

BrokerCheck Report

BLUESTONE CAPITAL CORP.

CRD# 13516

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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:

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

BLUESTONE CAPITAL CORP.

CRD# 13516

SEC# 8-29197

Main Office Location750 LEXINGTON AVENUE
NEW YORK, NY 10022**Mailing Address**750 LEXINGTON AVENUE
NEW YORK, NY 10022**Business Telephone Number**

212-826-6655

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 New York on 01/18/1983.

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	15
Civil Event	2
Arbitration	16

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.



**This firm terminated or
withdrew registration on:** 12/21/2001

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 01/18/1983.

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.

BLUESTONE CAPITAL CORP.

Doing business as **BLUESTONE CAPITAL CORP.**

CRD# 13516

SEC# 8-29197

Main Office Location

750 LEXINGTON AVENUE
NEW YORK, NY 10022

Mailing Address

750 LEXINGTON AVENUE
NEW YORK, NY 10022

Business Telephone Number

212-826-6655

Other Names of this Firm

Name	Where is it used
SHOCHET SECURITIES A DIVISION OF BLUESTONE CAPITAL CORP.	AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY



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):	BLUESTONE HOLDING CORP.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SHAREHOLDER
Position Start Date	06/2001
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	BELUSIC, BRANKO PHILIP 2989519
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO/TREASURER
Position Start Date	02/2001
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	GOHD, MATTHEW ARTHUR 810443
Is this a domestic or foreign entity or an individual?	Individual
Position	CO- CHAIRMAN/DIRECTOR
Position Start Date	01/2001



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): MCSHERRY, JOSEPH WILLIAM
2007353

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

Position PRESIDENT/COO/DIRECTOR

Position Start Date 08/2001

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): OCONNOR, DONALD JOSPEH
1006777

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

Position VP-DIRECTOR OF COMPLIANCE

Position Start Date 05/1995

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): WALTERS, WILLIAM GEORGE

Firm Profile



Direct Owners and Executive Officers (continued)

600172

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

Position CO-CHAIRMAN/ DIRECTOR

Position Start Date 08/1983

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

No information reported.



Firm History

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

This firm was previously: WHALE SECURITIES CO.,LP

Date of Succession: 04/20/2001

Predecessor CRD#: 13516

Predecessor SEC#: 8-29197

Description ON 4/23/2001, WHALE SECURITIES CO. LP, CRD 13516 ("WHALE LP"), TRANSFERRED ALL ITS ASSETS, INCLUDING ITS B-D LICENSE, SUBJECT TO ALL ITS LIABILITIES, TO WHALE SECURITIES CORP., THE GENERAL PARTNER OF WHALE LP ("WHALE CORP."), IN EXCHANGE FOR THE COMMON STOCK OF WHALE CORP. WHALE CORP. THEN CHANGED ITS NAME TO BLUESTONE CAPITAL CORP. ("BLUE STONE"). THE EQUITY OWNERSHIP, MANAGEMENT AND OPERATIONS OF BLUESTONE AFTER SUCH TRANSFER AND EXCHANGE ARE IDENTICAL TO THAT OF WHALE LP PRIOR TO SUCH TRANSFER AND EXCHANGE.

This firm was previously: WHALE SECURITIES CO.,LP

Date of Succession: 04/20/2001

Predecessor CRD#: 13516

Predecessor SEC#: 8-29197

Description ON 4/20/2001, WHALE SECURITIES CO. LP, CRD 13516 ("WHALE LP"), TRANSFERRED ALL ITS ASSETS, INCLUDING ITS B-D LICENSE, SUBJECT TO ALL ITS LIABILITIES, TO WHALE SECURITIES CORP., THE GENERAL PARTNER OF WHALE LP ("WHALE CORP."), IN EXCHANGE FOR THE COMMON STOCK OF WHALE CORP. WHALE CORP. THEN CHANGED ITS NAME TO BLUESTONE CAPITAL CORP. ("BLUE STONE"). THE EQUITY OWNERSHIP, MANAGEMENT AND OPERATIONS OF BLUESTONE AFTER SUCH TRANSFER AND EXCHANGE ARE IDENTICAL TO THAT OF WHALE LP PRIOR TO SUCH TRANSFER AND EXCHANGE.

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 05/27/1983 to 02/04/2002.



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 8 types of businesses.

Types of Business

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Underwriter or selling group participant (corporate securities other than mutual funds)

U S. government securities broker

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Private placements of securities

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:	BNY CLEARING SERVICES LLC
CRD #:	15879
Business Address:	111 EAST KILBOURN AVENUE MILWAUKEE, WI 53202
Effective Date:	09/15/1999
Description:	PURSUANT TO THE CLEARING AGREEMENT BETWEEN WHALE SECURITIES CO. LP AND BNY CLEARING SERVICES. WHALE SECURITIES SERVES AS THE INTRODUCING BROKER AND BNY AS THE CLEARING BROKER.

Firm Operations

Industry Arrangements



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

Name: BNY CLEARING SERVICES LLC
CRD #: 15879
Business Address: 111 EAST KILBOURN AVENUE
MILWAUKEE, WI 53202
Effective Date: 09/15/1999
Description: PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT CERTAIN BOOKS AND RECORDS ARE MAINTAINED ON BEHALF OF THE APPLICANT

Name: RICHARD A. EISNER & COMPANY LLP
Business Address: 575 MADISON AVENUE
NEW YORK, NY 10022
Effective Date: 08/05/1994
Description: VARIOUS RECORDS RELATED TO WHALE'S FINANCES ARE KEPT AT THE OFFICES OF ITS ACCOUNTANTS, RICHARD A. EISNER & COMPANY LLP.

Name: BLANK ROME TENZER GREENBLATT LLP
Business Address: 405 LEXINGTON AVENUE
NEW YORK, NY 10174
Effective Date: 05/01/1987
Description: VARIOUS DOCUMENTS AND MATERIALS RELATED TO WHALE'S LICENSES ARE KEPT AT THE OFFICE OF WHALE'S COUNSEL, BLANK ROME TENZER GREENBLATT LLP.

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

Name: BNY CLEARING SERVICES LLC
CRD #: 15879
Business Address: 111 EAST KILBOURN AVENUE
MILWAUKEE, WI 53202
Effective Date: 09/15/1999
Description: AN ARRANGEMENT HAS BEEN MADE BETWEEN WHALE SECURITIES AND BNY CLEARING SERVICES WITH RESPECT TO THE MAINTENANCE OF ACCOUNT AND RECORD RETENTION OF FUNDS AND SECURITIES OF WHALE SECURITIES CO.LP.

Firm Operations



Industry Arrangements (continued)

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

Name: BNY CLEARING SERVICES LLC
CRD #: 15879
Business Address: 111 EAST KILBOURN AVENUE
MILWAUKEE, WI 53202
Effective Date: 09/15/1999
Description: PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT BNY CLEARING SERVICES LLC MAINTAINS AND HOLDS ALL THE FUNDS OR SECURITIES FOR THE CUSTOMERS OF WHALE SECURITIES CO. LP

Control Persons/Financing

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

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 not, 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.**

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	15	0
Civil Event	2	0	0
Arbitration	N/A	16	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:**
 - o 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:**
 - o 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:**
 - o 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.
 - o 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 15

Reporting Source: Regulator
Current Status: Final



Allegations: FAILED TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO AN NASD REQUEST TO PROVIDE INFORMANTION CONCERNING THE STATUS OF COMPLIANCE.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 01/18/2002

Docket/Case Number: [ARBITRATION CASE #99-03814](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 01/18/2002

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: NASD REGISTRATION SUSPENDED 01/18/02 FOR FAILURE TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO AN NASD REQUEST TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE. [011022 02202]

Disclosure 2 of 15

Reporting Source: Regulator

Current Status: Final

Allegations: TRANSACTED BUSINESS AS AN UNREGISTERED BROKER-DEALER AND EMPLOYED AN UNREGISTERED AGENT.

Initiated By: VIRGINIA - DIVISION OF SECURITIES

Date Initiated: 04/09/2001

Docket/Case Number: SEC010034

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/09/2001

Sanctions Ordered:

Other Sanctions Ordered: MADE RESTITUTION TO CLIENT.

Sanction Details: MADE RESTITUTION TO CLIENT.

Regulator Statement BY SETTLEMENT ORDER DATED 4/9/01, DEFENDANT AGREED, WITHOUT ADMITTING NOR DENYING THE ALLEGATIONS, TO MAKE RESTITUTION TO THE ESTATE OF A FORMER CLIENT IN THE AMOUNT OF \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: VIRGINIA'S DIVISION OF SECURITIES ALLEGED THAT THE RESPONDENT WHALE SECURITIES ACTING THROUGH A FORMER BROKER, MASON SEXTON, CONDUCTED BUSINES IN THE STATE PRIOR TO HIS AND THE FIRM'S REGISTRATION BETWEEN JANUARY, 1987 AND JULY 1988.

Initiated By: COMMONWEALTH OF VIRGINIA;STATE CORPORATION COMMISSION

Date Initiated: 04/09/2001

Docket/Case Number: SEC010034

Principal Product Type: Other

Other Product Type(s): VARIOUS SECURITIES

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/09/2001

Sanctions Ordered: Monetary/Fine \$10,000.00
Disgorgement/Restitution



Other Sanctions Ordered: NONE

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS THE FIRM REIMBURSED THE CLIENT \$ 10,000.00 IN COMMISSIONS ON APRIL 26, 2001.

Firm Statement FORMER REGISTERED REPRESENTATIVE CONDUCTED BUSINESS WITH HIS MOTHER WHILE SHE WAS A NEW YORK RESIDENT. HE CONTINUED TO CONDUCT BUSINESS WITH HER WHEN SHE MOVED TO VIRGINIA PRIOR TO HIS AND THE FIRM'S REGISTRATION BEING APPROVED IN THAT STATE. THE FIRM, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AGREED TO SETTLE THE MATTER RATHER THAN ENGAGE IN LITIGATION OF AN EVENT THAT OCCURRED OVER 12 YEARS AGO.

Disclosure 3 of 15

Reporting Source: Regulator

Current Status: Final

Allegations: 02/15/00GS: NASD RULES 2110, 3110, 4632, 4642, 6130(D), 6620, AND SEC RULES 10B-10, 11AC1-4, 17A-3, AND 17A-4 - FIRM FAILED TO COMPLY WITH NASDAQ TRADING RULES, PROCEDURES RELATING TO LOCKED AND CROSSED MARKET, SOES, REGISTRATION, SEC RULES 11AC1-4, BEST EXECUTION, AND BOOKS AND RECORDS; AND, FAILED TO MAINTAIN ADEQUATE TRADING RECORDS AND SUPERVISORY PROCEDURES.

Initiated By: THE NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 01/24/2000

Docket/Case Number: CMS990175

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: 01/24/2000

Sanctions Ordered: Censure
Monetary/Fine \$27,000.00

Other Sanctions Ordered:

Sanction Details: UNDERTAKE TO REVISE THE FIRM'S WRITTEN SUPERVISORY



PROCEDURES RELATING TO LOCKED AND CROSSED MARKET, SOES, REGISTRATION, SEC RULES 11AC1-4, BEST EXECUTION, AND BOOKS AND RECORDS. **** 10/31/00GS: \$27,000 PAID ON 02/22/00, INVOICE NO. 00-MS-106.

Reporting Source: Firm

Current Status: Final

Allegations: NASDR ALLEGED THAT IN MAY, 1998 FIRM FAILED TO COMPLY WITH NASDAQ TRADING RULES, MAINTAIN ADEQUATE TRADING RECORDS AND SUPERVISORY PROCEDURES.

Initiated By: NASDR

Date Initiated: 01/21/2000

Docket/Case Number: CMS990175

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE OF \$27,000

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/21/2000

Sanctions Ordered: Censure
Monetary/Fine \$27,000.00

Other Sanctions Ordered: SUBMOT REVISED SUPERVISORY PROCEDURES.

Sanction Details: FINE TO BE PAID WHEN BILL RECEIVED. CORRECTED SUPERVISORY PROCEDURES TO BE SENT WITHIN 60 DAYS.

Firm Statement VIOLATIONS FOUND DURING MAY, 1988 TAMMS EXAM FIRM AGREED TO SETTLE WITH NASDR BY SUBMITTING AN AWC RATHER RHAN LITIGATING THEIR FINDINGS.

Disclosure 4 of 15

Reporting Source: Firm

Current Status: Final



Allegations:	THE MASSACHUSETTS SECURITIES DIVISION ALLEGED THAT WHALE FAILED TO PROPERLY SUPERVISE ONE OF ITS EMPLOYEES
Initiated By:	MASSACHUSETTS SECURITIES DIVISION
Date Initiated:	11/23/1999
Docket/Case Number:	E-99-047
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	RESTITUTION
Resolution:	Consent
Resolution Date:	12/06/1999
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	WHALE AGREED TO HIRE AN INDEPENDENT CONSULTANT TO REVIEW ITS PROCEDURES CONCERNING THE PROCESS BY WHICH THE FIRM ELECTS TO MAKE A MARKET IN A PARTICULAR SECURITY AND DISCLOSURE TO THE FIRM BY THEIR EMPLOYEES REGARDING THEIR OUTSIDE BUSINESS ACTIVITIES.
Sanction Details:	WHALE AGREED TO OFFER RECISSION TO CERTAIN MASSACHUSETTS CUSTOMERS; IT IS UNKNOWN IF SUCH RECISSION AND TO WHAT EXTENT IT WILL BE ACCEPTED BY SUCH CUSTOMERS.
Firm Statement	IN DECEMBER 1999 WHALE ENTERED INTO AN AGREEMENT IN PRINCIPLE WITH THE MASSACHUSETTS SECURITIES DIVISION FOR ENTRY OF A CONSENT ORDER, WITHOUT ADMITTING OR DENYING THE DIVISION'S ALLEGATIONS OF FAILURE TO SUPERVISE ONE OF ITS EMPLOYEES, AGREEING (1)TO A CENSURE,(2)TO HIRE A CONSULTANT TO REVIEW THE FIRM'S PROCEDURES AND POLICIES CONCERNING THE PROCESS BY WHICH WHALE ELECTS TO MAKE A MARKET IN A PARTICULAR STOCK AND DISCLOSURE TO WHALE BY ITS EMPLOYEES OF OUTSIDE ACTIVITIES, AND (3)TO OFFER RECISSION TO CERTAIN OF THE FIRM'S MASSACHUSETTS CUSTOMERS IN CERTAIN SECURITIES TRANSACTIONS.

Disclosure 5 of 15

Reporting Source: Firm



Current Status:	Final
Allegations:	ON OCTOBER 5, 1989 WHALE ENTERED INTO S CONSENT AGREEMENT WITH THE RHODE ISLAND SECURIIES COMMISSION. THE RHODE ISLAND SECURITIES COMMISSION ALLEGED A FORMER REGISTERED REPRESENTATIVE OF WHALE, MR MARIO ROMANO, EFFECTED FOR A RESIDENT OF RHODE ISLAND A SECURITIES TRANSACTION WHILE HE WAS NOT REGISTERED IN RHODE ISLAND. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WHALE EXECUTED THE AGREEMENT, WAIVED THEIR RIGHT TO A HEARING AND AGREED NOT TO SELL SECURITIES IN RHODE ISLAND UNLESS THEY WERE REGISTERED AS A BROKER/DEALER. IN ADDITION, THEY AGREED TO AN ASSESSMENT BY THE DIRECTOR IN THE AMOUNT OF \$7500 FOR THE EXPENSE INVOLVED IN THE INVESTIGATION.
Initiated By:	RHODE ISLAND SECURITIES COMMISSION
Date Initiated:	10/05/1989
Docket/Case Number:	UNKNOWN
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	CONSENT AGREEMENT
Resolution:	Consent
Resolution Date:	10/05/1989
Sanctions Ordered:	
Other Sanctions Ordered:	CONSENT AGREEMENT AND RESTITUTION OF \$7500 FOR EXPENSES OF INVESTIGSTION.
Sanction Details:	SEE ITEM # 7
Firm Statement	CONDUCTED BUSINEES WITHOUT BEING PROPERLY REGISTERED.

Disclosure 6 of 15

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	ALABAMA



Date Initiated: 10/25/1989

Docket/Case Number: SC-89-29

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/26/1990

Regulator Statement 12-2-89 FORMS U6 (8015/8086-31489) DISCLOSE: RESPONDENT WHALE SECURITIES CO., L.P. EMPLOYED A SALESMAN WHO DID, ON TWO DIFFERENT OCCASIONS SELL UNREGISTERED SECURITIES TO AN ALABAMA RESIDENT. AT THE TIME OF THE SALE, NEITHER RESPONDENT WHALE SECURITIES, CO., L.P. NOR THE SAMESMAN WERE REGISTERED TO DO BUSINESS AS A SECURITIES DEALER OR A SECURITIES SALESMAN IN ACCORDANCE WITH THE PROVISIONS OF THE SECURITIES ACT OF ALABAMA. DOCKET/CASE NO. SC-89-29, DATED 10/25/89. (COPY OF ADMINISTRATIVE ORDER ATTACHED).

*** 5/22/90-AMENDED FORMS U6 (8067/8074-12790) DISCLOSE: RESCISSION OFFER MADE AND ACCEPTED BY INVESTORS WITH INVESTMENT PLUS INTEREST REFUND. CONSENT ORDER SIGNED BY WHALE SECURITIES CO., L.P. DOCKET/CASE NO. SC-89-29, DATED APRIL 26, 1990.

Reporting Source: Firm

Current Status: Final

Allegations: THE ALABAMA SECURITIES COMMISSSION ALLEGED THAT ON TWO OCCASSIONS, AN UNREGISTERED AGENT SOLD UNREGISTERED SECURITIES TO ALABAMA RESIDENTS AT A TIME WHEN WHALE WAS NOT REGISTERED WITH THE STATE OF ALABAMA. WHALE ENTERED INTO A CONSENT ORDER ON APRIL 24, 1990, PURSUANT TO WHICH WHALE, WITHOUT ADMITTING OR DENYING ANY VIOLATIONS OF THE CODE OF ALABAMA, CONSENTED NOT TO ENGAGE IN SECURITIES ACTIVITIES IN



ALABAMA UNTIL PROPERLY REGISTERED.

Initiated By: ALABAMA SECURITIES COMMISSION

Date Initiated: 04/24/1990

Docket/Case Number: UNKNOWN

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT ORDER

Resolution: Consent

Resolution Date: 04/24/1990

Sanctions Ordered:

Other Sanctions Ordered: NOT PERMITTED TO CONDUCT BUSINESS IN STATE UNTIL PROPERLY REGISTERED.

Sanction Details: SEE #7 AND #12B.

Firm Statement CONDUCTED BUSINESS PRIOR TO REGISTRATION.

Disclosure 7 of 15

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 06/10/1997

Docket/Case Number:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/10/1997

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. CMS960233(A) AWC.

ON JUNE 10, 1997, WHALE SECURITIES CO., L.P. (WHAL) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. THE AWC ALLEGES THAT WHAL VIOLATED NASD CONDUCT RULES 2110 AND 3010, MARKETPLACE RULES 4632, 4642 AND 6130, AND SEC RULE 17a-3 FOR THE FOLLOWING ACTIVITY:

WHAL REPORTED, REPORTED INCORRECTLY, OR FAILED TO REPORT 39 TRANSACTIONS TO THE AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT). WHAL ALSO RECORDED INACCURATE EXECUTION TIMES OR FAILED TO RECORD ENTRY OR EXECUTION TIMES FOR 34 TRANSACTIONS, AND FAILED TO CREATE A MEMORANDUM RECORDING 15 TRANSACTIONS. IN ADDITION, WHAL FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO TRADE REPORTING.

WHAL WAS CENSURED AND FINED \$20,000.

\$20,000.00 PAID ON 07/17/97, INVOICE #97-MS-554

Reporting Source: Firm

Current Status: Final

Allegations: THE NASD ALLEGED THAT WHALE FAILED TO REPORT AND CORRECTLY REPORT TRANSACTIONS CORRECTLY TO ACT, RECORDED INACCURATE EXECUTION TIMES, FAILED TO KEEP A RECORD OF TRANSACTIONS AND FAILED TO KEEP ACCURATE SUPERVISORY PROCEDURES WITH RESPECT TO TRADE REPORTING.



Initiated By: NASDR MKT REGULATION
Date Initiated: 12/26/1997
Docket/Case Number: CMS960233
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: \$ 20,000 FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/10/1997
Sanctions Ordered: Censure
 Monetary/Fine \$20,000.00
Other Sanctions Ordered: NONE
Sanction Details: FINE OF \$ 20,000 PAID IN 1997.
Firm Statement NASD ALLEGED VIOLATIONS OF NASD MKT PLACE RULES 4632, 4642, AND 6130;RULES OF CONDUCT 2110 AND 3010 AND SEC RULE 17A-3. FIRM AGREED TO AWC TO PUT THE MATTER BEHIND INSTEAD OF A PROLONGED AND COSTLY LITIGATION.

Disclosure 8 of 15

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 09/24/1991
Docket/Case Number: C10910135
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/24/1991

Sanctions Ordered: Censure
Monetary/Fine \$7,000.00

Other Sanctions Ordered:
Sanction Details:
Regulator Statement

ON SEPTEMBER 24, 1991, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT C10910135 (DISTRICT NO. 10) SUBMITTED BY WHALE SECURITIES CO., L. P. AND NICHOLAS ANARI WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$7,000, JOINTLY AND SEVERALLY - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT ANARI CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL).
\$7,000.00 J&S PAID ON 10/3/91 INVOICE #91-10-1122

Reporting Source: Firm

Current Status: Final

Allegations: ON MAY 30,1991 WHALE AND NICOLAS ANARI EXECUTED A LETTER OF ACCEPTANCE WIVER AND CONSENT WITH THE NASD BUSINESS CONDUCT COMMITTEE, DIST. NO 10, WITHIUT ADNITTING OR DENYING ALLEGATIONS OF VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE. WHALE AND MR. ANARICONSENTE TO A SANCTION OF CENSURE AND A JOINT AND SEVERAL FINE OF \$7000. THE AWC WAS ACCEPTED BY THE NASD ON SEPTEMBER 27,1991.

Initiated By: NASD DISTRICT BUS. CONDUCT COMMITTE NO 10

Date Initiated: 05/30/1988

Docket/Case Number: C10910135

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/27/1991
Sanctions Ordered:	Censure Monetary/Fine \$7,000.00
Other Sanctions Ordered:	
Sanction Details:	SEE ITEM #7
Firm Statement	NET CAPITAL VIOLATION

Disclosure 9 of 15

Reporting Source:	Regulator
Current Status:	Final
Allegations:	UNLICENSED BD & AGENT ACTIVITY AND FAILURE TO REASONABLY SUPERVISE AGENTS
Initiated By:	WI SEC
Date Initiated:	04/22/1991
Docket/Case Number:	X-90071(L)
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/22/1991
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	CONSENT ORDER OF CENSURE & ASSESSMENT (\$10,000)
Regulator Statement	DURING 1987 AND 1988 SOME AGENTS OF WHALE OPENED



SEVERAL ACCOUNTS IN WI AND TRANSACTED BUSINESS IN WI WHILE NEITHER THE AGENTS NOR THE BD WERE LICENSED.

Reporting Source: Firm

Current Status: Final

Allegations: IN APRIL 1991 THE WISCONSIN SECURITIES COMMISSION ENTERED A CONSENT ORDER OF CENSURE AND ASSESSMENT AGAINST WHALE BASED UPON WHALE'S WAIVER AND CONSENT ORDER. THE WISCONSIN OFFICE OF THE COMMISSIONER OF SECURITIES ALLEGED THAT DURING 1987 AND 1988 SOME AGENTS OF WHALE, ON BEHALF OF THEMSELVES AND WHALE OPENED SEVERAL ACCOUNTS IN WISCONSIN BEFORE EITHER THE AGENTS OR WHALE WERE LICENSED IN WISCONSIN. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WHALE EXECUTED THE WAIVER AND CONSENT TO ORDER AND SUBSEQUENTLY PAID THE OFFICE OF THE COMMISSIONER OF SECURITIES AN ADMINISTRATIVE ASSESSMENT IN THE AMOUNT OF \$10,000 FOR ITS INVESTOR EDUCATION PROGRAM.

Initiated By: WISCONSIN SECURITIES COMMISSION

Date Initiated: 04/01/1991

Docket/Case Number: X90071L

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: CONSENT ORDER OF CENSURE AND ASSESSMENT

Resolution: Consent

Resolution Date: 04/01/1991

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: SEE ITEM #7

Firm Statement SEE ITEM #7



Disclosure 10 of 15

Reporting Source: Regulator

Current Status: Final

Allegations: VIOLATION OF MI ACT

Initiated By: MI

Date Initiated: 12/11/1990

Docket/Case Number: BD9130

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/11/1990

Sanctions Ordered: Censure
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: CIVIL PENALTY:\$7500

Regulator Statement CONSENT ORDER TO CENSURE, TO CEASE AND DESIST AND TO IMPOSE SANCTIONS PURSUANT TO THE MICHIGAN UNIFORM SECURITIES ACT.

Reporting Source: Firm

Current Status: Final

Allegations: IN JUNE 1990 THE MICHIGAN DEPARTMENT OF COMMERCE AND SECURITIES BUREAU ("MICHIGAN BUREAU") ISSUED AN ORDER TO SHOW CAUSE WHY AN ORDER TO REVOKE AND DENY EXEMPTIONS, TO SUSPEND OR REVOKE B/D REGISTRATION, TO CENSURE, TO IMPOSE CIVIL PENALTY AND TO CEASE AND DESIST SHOULD NOT BE ISSUED PURSUANT TO THE MICHIGAN UNIFORM SECURITIES ACT. THE ORDER ALLEGED THAT WHALE OFFERED AND SOLD SECURITIES TO MICHIGAN RESIDENTS THROUGH AN UNREGISTERED AGENT AND FAILED TO REASONABLY



SUPERVISE THIS INDIVIDUAL, IN VIOLATION OF THE MICHIGAN UNIFORM SECURITIES ACT. ON NOVEMBER 19, 1990 WHALE WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, EXECUTED A CONSENT ORDER TO CEASE AND DESIST AND TO IMPOSE SANCTIONS PURSUANT TO THE MICHIGAN UNIFORM SECURITIES ACT. PURSUANT TO THE ORDER, WHALE AGREED TO CEASE AND DESIST FROM FROM ANY ACT VIOLATING THE MICHIGAN UNIFORM SECURITIES ACT AND PAID A FINE IN THE AMOUNT OF \$7500. WHALE ALSO AGREED TO CERTAIN AMENDMENTS AND CLARIFICATIONS TO ITS COMPLIANCE MANUAL, AS SUGGESTED BY THE MICHIGAN BUREAU INCLUDING CERTAIN ADDITIONAL SUPERVISORY AND REPORTING PROVISIONS.

Initiated By: MICHIGAN DEPT. OF COMMERCE AND SECURITIES BUREAU

Date Initiated: 06/01/1990

Docket/Case Number: BD 9130

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ORDER TO SHOW CAUSE & CIVIL PENALTY

Resolution: Other

Resolution Date: 11/19/1990

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: SEE ITEM #7

Firm Statement SEEITEM #7

Disclosure 11 of 15

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: MASSACHUSETTS

Date Initiated: 01/25/1990

Docket/Case Number: E-89-224

**URL for Regulatory Action:****Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 01/25/1990**Sanctions Ordered:** Monetary/Fine \$15,000.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

#3/13/90 FORM U6 (8116-05790) DISCLOSES: WITHOUT ADMITTING OR DENYING THE FINDINGS OF FACT AND CONCLUSION OF LAW, WHALE SECURITIES CO., L.P. CONSENTED TO AN ORDER BY THE DIVISION, DOCKET NO. E-89-224. THE OFFER OF SETTLEMENT STATES THAT WHALE WILL OFFER RECISSION TO ALL RESIDENTS OF MASSACHUSETTS WHO WERE SOLD SECURITIES PRIOR TO REGISTRATION. WHALE WILL ADOPT PROCEDURES REASONABLY DESIGNED TO SUPERVISE ITS AGENTS AND ENSURE COMPLIANCE WITH THE ACT AND WILL COMPLY WITH THE STATUTES AND REGULATIONS RELATING TO THE TRANSACTION OF BUSINESS IN SECURITIES IN MASSACHUSETTS. WHALE AGREED TO PAY AN ADMINISTRATIVE FINE OF \$15,000. DOCKET/CASE NO. E-89-224, DATED 1/25/90.

Reporting Source: Firm**Current Status:** Final

Allegations: IN JANUARY, 1990 WHALE ENTERED INTO AN OFFER OF SETTLEMENT WITH THE MASSACHUSETTS SECURITIES DIVISION ALLEGING THAT AGENTS OF WHALE CONDUCTED TRADES WITH MASSACHUSETTS RESIDENTS WITHOUT BEING REGISTERED IN MASSACHUSETTS. ON JANUARY 25, 1990 WHALE EXECUTED AN OFFER OF SETTLEMENT WITH THE MASSACHUSETTS SECURITIES DIVISION, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS. WHALE OFFERED RECISSION TO CERTAIN OF THE MASSACHUSETTS CUSTOMERS, PAID A FINE IN THE AMOUNT OF



\$15,000 TO THE COMMONWEALTH OF MASSACHUSETTS AND AMENDED ITS COMPLIANCE MANUAL TO INCLUDE LANGUAGE REQUESTED BY THE MASSACHUSETTS SECURITIES DIVISION.

Initiated By: MASSACHUSETTS SECURITIES DIVISION

Date Initiated: 01/25/1990

Docket/Case Number: E-89-224

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: OFFER OF SETTLEMENT

Resolution: Settled

Resolution Date: 01/25/1990

Sanctions Ordered: Monetary/Fine \$15,000.00

Other Sanctions Ordered: OFFER OF SETTLEMENT

Sanction Details: RESTITUTION TO CUSTIMERS-AMOUNT UNKOWN AND ADJUSMENT TO COMPLIANCE MANUAL.

Firm Statement CONDUCTED BUSINESS WITHOUT BEING PROPERLY REGISTERED.

Disclosure 12 of 15

Reporting Source: Regulator

Current Status: Final

Allegations: ILLINOIS HAS ISSUED A NOTICE OF HEARING TO DETERMINE WHETHER AN ORDER WOULD BE ENTERED AGAINST THE ABOVE REFERENCED RESPONDENT WHALE SECURITIES CO., L.P. ALLEGATIONS ARE THAT RESPONDENT CONDUCTED UNREGISTERED DEALER ACTIVITY IN ILLINOIS, THEREBY VIOLATING SECTION 12.C OF THE ILLINOIS SECURITIES LAW OF 1953, AS AMENDED. HEARING IS SET FOR JANUARY 17, 1990. DOCKET/CASE NO. 8900725, DATED 12/7/89.

Initiated By: ILLINOIS SECURITIES DEPARTMENT

Date Initiated: 12/07/1989

Docket/Case Number: 8900725

**URL for Regulatory Action:****Principal Product Type:** Other**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 01/08/1990**Sanctions Ordered:** Censure**Other Sanctions Ordered:**

Sanction Details: BY MEANS OF A STIPULATION, THE ILLINOIS SECURITIES DEPARTMENT HAS ENTERED A CONSENT ORDER OF CENSURE AGAINST WHALE SECURITIES CO. L.P.FINDINGS OF FACT AND CONCLUSIONS OF LAW ARE THAT RESPONDENT CONDUCTED UNREGISTERED ACTIVITY IN ILLINOIS THEREBY VIOLATING SECTION 12.C OF THE ILLINOIS SECURITIES LAW OF 1953, AS AMENDED. RESPONDENT HAS MADE AN ENDOWMENT TO THE ILLINOIS INVESTOR EDUCATION FUND IN AN AMOUNT OF \$3,881.25.

Reporting Source: Firm**Current Status:** Final

Allegations: ON JANUARY 9,1990 THE SECURITIES DEPARTMENT OF THE STATE OF ILLINOIS ENTERED A CONSENT ORDER OF CENSURE AGAINST WHALE. THE CONSENT ORDER WAS BASED UPON WHALE'S STIPULATION & CONSENT TO A PAYMENT OF \$3881.25TO THE SECURITIES INVESTORS EDUCATION FUND AND PUBLIC CENSURE.

Initiated By: SECURITIES DEPARTMENT STATE OF ILLINOIS**Date Initiated:** 01/09/1990**Docket/Case Number:** 8900725**Principal Product Type:** No Product**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Other



Other Sanction(s)/Relief Sought:	CONSENT ORDER
Resolution:	Consent
Resolution Date:	01/09/1990
Sanctions Ordered:	Censure
Other Sanctions Ordered:	PAYMENT OF \$3881.25 TO SECURITIES INVESTORS EDUCATION FUND.
Sanction Details:	SEE ITEM #7
Firm Statement	CONDUCTED BUSINEES IN STATE WITHOUT PROPER REGISTRATION.

Disclosure 13 of 15

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	GEORGIA
Date Initiated:	10/11/1989
Docket/Case Number:	50-89-9628
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/11/1989
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	IN OCTOBER, 1989, THE GEORGIA SECURITIES COMMISSION CONTEMPORANEOUSLY ISSUED A CEASE AND DESIST ORDER AND ORDER OF



REGISTRATION TO WHALE SECURITIES CO., L.P. ALLEGING THAT WHALE OFFERED AND SOLD SECURITIES TO RESIDENTS AT A TIME WHEN THEIR APPLICATION TO BECOME REGISTERED WAS PENDING. ON OCTOBER 11, 1989, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WHALE CONSENTED TO THE ISSUANCE OF THE ORDER AND REIMBURSED THE COMMISSIONER FOR EXPENSES INCURRED IN THE INVESTIGATION IN THE AMOUNT OF \$2,500.00. CONTEMPORANEOUSLY, WHALE'S APPLICATION FOR REGISTRATION AS A BROKER DELAER WAS APPROVED...SEE BDA JDS 10049-31389

[11/22/89] FORM U6 (008060 29889) DISCLOSES: SALES OF SECURITIES BY UNREGISTERED BROKER/DEALER, VIOLATION OF OCGA 10-5-12(a)(1). DOCKET/CASE #50-89-9628, DATED 10/13/89.

Reporting Source: Firm

Current Status: Final

Allegations: IN OCTOBER 1989,THE GEORGIA SECURITIES COMMISSIONCONTEMPORANEOUSLY ISSUED A CEASE AND DESIST ORDER AND ORDER OF REGISTRATION TO WHALE ALLEGING THAT WHALE OFFERED AND SOLD SECURITIES TO RESIDENTS AT A TIME WHEN THEIR APPLICATION TO BECOME REGISTERED WAS PENDING. ON OCTOBER 11, 1989, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WHALE CONSENTED TO THE ISSUANCE OF THE ORDER AND REIMBURSED THE COMMISSIONER FOR EXPENSES INCURRED IN THE INVESTIGATION IN THE AMOUNT OF \$2500. CONTEMPORANEOUSLY, WHALE'S APPLICATION FOR REGISTRATION AS A BROKER DEALER WAS APPROVED.

Initiated By: GEORGIA SECURITIES COMMISSION

Date Initiated: 10/11/1989

Docket/Case Number: 50-89-9628

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/11/1989



Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	REIMBURSEMENT OF EXPENSES OF \$2500
Sanction Details:	NONE
Firm Statement	CONDUCTED BUSINESS WITHOUT BEING PROPERLY REGISTERED.

Disclosure 14 of 15

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WHALE, THROUGH ITS TRADER, ROSENFELD, CHARGE EXCESSIVE MARKUPS AND MARKDOWNS IN THE CLASS A AND CLASS B WARRANTS AND COMMON STOCK OF RT ACQUISITION ASSOCIATES, INC. (RTAC) A NON NASDAQ OVER-THE-COUNTER (NNOTC) SECURITY. WHALE, VIOLATED ARTICLE III, SECTION 1, 2, 4, 18 AND 27 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE (RFP). ROSENFELD, VIOLATED ARTICLE III, SECTIONS 1 AND 4 OF THE RFP. WALTERS, SMITH AND ANARI, VIOLATED ARTICLE III, SECTIONS 1 AND 27 OF THE RFP.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	04/23/1992
Docket/Case Number:	CMS920039
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/30/1992
Sanctions Ordered:	Censure Monetary/Fine \$615,000.00
Other Sanctions Ordered:	
Sanction Details:	AMONG THE SANCTIONS, WHALE IS CENSURED AND FINED \$615,000, AND WHALE AGREES TO VARIOUS UNDERTAKINGS. WITH RESPECT TO PAYMENT OF THE FINES, AS FOLLOWS: WALTERS, SMITH, ANARI AND ROSENFELD ALL AGREE TO PAY THEIR RESPECTIVE FINES WITHIN TEN



(10) DAYS AFTER THE APPROVAL OF THIS AWC BY THE NBCC. WHALE WILL PAY \$292,500 WITHIN TEN (10) DAYS AFTER APPROVAL OF THIS AWC BY THE NBCC. WHALE WILL PAY THE PRINCIPAL BALANCE OF \$322,500 IN 8 EQUAL INSTALLMENTS ON A QUARTERLY BASIS OVER A PERIOD OF 2 YEARS. A FINANCE CHARGE OF 10% PER ANNUM WILL BE DUE FROM WHALE OVER THE \$322,500 BASED ON THE OUTSTANDING BALANCE. PAYMENTS OF SUCH FINANCE CHARGE FOR THE FIRST FOUR QUARTERLY PAYMENTS SUCH FINANCE CHARGE FOR THE FIRST FOUR QUARTERLY PAYMENTS WILL BE DUE AT THE TIME OF THE FOURTH QUARTERLY PAYMENT. PAYMENT OF SUCH FINANCE CHARGE FOR THE LAST FOUR QUARTERLY PAYMENTS WILL BE MADE WITH THE QUARTERLY PAYMENTS. IF, AT THE TIME THE FOURTH QUARTERLY PAYMENT IS DUE, WHALE PAYS THE ASSOCIATION THE BALANCE OF ITS OUTSTANDING PRINCIPAL OBLIGATION, THEN NO FINANCE CHARGE WILL BE DUE. **\$615,000.00 PAID ON 5/4/93 INVOICE #92-MS-457**

Regulator Statement

[TOP] 4/30/92: MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS920039: LETTER OF ACCEPTANCE, WAIVER & CONSENT (AWC) SUBMITTED BY: WHALE SECURITIES CO., L.P. (BD NO. 13516) (WHALE), WILLIAM G. WALTERS, ELLIOT J. SMITH, NICHOLAS C. ANARI, AND ROBERT S. ROSENFELD. IN SUBMITTING THIS AWC, THE ABOVE RESPONDENTS, WITHOUT ADMITTING OR DENYING THE VIOLATIONS ACCEPT AND CONSENT TO THE FOLLOWING FINDINGS AND SANCTIONS: WHALE, THROUGH ITS TRADER, ROSENFELD, CHARGE EXCESSIVE MARKUPS AND MARKDOWNS IN THE CLASS A AND CLASS B WARRANTS AND COMMON STOCK OF RT ACQUISITION ASSOCIATES, INC. (RTAC) A NON NASDAQ OVER-THE-COUNTER (NNOTC) SECURITY. WHALE, VIOLATED ARTICLE III, SECTION 1, 2, 4, 18 AND 27 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE (RFP). ROSENFELD, VIOLATED ARTICLE III, SECTIONS 1 AND 4 OF THE RFP. WALTERS, SMITH AND ANARI, VIOLATED ARTICLE III, SECTIONS 1 AND 27 OF THE RFP. AMONG THE SANCTIONS, WHALE IS CENSURED AND FINED \$615,000, AND WHALE AGREES TO VARIOUS UNDERTAKINGS. WITH RESPECT TO PAYMENT OF THE FINES, AS FOLLOWS: WALTERS, SMITH, ANARI AND ROSENFELD ALL AGREE TO PAY THEIR RESPECTIVE FINES WITHIN TEN (10) DAYS AFTER THE APPROVAL OF THIS AWC BY THE NBCC. WHALE WILL PAY \$292,500 WITHIN TEN (10) DAYS AFTER APPROVAL OF THIS AWC BY THE NBCC. WHALE WILL PAY THE PRINCIPAL BALANCE OF \$322,500 IN 8 EQUAL INSTALLMENTS ON A QUARTERLY BASIS OVER A PERIOD OF 2 YEARS. A FINANCE CHARGE OF 10% PER ANNUM WILL BE DUE FROM WHALE OVER THE \$322,500 BASED ON THE OUTSTANDING BALANCE. PAYMENTS OF SUCH FINANCE CHARGE FOR THE FIRST FOUR QUARTERLY PAYMENTS SUCH FINANCE CHARGE FOR THE FIRST FOUR QUARTERLY PAYMENTS WILL BE DUE AT THE TIME OF THE FOURTH QUARTERLY PAYMENT. PAYMENT OF SUCH FINANCE CHARGE FOR THE LAST FOUR QUARTERLY PAYMENTS WILL BE MADE WITH THE QUARTERLY PAYMENTS. IF, AT THE TIME THE FOURTH



QUARTERLY PAYMENT IS DUE, WHALE PAYS THE ASSOCIATION THE BALANCE OF ITS OUTSTANDING PRINCIPAL OBLIGATION, THEN NO FINANCE CHARGE WILL BE DUE. **\$615,000.00 PAID ON 5/4/93 INVOICE #92-MS-457**

Reporting Source: Firm

Current Status: Final

Allegations: APPLICANT AND CERTAIN EMPLOYEES AND CONTROL AFFILIATES WERE ALLEGED TO HAVE CHARGED EXCESSIVE MARKUPS AND/OR MARKDOWNS AND ENGAGED IN IMPROPER SALES PRACTICES, INCLUDING UNAUTHORIZED TRADING, EXCESSIVE TRADING IN CUSTOMER ACCOUNTS AND THE USE OF NOMINEE ACCOUNTS. IT WAS ALSO ALLEGED THAT APPLICANT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES THAT WOULD HAVE ENABLED IT TO SUPERVISE PROPERLY THE ACTIVITIES OF APPLICANT'S ASSOCIATED PERSONS.

Initiated By: NASD MARKET SURVEILLANCE

Date Initiated: 01/17/1992

Docket/Case Number: CMS920039

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: AND FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/30/1992

Sanctions Ordered: Censure
Monetary/Fine \$615,000.00

Other Sanctions Ordered: IN ADDITION TO THE CENSURE AND FINE, APPLICANT AGREED TO CERTAIN BUSINESS RESTRICTIONS SET FORTH IN THE ACCEPTANCE, WAIVER AND CONSENT.

Sanction Details: APPLICANT AGREED THAT FOR A PERIOD OF TWO YEARS, IT WOULD NOT HOLD CERTIFICATES FOR ITSELF OR ITS CUSTOMERS UNDER CERTAIN CIRCUMSTANCES THAT EXCEEDED 50% OF THE PUBLIC FLOAT; THAT FOR A PERIOD OF FIVE YEARS, APPLICANT AGREED TO DESIGNATE IN ITS



WRITTEN SUPERVISORY PROCEDURES THE NAME OF THE FIRM'S PRINCIPAL BEARING PRIMARY RESPONSIBILITY FOR COMPLIANCE WITH CERTAIN RULES, INCLUDING THOSE THAT WERE THE SUBJECT OF THE ALLEGATIONS IN THE AWC; AND THAT FOR A PERIOD OF TWO YEARS, APPLICANT AGREED NOT ACT AS UNDERWRITER IN A BLIND POOL OFFERING.

Firm Statement

THIS INFORMATION HAS ALREADY BEEN DETAILED IN SECTIONS 12A, B AND C, ABOVE.

Disclosure 15 of 15

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: GEORGIA

Date Initiated: 11/28/1988

Docket/Case Number: 50-88-9670

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 11/28/1988

Regulator Statement

12/30/88-FORM U6 (8145-34088) DISCLOSES: ORDER OF CONDITIONAL REGISTRATION ISSUED REQUIRING WHALE SECURITIES CO. LP TO NOTIFY THE COMMISSIONER: (1) OF THE DISPOSITION OF ANY CURRENTLY OUTSTANDING COMPLAINTS OR ACTIONS; (2) OF THE OCCURRENCE OF ANY ADDITIONAL COMPLAINTS FROM CUSTOMERS; OR (3) OF THE INITIATION OF ANY FUTURE ACTIONS BY A REGULATORY AGENCY. DOCKET/CASE NO. 50-88-9670, DATED NOVEMBER 28, 1988.

Reporting Source: Firm

Current Status: Final



Allegations: SEE ITEM # 13.

Initiated By: GEORGIA

Date Initiated: 11/28/1988

Docket/Case Number: 50-88-9670

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ORDER OF CONDITIONAL REGISTRATION

Resolution: Consent

Resolution Date: 11/28/1988

Firm Statement ORDER OF CONDITIONAL REGISTRATION ISSUED REQUIRING THE FIRM TO NOTIFY TME COMMISSION (1) THE DIPOSITION OF ANY CURRENTLY OUTSTANDING COMPLAINTS OR ACTIONS; (2) OF THE OCCURANCE OF ANY ADDITIONAL COMPLAINTS FROM CUSTOMERS; OR (3)OF THE INITIATION OF ANY FUTURE ACTIONS BY A REGULATORY SGRNY.



Civil - Pending

This type of disclosure event involves a pending civil court action that with seek an injunction to cease certain investment-related activity or alleges a violation of any investment-related statute or regulation.

Disclosure 1 of 2

Reporting Source:	Firm
Current Status:	Pending
Allegations:	<p>SUIT BY TWO INVESTORS IN A HEDGE FUND WHICH HAD AN ACCOUNT AT OUR FIRM WITH MONICA CHUNG, A BROKER HERE. DEFENDANTS ARE TLR MGMT., LARRY RIDEMAN, TROY LEVY, MA CABRERA & CO.,BARRERAS & RACHLIN PA, WHALE SECURITIES, SPEAR LEEDS & KELLOG & MS. CHUNG.</p> <p>PLAINTIFFS ALLEGE VIOLATION OF INDUSTRY RULES, FLORIDA LAW, BREACH OF FIDUCIARY DUTY,CONTRACT AND NEGLIGENCE. PLAINTIFF SEEKS COMPENSATORY DAMAGES OF \$15000 PLUS FEES.</p>
Initiated By:	JEFFREY AND LINDA FREEDMAN
Court Details:	SEVENTEENTH JUDICIAL CIRCUIT COURT OF FLORIDA BROWARD COUNTY CASE # 00009699
Date Court Action Filed:	06/14/2000
Principal Product Type:	No Product
Other Product Types:	
Relief Sought:	Money Damages (Private/Civil Complaint)
Other Relief Sought:	
Firm Statement	MS. CHUNG AND WHALE SECURITIES HAVE MOVED TO HAVE SUIT DISMISSED. MS. CHUNG AND FIRM HAVE NO KNOWLEDGE OF THESE CUSTOMERS AND DIDNOT CONDUCT ANY BUSINESS WITH THEM DIRECTLY SINCE THEIR INVESTMENT WAS MADE THROUGH TLR MANAGEMENT.

Disclosure 2 of 2

Reporting Source:	Firm
Current Status:	Pending
Allegations:	THIS PURPORTED CLASS ACTION AGAINST AT LEAST SIX BROKER/DEALERS ALLEGES VIOLATIONS OF TEXAS SECURITIES LAWS, FRAUD, NEGLIGENCE AND UNJUST ENRICHMENT IN AN ALLEGED SCHEME TO DISTRIBUTE UNREGISTERED STOCK. WHALE IS ALLEGED TO HAVE



"RECKLESSLY AND INTENTIONALLY" PARTICIPATED IN THE DISTRIBUTION OF SUCH STOCK.

Initiated By: RODNEY GERBRANDT & BARRY PERLOW

Court Details: DISTRICT COURT OF HARRIS COUNTY TEXAS (165TH JUDICIAL DISTRICT)
DOCKET NO 98-33

Date Court Action Filed: 07/17/1998

Date Notice/Process Served: 07/17/1998

Principal Product Type: Equity - OTC

Other Product Types:

Relief Sought: Money Damages (Private/Civil Complaint)

Other Relief Sought:

Firm Statement WHALE HAS DENIED ALL ALLEGATIONS OF WRONGDOING INCLUDING PARTICIPATION IN AN ALLEGED SCHEME AND HAS MOVED TO DISMISS THE FIRST AMENDED PETITION.

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 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	11/13/2000
Case Number:	00-04792
Disputed Product Type:	UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$5,681,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/25/2002
Sum of All Relief Awarded:	\$320,600.00

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

Disclosure 2 of 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	06/27/2001
Case Number:	01-03024



Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$1,668,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/19/2003
Sum of All Relief Awarded: \$0.01

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

Disclosure 3 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 10/17/2001
Case Number: [01-05314](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$453,034.44
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/17/2004
Sum of All Relief Awarded: \$104,040.12

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

Disclosure 4 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD



Case Initiated: 04/15/2002
Case Number: [02-02115](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$197,185.17
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/19/2004
Sum of All Relief Awarded: \$153,804.01

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

Disclosure 5 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: DO NOT USE-NO OTHER CONTROVERSY INVOLVED; UNKNOWN TYPE OF CONTROVERSIES
Arbitration Forum: NASD
Case Initiated: 12/21/2004
Case Number: [04-07257](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$65,995.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/30/2006
Sum of All Relief Awarded: \$33,287.01

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

Disclosure 6 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; DO NOT USE-NO OTHER CONTROVERSY INVOLVED



Arbitration Forum: NASD
Case Initiated: 08/09/1991
Case Number: [91-02398](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$440,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/02/1992
Sum of All Relief Awarded: \$165,000.00

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

Disclosure 7 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 10/25/1991
Case Number: [91-02511](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES; WARRANTS/RIGHTS
Sum of All Relief Requested: \$600,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/23/1993
Sum of All Relief Awarded: \$82,812.50

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

Disclosure 8 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations:	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	12/13/1991
Case Number:	91-02967
Disputed Product Type:	COMMON STOCK; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$164,584.54
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/10/1994
Sum of All Relief Awarded:	\$28,500.00

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

Disclosure 9 of 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum:	NASD
Case Initiated:	07/18/1994
Case Number:	94-01392
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$16,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/17/1995
Sum of All Relief Awarded:	\$8,026.00

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

Disclosure 10 of 16



Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 01/02/1996
Case Number: [95-06014](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$8,798.18
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/10/1996
Sum of All Relief Awarded: \$2,992.00

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

Disclosure 11 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 05/03/1999
Case Number: [99-01673](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$1,896,365.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/31/2000
Sum of All Relief Awarded: \$137,300.28

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



Disclosure 12 of 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-OTHER; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	05/13/1999
Case Number:	99-01815
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$108,064.66
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/04/2001
Sum of All Relief Awarded:	\$1,653.41

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

Disclosure 13 of 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	10/11/1999
Case Number:	99-03770
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS; REAL ESTATE INVESTMENT TRUST
Sum of All Relief Requested:	\$287,425.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	12/14/2000
Sum of All Relief Awarded:	\$3,363.68



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

Disclosure 14 of 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	09/15/1999
Case Number:	99-03814
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$35,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	11/21/2000
Sum of All Relief Awarded:	\$24,632.52

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

Disclosure 15 of 16

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum:	NASD
Case Initiated:	09/28/1999
Case Number:	99-03984
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$1,129,569.06



Disposition: AWARD AGAINST PARTY
Disposition Date: 11/07/2003
Sum of All Relief Awarded: \$120,000.00

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

Disclosure 16 of 16

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 12/29/1999
Case Number: [99-05501](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$1,706,518.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/11/2003
Sum of All Relief Awarded: \$279,080.90

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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