1 SRO and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	02/13/2002

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	02/13/2002



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	05/16/2002
Alaska	Approved	03/15/2004
Arizona	Approved	04/01/2002
Arkansas	Approved	04/04/2002
California	Approved	04/26/2002
Colorado	Approved	07/17/2002
Connecticut	Approved	04/02/2002
Delaware	Approved	02/26/2003
District of Columbia	Approved	02/20/2003
Florida	Approved	05/09/2002
Georgia	Approved	03/22/2002
Hawaii	Approved	06/07/2004
Idaho	Approved	09/03/2003
Illinois	Approved	04/24/2002
Indiana	Approved	02/18/2003
Iowa	Approved	03/26/2002
Kansas	Approved	04/09/2002
Kentucky	Approved	08/05/2003
Louisiana	Approved	02/10/2003
Maine	Approved	03/04/2004
Maryland	Approved	06/28/2002
Massachusetts	Approved	05/02/2002
Michigan	Approved	03/25/2002
Minnesota	Approved	09/18/2002
Mississippi	Approved	07/29/2003
Missouri	Approved	02/22/2002
Montana	Approved	01/26/2004
Nebraska	Approved	02/13/2004
Nevada	Approved	04/21/2002
New Hampshire	Approved	09/07/2004
New Jersey	Approved	06/25/2002
New Mexico	Approved	01/31/2003
New York	Approved	06/24/2002

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	03/15/2002
North Dakota	Approved	04/16/2002
Ohio	Approved	04/01/2002
Oklahoma	Approved	01/09/2003
Oregon	Approved	02/25/2003
Pennsylvania	Approved	09/18/2002
Puerto Rico	Approved	01/27/2025
Rhode Island	Approved	06/03/2002
South Carolina	Approved	03/18/2002
South Dakota	Approved	06/10/2004
Tennessee	Approved	06/05/2003
Texas	Approved	07/23/2002
Utah	Approved	08/06/2002
Vermont	Approved	09/29/2002
Virginia	Approved	09/13/2002
Washington	Approved	07/03/2002
West Virginia	Approved	05/16/2002
Wisconsin	Approved	01/29/2003
Wyoming	Approved	06/19/2002



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 14 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)
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Broker or dealer selling interests in mortgages or other receivables
Broker or dealer involved in a networking, kiosk or similar arrangment with a: bank, savings bank or association, or credit union
Other - THE FIRM HAS REFERRAL OR COMMISSIONS SHARING ARRANGEMENTS WITH OTHER BROKERS OR DEALERS.

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

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 07399-0002
Effective Date:	10/12/2001
Description:	SAXONY SECURITIES, INC. CLEARS TRADES THROUGH PERSHING ON A FULLY DISCLOSED BASIS. IN CONNECTION WITH THIS ARRANGEMENT, SOME ACCOUNTS, FUNDS AND SECURITIES OF SAXONY SECURITIES, INC. MAY BE MAINTAINED BY PERSHING.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399-0002
Effective Date: 10/12/2001
Description: SAXONY SECURITIES, INC. CLEARS TRADES THROUGH PERSHING ON A FULLY DISCLOSED BASIS. IN CONNECTIONN WITH THIS ARRANGEMENT, SOME ACCOUNTS, FUNDS AND SECURITIES OF SAXONY SECURITIES, INC. MAY BE MAINTAINED BY PERSHING.

This firm does have accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399-0002
Effective Date: 10/12/2001
Description: SAXONY SECURITIES, INC. CLEARS TRADES THROUGH PERSHING ON A FULLY DISCLOSED BASIS. IN CONNECTIONN WITH THIS ARRANGEMENT, SOME ACCOUNTS, FUNDS AND SECURITIES OF SAXONY SECURITIES, INC. MAY BE MAINTAINED BY PERSHING.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399-0002
Effective Date: 10/12/2001
Description: SAXONY SECURITIES, INC. CLEARS TRADES THROUGH PERSHING ON A FULLY DISCLOSED BASIS. IN CONNECTIONN WITH THIS ARRANGEMENT, SOME ACCOUNTS, FUNDS AND SECURITIES OF SAXONY SECURITIES, INC. MAY BE MAINTAINED BY PERSHING.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

Firm Operations

Industry Arrangements (continued)



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.

PATRICK CAPITAL MARKETS, LLC is under common control with the firm.

CRD #:	16518
Business Address:	11152 S TOWNE SQUARE ST. LOUIS, MO 63123
Effective Date:	11/05/2021
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BRIAN CLARK AND RICHARD GRIFFARD ARE CONTROL PERSONS FOR BOTH, THE APPLICANT AND PATRICK MARKETS, LLC.

SAXONY CAPITAL MANAGEMENT, LLC is under common control with the firm.

CRD #:	122692
Business Address:	11152 S TOWNE SQUARE ST. LOUIS, MO 63123
Effective Date:	11/05/2021
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BRIAN CLARK AND RICHARD GRIFFARD ARE CONTROL PERSONS FOR BOTH, THE APPLICANT AND SAXONY CAPITAL MANAGEMENT, LLC.

Firm Operations



Organization Affiliates (continued)

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	2	0
Arbitration	N/A	1	N/A



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 2

Reporting Source: Regulator

Current Status: Final



Allegations:	FINRA RULE 2010, NASD RULE 3010: THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REGARDING THE SALE OF NONTRADITIONAL EXCHANGE TRADED FUNDS (ETFs) THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE NASD AND FINRA RULES. THE FIRM PERMITTED ITS REGISTERED REPRESENTATIVES TO RECOMMEND AND SELL NONTRADITIONAL ETFs TO FIRM CUSTOMERS. THE FIRM DID NOT, HOWEVER, INVESTIGATE THE CHARACTERISTICS AND RISK FACTORS OF SUCH PRODUCTS BEFORE ALLOWING THEIR REPRESENTATIVES TO RECOMMEND THEM TO CUSTOMERS. DESPITE THE UNIQUE CHARACTERISTICS AND NOTABLE RISK FACTORS OF NONTRADITIONAL ETFs, THE FIRM DID NOT PROVIDE ITS REPRESENTATIVES OR SUPERVISORS WITH ANY TRAINING OR OTHER GUIDANCE SPECIFIC TO WHETHER AND WHEN NONTRADITIONAL ETFs MIGHT BE APPROPRIATE FOR THEIR CUSTOMERS. THE FIRM ALSO DID NOT USE OR MAKE AVAILABLE TO ITS SUPERVISORY PERSONNEL ANY REPORTS OR OTHER TOOLS TO MONITOR EITHER THE LENGTH OF TIME THAT CUSTOMERS HELD OPEN POSITIONS IN NONTRADITIONAL ETFs OR ANY UNREALIZED LOSSES OCCURRING IN THOSE POSITIONS.
Initiated By:	FINRA
Date Initiated:	10/14/2013
Docket/Case Number:	2012030788301
Principal Product Type:	Other
Other Product Type(s):	NONTRADITIONAL ETFs
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/14/2013
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, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$15,000. THE FINE SHALL BE DUE AND PAYABLE IMMEDIATELY. FINE PAID IN FULL 10/30/13.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULE 2010, NASD RULE 3010: THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REGARDING THE SALE OF NONTRADITIONAL EXCHANGE TRADED FUNDS (ETFs) THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE NASD AND FINRA RULES. THE FIRM PERMITTED ITS REGISTERED REPRESENTATIVES TO RECOMMEND AND SELL NONTRADITIONAL ETFs TO FIRM CUSTOMERS. THE FIRM DID NOT, HOWEVER, INVESTIGATE THE CHARACTERISTICS AND RISK FACTORS OF SUCH PRODUCTS BEFORE ALLOWING THEIR REPRESENTATIVES TO RECOMMEND THEM TO CUSTOMERS. DESPITE THE UNIQUE CHARACTERISTICS AND NOTABLE RISK FACTORS OF NONTRADITIONAL ETFs, THE FIRM DID NOT PROVIDE ITS REPRESENTATIVES OR SUPERVISORS WITH ANY TRAINING OR OTHER GUIDANCE SPECIFIC TO WHETHER AND WHEN NONTRADITIONAL ETFs MIGHT BE APPROPRIATE FOR THEIR CUSTOMERS. THE FIRM ALSO DID NOT USE OR MAKE AVAILABLE TO ITS SUPERVISORY PERSONNEL ANY REPORTS OR OTHER TOOLS TO MONITOR EITHER THE LENGTH OF TIME THAT CUSTOMERS HELD OPEN POSITIONS IN NONTRADITIONAL ETFs OR ANY UNREALIZED LOSSES OCCURRING IN THOSE POSITIONS.

Initiated By: FINRA

Date Initiated: 10/14/2013

Docket/Case Number: [2012030788301](#)

Principal Product Type: Other

Other Product Type(s): NONTRADITIONAL ETFs

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/14/2013

**Sanctions Ordered:**

Censure
Monetary/Fine \$15,000.00

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 THE FIRM IS CENSURED AND FINED \$15,000. THE FINE SHALL BE DUE AND PAYABLE IMMEDIATELY.

Firm Statement

DURING THE PERIOD BETWEEN APRIL 1, 2009 AND MARCH 1, 2010, SAXONY DID NOT HAVE A SUPERVISORY SYSTEM OR PROCEDURES IN PLACE WHICH WERE SPECIFICALLY DEVOTED SOLELY TO ISSUES CREATED BY THE SALE OF NON-TRADITIONAL ETFS. HOWEVER, SAXONY DID HAVE ESTABLISHED SUPERVISORY PROCEDURES IN PLACE DURING THAT RELEVANT PERIOD TO REVIEW THE DAILY TRADING ACTIVITY OF THE FIRM, WHICH INCLUDED NON-TRADITIONAL ETF TRANSACTIONS. SPECIFICALLY, THE SUPERVISORY PROCEDURES IN PLACE DURING THAT RELEVANT PERIOD FLAGGED TRANSACTIONS FOR, AMONG OTHER ITEMS, PRODUCT SUITABILITY AND OF WHICH INCLUDED A REVIEW OF THE NUMBER OF SHARES PURCHASED AND/OR A REVIEW OF THE PRICE OF THE TRANSACTION VERSUS THE INDICATED CLIENTS' RISK INDICATORS. ADDITIONALLY, THE SUPERVISORY SYSTEM WOULD FLAG ACCOUNTS FOR A DECREASE IN NET WORTH COMPARED TO BOTH THE PRIOR MONTH END AND THE LAST YEAR END ACCOUNT VALUE. THIS FLAG WOULD THEN, BY DESIGN, REVIEW THE AMOUNTS OF UNREALIZED LOSSES. IN INSTANCES WHERE FLAGS WERE NOTED, WHICH COULD HAVE INCLUDED ETF TRANSACTIONS, A PRINCIPAL OF THE FIRM WOULD PERFORM A FURTHER IN-DEPTH SUITABILITY ANALYSIS AND REVIEW INTO THE SPECIFIC TRANSACTION AND TAKE APPROPRIATE FOLLOW-UP ACTION.

FINRA RELEASED REGULATORY NOTICE 09-31 REGARDING LEVERAGED AND INVERSE EXCHANGE-TRADED FUNDS AND THE SALES PRACTICE OBLIGATIONS OF THE MEMBER FIRMS IN JUNE, 2009. IN THE WEEKS FOLLOWING THE RELEASE OF REGULATORY NOTICE 09-31, SAXONY WORKED CLOSELY WITH ITS CLEARING FIRM PROVIDER TO DEVELOP CUSTOMIZED EXCEPTION REPORTS WHICH COULD SPECIFICALLY FLAG NOTED ISSUES RELATING TO NON-TRADITIONAL ETF TRANSACTIONS. THE CLEARING FIRM PROVIDER, AT THE TIME, DID NOT HAVE SPECIFIC "EXCEPTION REPORTS" OR TOOLS AVAILABLE TO ASSIST FIRMS WITH THE SPECIFIC MONITORING OF NON-TRADITIONAL ETF TRANSACTIONS. AT THAT TIME, SAXONY DEVELOPED AND CREATED AN AD-HOC, IN-HOUSE "FLAG" FOR NON-TRADITIONAL ETF TRANSACTIONS USING INFORMATION OBTAINED FROM THE OPTIONS CLEARING CORPORATION'S WEBSITE OF REPORTED AND TRADED NON-TRADITIONAL ETFS. A NUMBER OF SAXONY CUSTOMERS WHO PURCHASED NON-TRADITIONAL ETFS DURING THAT RELEVANT PERIOD WERE QUALIFIED TO TRADE IN OPTIONS.



ADDITIONALLY, A PREDOMINANT NUMBER OF CUSTOMERS WHO PURCHASED THESE NON-TRADITIONAL ETF PRODUCTS DURING THAT RELEVANT PERIOD HAD SPECULATION AS A RISK TOLERANCE AND AN INVESTMENT OBJECTIVE OF TRADING PROFITS OR SHORT-TERM GROWTH.

SAXONY PROVIDED TRAINING AND GUIDANCE REGARDING COMPLEX AND/OR NON-CONVENTIONAL PRODUCTS TO BOTH ITS REGISTERED REPRESENTATIVES AND SUPERVISORS DURING THE 2008, 2009 AND 2010 ANNUAL COMPLIANCE MEETINGS. THE DISCUSSION OF COMPLEX AND/OR NON-CONVENTIONAL PRODUCTS DURING THOSE ANNUAL COMPLIANCE MEETINGS INCLUDED A REVIEW OF THE DUE DILIGENCE REQUIREMENTS FOR THOSE PRODUCTS, THE SUITABILITY ISSUES FOR THE CLIENTS AS WELL AS THE TRAINING AND NECESSARY KNOWLEDGE NEEDED BY THE REGISTERED REPRESENTATIVES TO TRANSACT IN THESE TYPE OF PRODUCTS. IN LATE FEBRUARY 2010, SAXONY SENT A "COMPLIANCE ALERT" TO ALL REGISTERED REPRESENTATIVES THAT DISCUSSED IN DETAIL NON-TRADITIONAL ETFS. THIS COMPLIANCE ALERT IDENTIFIED THAT ANY SAXONY REPRESENTATIVE WHO WANTED TO RECOMMEND OR SELL A NON-TRADITIONAL ETF TO A CUSTOMER WAS REQUIRED TO TAKE SPECIFIED TRAINING REGARDING THESE PRODUCTS. SAXONY REPRESENTATIVES WHO SUBSEQUENTLY SOLD NON-TRADITIONAL ETFS WERE REQUIRED TO TAKE THIS ADDITIONAL TRAINING. IN CONJUNCTION WITH THE RELEASE OF THE "COMPLIANCE ALERT", SAXONY ALSO REQUIRED CUSTOMERS WHO SOUGHT TO PURCHASE NON-TRADITIONAL ETFS TO COMPLETE AND SIGN A LEVERAGED AND INVERSE ETF QUESTIONNAIRE & AGREEMENT. THIS QUESTIONNAIRE PROVIDED A NUMBER OF DISCLOSURES OF RISKS REGARDING NON-TRADITIONAL ETFS AND REQUIRED THE CUSTOMER TO PROVIDE AND CONFIRM DETAILED SUITABILITY INFORMATION.

SAXONY BELIEVES THAT THE PROCEDURES AND REQUIREMENTS DOCUMENTED ABOVE, IN COMBINATION WITH GENERAL SUPERVISORY PROCEDURES AND EXCEPTION REPORTS ALREADY IN PLACE, WILL PREVENT FURTHER VIOLATIONS OF THE TYPE ALLEGED IN THIS DISCLOSURE.

Disclosure 2 of 2

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010 - RESPONDENT MEMBER FAILED TO MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND WITH



APPLICABLE NASD RULES.

Initiated By: NASD

Date Initiated: 12/01/2005

Docket/Case Number: E0420050092-01

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: 12/01/2005

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 \$6,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SAXONY SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$6,500.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM (NASD CONDUCT RULES 2110 AND 3010)

Initiated By: NASD

Date Initiated: 07/14/2005

Docket/Case Number: E0420050092-01



Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE OF \$6,500
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/02/2005
Sanctions Ordered:	Censure Monetary/Fine \$6,500.00
Other Sanctions Ordered:	
Sanction Details:	\$6500 FINE TO BE PAID IN FULL BY APPLICANT UPON NOTIFICATION FROM THE [NASD] FINANCE DEPARTMENT REGARDING THE PAYMENT PURSUANT TO THE LETTER DATED DECEMBER 1, 2005 FROM JEFFREY A ZIESMAN, [NASD] REGIONAL COUNSEL.
Firm Statement	7/14/05 RECEIVED LETTER FROM NASD REGIONAL COUNSEL WHICH NOTIFIED SAXONY THAT NASD STAFF HAD MADE A PRELIMINARY DETERMINATION TO RECOMMEND DISCIPLINARY ACTION BE BROUGHT AGAINST SAXONY FOR INADEQUACIES IN OUR WRITTEN SUPERVISORY PROCEDURES, IN VIOLATION OF NASD CONDUCT RULES 2110 AND 3010. IN CONJUNCTION WITH THE NOTICE, AN AWC WAS PROPOSED FOR SETTLEMENT OF THE CHARGES. A FINAL AWC WAS SIGNED BY SAXONY ON 10/13/05 AND ACCEPTED BY THE NASD ON 12/2/2005.



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	03/03/2005
Case Number:	05-01066
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$1,000,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/14/2006
Sum of All Relief Awarded:	\$75,391.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

End of Report



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