

BrokerCheck Report

MCDONALD PARTNERS LLC

CRD# 135414

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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)



MCDONALD PARTNERS LLC

CRD# 135414

SEC# 8-66985

Main Office Location

1301 EAST 9TH STREET
SUITE 3700
CLEVELAND, OH 44114
Regulated by FINRA Chicago Office

Mailing Address

1301 EAST 9TH STREET
SUITE 3700
CLEVELAND, OH 44114

Business Telephone Number

(216) 912-0567

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

Report Summary for this Firm

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

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Ohio on 04/05/2005.

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 firm is registered with:

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

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

This firm conducts 9 types of businesses.

This firm is not affiliated with any 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	5
Arbitration	1



Firm Profile

This firm is classified as a limited liability company.
This firm was formed in Ohio on 04/05/2005.
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.

MCDONALD PARTNERS LLC
Doing business as MCDONALD PARTNERS LLC
CRD# 135414
SEC# 8-66985

Main Office Location
1301 EAST 9TH STREET
SUITE 3700
CLEVELAND, OH 44114

Regulated by FINRA Chicago Office

Mailing Address
1301 EAST 9TH STREET
SUITE 3700
CLEVELAND, OH 44114

Business Telephone Number
(216) 912-0567

Other Names of this Firm

Name	Where is it used
MCDONALD MANAGEMENT LLC	OH



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):	MCDONALD, THOMAS MARION 326904
Is this a domestic or foreign entity or an individual?	Individual
Position	NON-EXECUTIVE CHAIRMAN, OWNER, ROSFP
Position Start Date	04/2005
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):	MCDONALD, ARNOLD BEATTY 5126644
Is this a domestic or foreign entity or an individual?	Individual
Position	CEO/CFO/MUNI PRINCIPAL/OWNER
Position Start Date	01/2008
Percentage of Ownership	10% but less than 25%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	MCDONALD, ARNOLD BEATTY 5126644
Is this a domestic or foreign entity or an individual?	Individual
Position	FINANCIAL & OPERATIONS PRINCIPAL

Firm Profile



Direct Owners and Executive Officers (continued)

Position Start Date	01/2009
Percentage of Ownership	10% but less than 25%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	MCDONALD, BRIAN ANDREW 3037343
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Is this a domestic or foreign entity or an individual?	Individual
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Position	OWNER
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Position Start Date	07/2022
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Percentage of Ownership	10% but less than 25%
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Does this owner direct the management or policies of the firm?	No
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Is this a public reporting company?	No
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Legal Name & CRD# (if any):	RAFAT NAIN NEMRY
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Is this a domestic or foreign entity or an individual?	Individual
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Position	OWNER
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Position Start Date	01/2008
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Percentage of Ownership	10% but less than 25%
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Does this owner direct the management or policies of the firm?	No
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Is this a public reporting company?	No
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Legal Name & CRD# (if any):	HEGARTY, WILLIAM MAURICE JR
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Firm Profile



Direct Owners and Executive Officers (continued)

	2784174
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF INVESTMENT OFFICER
Position Start Date	09/2010
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): LUCAS, JONATHAN S
6952356

Is this a domestic or foreign entity or an individual?	Individual
Position	COO/CCO
Position Start Date	09/2022
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): MANSOUR, RITA
1968418

Is this a domestic or foreign entity or an individual?	Individual
Position	OWNER
Position Start Date	10/2011
Percentage of Ownership	Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): MCARDLE, JOHN EDWARD III
5386698

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

Position OWNER

Position Start Date 09/2011

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): NORTON, TIMOTHY PATRICK
726982

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

Position OWNER

Position Start Date 06/2006

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

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.

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 49 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	12/07/2005

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

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	12/07/2005



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	04/12/2006
Alaska	Approved	04/10/2006
Arizona	Approved	05/30/2006
Arkansas	Approved	04/06/2016
California	Approved	03/23/2006
Colorado	Approved	11/15/2006
Connecticut	Approved	03/06/2009
Delaware	Approved	04/26/2006
District of Columbia	Approved	12/12/2008
Florida	Approved	02/28/2006
Georgia	Approved	03/22/2006
Hawaii	Approved	06/20/2012
Idaho	Approved	04/28/2006
Illinois	Approved	04/24/2006
Indiana	Approved	06/21/2006
Iowa	Approved	04/11/2007
Kansas	Approved	12/19/2016
Kentucky	Approved	11/13/2006
Louisiana	Approved	09/21/2015
Maryland	Approved	09/14/2006
Massachusetts	Approved	01/25/2006
Michigan	Approved	02/09/2006
Minnesota	Approved	09/25/2006
Mississippi	Approved	09/15/2008
Missouri	Approved	06/13/2006
Montana	Approved	03/29/2006
Nevada	Approved	03/20/2006
New Hampshire	Approved	07/25/2007
New Jersey	Approved	04/25/2006
New Mexico	Approved	05/01/2019
New York	Approved	04/21/2006
North Carolina	Approved	04/17/2006
North Dakota	Approved	03/06/2007

U.S. States & Territories	Status	Date Effective
Ohio	Approved	01/30/2006
Oklahoma	Approved	06/08/2012
Oregon	Approved	07/20/2006
Pennsylvania	Approved	04/27/2006
Rhode Island	Approved	09/01/2016
South Carolina	Approved	05/30/2006
South Dakota	Approved	01/19/2017
Tennessee	Approved	06/15/2006
Texas	Approved	06/29/2006
Utah	Approved	11/07/2006
Vermont	Approved	02/06/2007
Virginia	Approved	11/06/2006
Washington	Approved	03/15/2006
West Virginia	Approved	01/31/2006
Wisconsin	Approved	02/09/2006
Wyoming	Approved	04/26/2019

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 9 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member
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:	RBC CAPITAL MARKETS, LLC
CRD #:	31194
Business Address:	3 WORLD FINANCIAL CENTER NEW YORK, NY 10281
Effective Date:	08/07/2017
Description:	THE FIRM WILL CLEAR ALL OF ITS BUSINESS THROUGH RBC CAPITAL MARKETS, LLC ON A FULLY DISCLOSED BASIS.

Firm Operations

Industry Arrangements



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

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

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

Control Persons/Financing

This firm does 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	5	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 5

Reporting Source: Regulator

Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO CONDUCT REASONABLE DUE DILIGENCE OF A PRIVATE-PLACEMENT OFFERING. THE FINDINGS STATED THAT THE FIRM AGREED TO CONSIDER BECOMING THE PLACEMENT AGENT FOR A PRIVATE-PLACEMENT OFFERING IN AN INVESTMENT FUND THAT WAS FORMED FOR THE PRIMARY PURPOSE OF INVESTING IN A CANNABIS COMPANY, DESPITE SUSPENDING CONSIDERATION OF NEW PRIVATE PLACEMENT OFFERINGS AFTER IDENTIFYING A NEED FOR IMPROVEMENT IN ITS RELATED SUPERVISORY PROCEDURES. THE ISSUER WAS INITIALLY CAPITALIZED BY SHORT-TERM LOANS FROM TWO OF THE CANNABIS COMPANY'S CO-FOUNDERS FOR A TOTAL OF \$4 MILLION, AND THE PROCEEDS OF THESE LOANS WERE USED TO PURCHASE CONVERTIBLE DEBT IN THE CANNABIS COMPANY. THE FIRM ONLY REVIEWED THE LIMITED DOCUMENTS AND INFORMATION THAT THE ISSUER PROVIDED AND DID NOT VERIFY THAT THE ISSUER HAD PURCHASED CONVERTIBLE DEBT FROM THE CANNABIS COMPANY, AND ALSO FAILED TO REVIEW THE LOANS THAT FINANCED THOSE PURCHASES OR IDENTIFY THE LENDERS. IN ADDITION, ALTHOUGH THE SUCCESS OF THE OFFERING WOULD PRIMARILY BE BASED ON THE CANNABIS COMPANY'S PERFORMANCE, THE FIRM DID NOT REASONABLY CONSIDER SERIOUS CONCERNS ABOUT THE CANNABIS COMPANY'S BUSINESS PROSPECTS THAT IT PREVIOUSLY IDENTIFIED. THE FIRM ALSO FAILED TO IDENTIFY AND INVESTIGATE POTENTIAL RED FLAGS ASSOCIATED WITH THE PRIVATE PLACEMENT MEMORANDUM FOR THE OFFERING. NONETHELESS, THE FIRM APPROVED THE SALE OF THE OFFERING TO FIRM CUSTOMERS AND ACTED AS THE SOLE PLACEMENT AGENT SELLING INTERESTS IN THE OFFERING. THE FIRM RECOMMENDED THAT CUSTOMERS PURCHASE A TOTAL OF \$4.25 MILLION IN INTERESTS IN THE OFFERING AND THE ISSUER PAID THE FIRM \$170,000 IN COMMISSIONS FOR THESE SALES. THE FINDINGS ALSO STATED THAT THE FIRM WILLFULLY VIOLATED RULE 10B-9 OF THE SECURITIES EXCHANGE ACT OF 1934 BECAUSE THE OFFERING DID NOT SPECIFY AN END DATE FOR THE CONTINGENCY AND USED NON-BONA FIDE FUNDS TO SATISFY THE CONTINGENCY. THE FIRM PROVIDED EACH OF THE CUSTOMERS WHO INVESTED IN THE OFFERING WITH A COPY OF THE PRIVATE-PLACEMENT MEMORANDUM, WHICH STATED THAT NO SHARES IN THE OFFERING WOULD BE ISSUED UNLESS AND UNTIL THE ISSUER RECEIVED A MINIMUM OF \$5 MILLION IN AGGREGATE CAPITAL COMMITMENTS. THE MEMORANDUM DID NOT, HOWEVER, SPECIFY A DATE BY WHICH THAT CONTINGENCY HAD TO BE MET. THE FIRM ALSO TACITLY PERMITTED THE ISSUER TO USE NON-BONA FIDE FUNDS TO SATISFY THE CONTINGENCY. WHEN THE FIRM HAD SOLD ONLY \$4.4 MILLION OF THE OFFERING, ONE OF THE FIRM'S REGISTERED REPRESENTATIVES INFORMED THE FIRM THAT TWO INDIVIDUALS HAD INVESTED A TOTAL OF \$700,000 IN THE OFFERING IN THE FORM OF CONVERTED DEBT, WHICH PURPORTEDLY SATISFIED



THE ISSUER'S CONTINGENCY PROVISION. THE FIRM DID NOT REQUEST OR RECEIVE ANY INFORMATION ABOUT THESE OTHER INVESTORS, AND THUS DID NOT LEARN THAT THE INVESTMENTS WERE NOT BONA FIDE SALES. THE INVESTORS WERE AFFILIATES OF THE ISSUER - THE TWO CO-FOUNDERS OF THE CANNABIS COMPANY WHO HAD LOANED \$4 MILLION TO THE ISSUER. MOREOVER, THESE TWO INVESTORS WERE ALLOWED TO CONVERT THEIR DEBT RATHER THAN INVEST NEW FUNDS, AND THE TERMS OF THEIR INVESTMENT IN THE OFFERING WERE MATERIALLY DIFFERENT FROM (AND MORE FAVORABLE THAN) THE TERMS OFFERED IN THE PRIVATE-PLACEMENT MEMORANDUM TO THE FIRM'S CUSTOMERS. BECAUSE THE FIRM FAILED TO OBJECT TO THE USE OF NON-BONA FIDE INVESTMENTS, THE ISSUER DISBURSED \$4,172,794 IN INVESTOR FUNDS, INCLUDING \$170,000 TO THE FIRM. THE FINDINGS ALSO INCLUDED THAT THE FIRM CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT. THE FIRM WAS BELOW ITS MINIMUM NET CAPITAL REQUIREMENT BY APPROXIMATELY \$180,000 DUE TO THE FIRM IMPROPERLY TREATING A RECEIVABLE FROM ITS OWNER, WHICH THE FIRM CHARACTERIZED AS A CAPITAL INFUSION INTENDED TO PREVENT THE FIRM FROM GOING UNDER ITS MINIMUM NET-CAPITAL REQUIREMENT, AS ALLOWABLE. BECAUSE THE \$225,000 RECEIVABLE WAS MERELY A BOOK ENTRY AND NOT AN ACTUAL CASH DEPOSIT, HOWEVER, IT WAS NON-ALLOWABLE.

Initiated By: FINRA

Date Initiated: 06/22/2022

Docket/Case Number: 2019060692401

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENT OFFERING

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/22/2022

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes



Sanctions Ordered:	Censure Monetary/Fine \$100,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	INTEREST ON RESTITUTION; CERTIFICATION
Sanction Details:	<p>THE FIRM WAS CENSURED, FINED \$100,000, ORDERED TO PAY \$170,000, PLUS INTEREST, IN PARTIAL RESTITUTION TO CUSTOMERS, AND REQUIRED TO CERTIFY THAT IT WILL NOT RESUME SALES OF PRIVATE-PLACEMENT OFFERINGS UNLESS AND UNTIL IT HAS IMPLEMENTED SUPERVISORY SYSTEMS AND WSPS FOR DUE DILIGENCE ON PRIVATE-PLACEMENT OFFERINGS THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE ACT AND FINRA RULES.</p> <p>THE SETTLEMENT INCLUDES A FINDING THAT THE FIRM WILLFULLY VIOLATED RULE 10B-9 OF THE SECURITIES EXCHANGE ACT OF 1934. FINE PAID IN FULL ON JULY 12, 2022.</p>
Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO CONDUCT REASONABLE DUE DILIGENCE OF A PRIVATE-PLACEMENT OFFERING. THE FINDINGS STATED THAT THE FIRM AGREED TO CONSIDER BECOMING THE PLACEMENT AGENT FOR A PRIVATE-PLACEMENT OFFERING IN AN INVESTMENT FUND THAT WAS FORMED FOR THE PRIMARY PURPOSE OF INVESTING IN A CANNABIS COMPANY, DESPITE SUSPENDING CONSIDERATION OF NEW PRIVATE PLACEMENT OFFERINGS AFTER IDENTIFYING A NEED FOR IMPROVEMENT IN ITS RELATED SUPERVISORY PROCEDURES. THE ISSUER WAS INITIALLY CAPITALIZED BY SHORT-TERM LOANS FROM TWO OF THE CANNABIS COMPANY'S CO-FOUNDERS FOR A TOTAL OF \$4 MILLION, AND THE PROCEEDS OF THESE LOANS WERE USED TO PURCHASE CONVERTIBLE DEBT IN THE CANNABIS COMPANY. THE FIRM ONLY REVIEWED THE LIMITED DOCUMENTS AND INFORMATION THAT THE ISSUER PROVIDED AND DID NOT VERIFY THAT THE ISSUER HAD PURCHASED CONVERTIBLE DEBT FROM THE CANNABIS COMPANY, AND ALSO FAILED TO REVIEW THE LOANS THAT FINANCED THOSE PURCHASES OR IDENTIFY THE LENDERS. IN ADDITION, ALTHOUGH THE SUCCESS OF THE OFFERING WOULD PRIMARILY BE BASED ON THE CANNABIS COMPANY'S PERFORMANCE, THE FIRM DID NOT REASONABLY CONSIDER SERIOUS CONCERNS ABOUT THE CANNABIS COMPANY'S BUSINESS PROSPECTS THAT IT PREVIOUSLY IDENTIFIED. THE FIRM ALSO FAILED TO IDENTIFY AND INVESTIGATE POTENTIAL RED FLAGS ASSOCIATED WITH THE PRIVATE PLACEMENT MEMORANDUM FOR THE</p>



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Initiated By:

FINRA



Date Initiated:	06/22/2022
Docket/Case Number:	2019060692401
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT OFFERING
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY/FINE DISGORGEMENT/RESTITUTION
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/22/2022
Sanctions Ordered:	Censure Monetary/Fine \$100,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	INTEREST ON RESTITUTION; CERTIFICATION
Sanction Details:	THE FIRM WAS CENSURED, FINED \$100,000, ORDERED TO PAY \$170,000, PLUS INTEREST, IN PARTIAL RESTITUTION TO CUSTOMERS, AND REQUIRED TO CERTIFY THAT IT WILL NOT RESUME SALES OF PRIVATE-PLACEMENT OFFERINGS UNLESS AND UNTIL IT HAS IMPLEMENTED SUPERVISORY SYSTEMS AND WSPS FOR DUE DILIGENCE ON PRIVATE-PLACEMENT OFFERINGS THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE ACT AND FINRA RULES. THE SETTLEMENT INCLUDES A FINDING THAT THE FIRM WILLFULLY VIOLATED RULE 10B-9 OF THE SECURITIES EXCHANGE ACT OF 1934.
Firm Statement	ALL CONDITIONS HAVE BEEN MET.

Disclosure 2 of 5

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT"), SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST MCDONALD PARTNERS, LLC ("RESPONDENT"). THE COMMISSION



FINDS THAT THESE PROCEEDINGS ARISE OUT OF RESPONDENT'S ROLE AS PLACEMENT AGENT FOR PRIVATE SECURITIES OFFERINGS CONDUCTED BY TWO POOLED INVESTMENT VEHICLES THAT RESPONDENT ADVISED (THE "PIVS"). THOSE PIVS OFFERED AND SOLD SECURITIES TO RAISE BRIDGE FUNDING FOR THE CONSTRUCTION OF A RESORT IN MONTENEGRO. INVESTOR MONIES RAISED THROUGH THESE OFFERINGS WERE TO BE USED TO PURCHASE DEBT IN A MONTENEGRIN ENTITY THAT WAS TO CONSTRUCT THE RESORT. BETWEEN SEPTEMBER 2013 AND CONTINUING THROUGH JANUARY 2017, RESPONDENT OFFERED AND SOLD MORE THAN \$14 MILLION IN SECURITIES ISSUED BY THE PIVS TO INVESTORS LOCATED IN THE UNITED STATES, INCLUDING BOTH ITS BROKERAGE CUSTOMERS AND ITS ADVISORY CLIENTS. IN OCTOBER 2016, RESPONDENT BECAME AWARE OF ALLEGATIONS THAT ITS POINT PERSON AT THE MONTENEGRIN ENTITY HAD MISAPPROPRIATED \$488,331 OF INVESTOR FUNDS BY MISUSING A DEBIT CARD BELONGING TO THAT ENTITY TO PAY FOR CERTAIN PERSONAL EXPENSES. ACCORDING TO RESPONDENT, AFTER BEING CONFRONTED WITH THE ALLEGATIONS THAT THIS INDIVIDUAL HAD MISAPPROPRIATED FUNDS FROM THE MONTENEGRIN ENTITY, HE CONCEDED THAT HE WAS NOT ENTITLED TO CERTAIN OF THE FUNDS ALLEGED TO HAVE BEEN MISAPPROPRIATED. ACCORDINGLY, AFTER NEGOTIATION, THE INDIVIDUAL AGREED TO REPAY APPROXIMATELY \$335,000 THAT HE HAD ALLOCATED TO PERSONAL EXPENSES. RESPONDENT DID NOT DISCLOSE THE MISAPPROPRIATION TO EXISTING INVESTORS IN OCTOBER 2016. RESPONDENT THEN RAISED APPROXIMATELY \$1.5 MILLION IN ADDITIONAL FUNDS FROM EXISTING SECURITY HOLDERS AND NEW INVESTORS, INCLUDING BROKERAGE CUSTOMERS AND ADVISORY CLIENTS, IN EARLY 2017 WITHOUT DISCLOSING THE MISAPPROPRIATION TO THOSE INVESTORS. IN ADDITION, FOR THE PERIOD DECEMBER 31, 2014 THROUGH DECEMBER 31, 2018, RESPONDENT FAILED EITHER TO PROVIDE INVESTORS IN THE PIVS WITH AUDITED FINANCIAL STATEMENTS OR TO RETAIN AN INDEPENDENT PUBLIC ACCOUNTANT TO CONDUCT SURPRISE EXAMINATIONS OF THE BOOKS OF THOSE ENTITIES. BY THIS CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 17(A)(2) AND (3) OF THE SECURITIES ACT AND SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULES 206(4)-2 AND 206(4)-8 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 08/31/2021
Docket/Case Number: 3-20508
Principal Product Type: Other
Other Product Type(s): UNSPECIFIED SECURITIES



Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	08/31/2021
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Censure Monetary/Fine \$150,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS; PREJUDGMENT INTEREST ON DISGORGEMENT
Sanction Details:	THE FIRM SHALL CEASE AND DESIST; IS CENSURED; SHALL PAY DISGORGEMENT OF \$37,031.25 AND PREJUDGMENT INTEREST OF \$7,651.86; SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$150,000; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.
Regulator Statement	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. AS A RESULT OF ITS CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; AND SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT, AND RULE 206(4)-8 THEREUNDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND (3) OF THE SECURITIES ACT, SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULES 206(4)-2 AND 206(4)-8 PROMULGATED THEREUNDER; IS CENSURED; SHALL PAY DISGORGEMENT OF \$37,031.25, PREJUDGMENT INTEREST OF \$7,651.86 AND CIVIL PENALTIES OF \$150,000.00 TO THE SEC; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT



APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT"), SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST MCDONALD PARTNERS, LLC ("RESPONDENT"). THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF RESPONDENT'S ROLE AS PLACEMENT AGENT FOR PRIVATE SECURITIES OFFERINGS CONDUCTED BY TWO POOLED INVESTMENT VEHICLES THAT RESPONDENT ADVISED (THE "PIVS"). THOSE PIVS OFFERED AND SOLD SECURITIES TO RAISE BRIDGE FUNDING FOR THE CONSTRUCTION OF A RESORT IN MONTENEGRO. INVESTOR MONIES RAISED THROUGH THESE OFFERINGS WERE TO BE USED TO PURCHASE DEBT IN A MONTENEGRIN ENTITY THAT WAS TO CONSTRUCT THE RESORT. BETWEEN SEPTEMBER 2013 AND CONTINUING THROUGH JANUARY 2017, RESPONDENT OFFERED AND SOLD MORE THAN \$14 MILLION IN SECURITIES ISSUED BY THE PIVS TO INVESTORS LOCATED IN THE UNITED STATES, INCLUDING BOTH ITS BROKERAGE CUSTOMERS AND ITS ADVISORY CLIENTS. IN OCTOBER 2016, RESPONDENT BECAME AWARE OF ALLEGATIONS THAT ITS POINT PERSON AT THE MONTENEGRIN ENTITY HAD MISAPPROPRIATED \$488,331 OF INVESTOR FUNDS BY MISUSING A DEBIT CARD BELONGING TO THAT ENTITY TO PAY FOR CERTAIN PERSONAL EXPENSES. ACCORDING TO RESPONDENT, AFTER BEING CONFRONTED WITH THE ALLEGATIONS THAT THIS INDIVIDUAL HAD MISAPPROPRIATED FUNDS FROM THE MONTENEGRIN ENTITY, HE CONCEDED THAT HE WAS NOT ENTITLED TO CERTAIN OF THE FUNDS ALLEGED TO HAVE BEEN MISAPPROPRIATED. ACCORDINGLY, AFTER NEGOTIATION, THE INDIVIDUAL AGREED TO REPAY APPROXIMATELY \$335,000 THAT HE HAD ALLOCATED TO PERSONAL EXPENSES. RESPONDENT DID NOT DISCLOSE THE MISAPPROPRIATION TO EXISTING INVESTORS IN OCTOBER 2016. RESPONDENT THEN RAISED APPROXIMATELY \$1.5 MILLION IN ADDITIONAL FUNDS FROM EXISTING SECURITY HOLDERS AND NEW INVESTORS, INCLUDING BROKERAGE CUSTOMERS AND ADVISORY CLIENTS, IN EARLY 2017 WITHOUT DISCLOSING THE MISAPPROPRIATION TO THOSE INVESTORS. IN ADDITION, FOR THE PERIOD DECEMBER 31, 2014 THROUGH DECEMBER 31, 2018, RESPONDENT FAILED EITHER TO PROVIDE INVESTORS IN THE PIVS WITH AUDITED FINANCIAL STATEMENTS OR TO RETAIN AN INDEPENDENT PUBLIC ACCOUNTANT TO CONDUCT SURPRISE EXAMINATIONS OF THE BOOKS OF THOSE ENTITIES. BY THIS CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 17(A)(2) AND (3) OF THE SECURITIES ACT AND SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULES 206(4)-2 AND 206(4)-8 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION



Date Initiated:	08/31/2021
Docket/Case Number:	3-20508
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CENSURE; MONETARY/FINE; DISGORGEMENT
Resolution:	Settled
Resolution Date:	08/31/2021
Sanctions Ordered:	Censure Monetary/Fine \$150,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS; PREJUDGMENT INTEREST ON DISGORGEMENT
Sanction Details:	THE FIRM SHALL CEASE AND DESIST; IS CENSURED; SHALL PAY DISGORGEMENT OF \$37,031.25 AND PREJUDGMENT INTEREST OF \$7,651.86; SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$150,000; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.
Firm Statement	ALL CONDITIONS HAVE BEEN MET.

Disclosure 3 of 5

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT CERTAIN MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB'S REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS). THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT BOTH THE PURCHASES INTO ITS RISKLESS PRINCIPAL ACCOUNT AND THE SALES TO ITS INVESTMENT ADVISER CLIENTS OF CERTAIN RISKLESS PRINCIPAL TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL BY OVERSTATING THE ALLOWABLE PORTION OF RECEIVABLE COMMISSIONS FROM THE SALE OF TWO UNREGISTERED OFFERINGS AND



FAILING TO RECORD A HAIRCUT DEDUCTION IN A MONEY MARKET MUTUAL FUND. THE FINDINGS ALSO INCLUDED THAT THE FIRM PREPARED AN INACCURATE GENERAL LEDGER, TRIAL LEDGER, AND NET CAPITAL COMPUTATION.

Initiated By: FINRA

Date Initiated: 03/22/2019

Docket/Case Number: 2017052419301

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/22/2019

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 \$22,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500. FINES PAID IN FULL ON APRIL 11, 2019.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT CERTAIN MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB'S REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS). THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT BOTH THE PURCHASES INTO ITS RISKLESS PRINCIPAL ACCOUNT AND THE SALES TO ITS INVESTMENT ADVISER CLIENTS OF CERTAIN RISKLESS PRINCIPAL TRANSACTIONS. THE



FINDINGS ALSO STATED THAT THE FIRM CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL BY OVERSTATING THE ALLOWABLE PORTION OF RECEIVABLE COMMISSIONS FROM THE SALE OF TWO UNREGISTERED OFFERINGS AND FAILING TO RECORD A HAIRCUT DEDUCTION IN A MONEY MARKET MUTUAL FUND. THE FINDINGS ALSO INCLUDED THAT THE FIRM PREPARED AN INACCURATE GENERAL LEDGER, TRIAL LEDGER, AND NET CAPITAL COMPUTATION.

Initiated By: FINRA

Date Initiated: 03/22/2019

Docket/Case Number: 2017052419301

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CENSURE; AND A FINE IN THE AMOUNT OF \$22,500 (OF WHICH \$12,500 PERTAINS TO A VIOLATION OF MSRB RULE G-14)

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/22/2019

Sanctions Ordered: Censure
Monetary/Fine \$22,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500. PAID IN FULL ON 3/22/19.

Firm Statement ALL CONDITIONS HAVE BEEN MET

Disclosure 4 of 5

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT ACTED AS A PLACEMENT AGENT FOR AN OFFERING AND RELEASED INVESTORS' FUNDS FROM ESCROW AFTER HAVING USED AN INTERIM LOAN TO SATISFY A PORTION OF THE CONTINGENCY AMOUNT THEREBY WILLFULLY VIOLATED SECURITIES EXCHANGE ACT RULE 10B-9 AND FINRA RULE 2010. THE FINDINGS STATED THAT IN AN EFFORT TO SATISFY THE MINIMUM



CONTINGENCY REQUIREMENT BEFORE THE OFFERING'S INITIAL CLOSING DATE, THE FIRM AGREED TO ACCEPT FUNDS FROM AN OUTSIDE ENTITY OWNED BY THE FATHER OF A REGISTERED REPRESENTATIVE, WHO WAS PARTICIPATING IN SALES OF THE OFFERING, WAS AN OFFICER OF THE ENTITY, AND HAD ACTUALLY INVESTED IN THE OFFERING. THE ENTITY MADE THE INVESTMENT PURSUANT TO A CONVERTIBLE BRIDGE NOTE. THE REPAYMENT ARRANGEMENT OF THE CONVERTIBLE BRIDGE NOTE WAS DIFFERENT FROM THE REPAYMENT TERMS OFFERED TO EARLIER INVESTORS, BECAUSE THEIR INFORMATION WERE THAT ANY RETURN ON THEIR INVESTMENT WAS GENERALLY DEPENDENT UPON THE SUCCESS OF THE REAL ESTATE INVESTMENT PROJECT. UPON RECEIPT OF A \$3.3 MILLION FROM THE ENTITY THROUGH THE CONVERTIBLE BRIDGE NOTE, THE FIRM DEEMED THE MINIMUM CONTINGENCY TO HAVE BEEN SATISFIED AND IT ALLOWED THE DISBURSEMENT FROM THE ESCROW ACCOUNT OF ALL FUNDS TO THE ISSUER. THE ISSUER'S PRIVATE PLACEMENT MEMORANDUM (PPM) DID NOT DISCLOSE THE MEETING OF THE MINIMUM CONTINGENCY WITH AN INVESTMENT MADE BY A CONVERTIBLE BRIDGE NOTE. THEREFORE, THE SALE OF THE ISSUER OFFERING TO THE ENTITY, AN AFFILIATE OF THE FIRM, THROUGH A CONVERTIBLE BRIDGE NOTE FOR \$3.3 MILLION WAS A NON-BONA FIDE SALE FOR THE PURPOSE OF MEETING THE MINIMUM AND INVESTORS FUNDS SHOULD NOT HAVE BEEN RELEASED TO THE ISSUER. THE FINDINGS ALSO STATED THAT IN A SECOND OFFERING THE FIRM RELEASED INVESTORS' FUNDS FROM ESCROW PRIOR TO MEETING THE OFFERING'S STATED MINIMUM CONTINGENCY. ADDITIONALLY, THE FIRM ALLOWED THE DISBURSEMENT OF INVESTORS' FUNDS PRIOR TO THE OFFERING MEETING THE MINIMUM. AS SUCH, THE FIRM FAILED TO ESTABLISH AN ESCROW ACCOUNT CONSISTENT WITH THE REQUIREMENTS OF SECURITIES EXCHANGE ACT RULE 15C2-4. GIVEN THAT THE AMOUNT OF THE MINIMUM CONTINGENCY WAS MISSTATED IN THE ISSUER'S PPM THAT WAS MADE AVAILABLE TO THE PUBLIC, THE FIRM CIRCULATED AND DISTRIBUTED A COMMUNICATION TO ITS INVESTORS THAT IT KNEW OR SHOULD HAVE KNOWN CONTAINED AN UNTRUE STATEMENT OF A MATERIAL FACT. BY VIRTUE OF THE FOREGOING, THE FIRM WILLFULLY VIOLATED SECURITIES EXCHANGE ACT RULE 10B-9. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO REPORT MUNICIPAL SECURITIES TRANSACTIONS. ALL OF THE INSTANCES INVOLVED TRANSACTIONS THAT OCCURRED BETWEEN THE FIRM AND ITS CUSTOMERS.

Initiated By: FINRA
Date Initiated: 02/21/2018
Docket/Case Number: 2015043649601
Principal Product Type: Other



Other Product Type(s):	CONTINGENT OFFERINGS OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/21/2018
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	THE FIRM UNDERSTANDS THAT THIS SETTLEMENT INCLUDES A FINDING THAT IT WILLFULLY VIOLATED SECURITIES EXCHANGE ACT (SEA) RULE 10B-9, AND THAT UNDER ARTICLE III, SECTION 4 OF FINRA'S BY-LAWS, THIS MAKES THE FIRM SUBJECT TO A STATUTORY DISQUALIFICATION WITH RESPECT TO MEMBERSHIP.
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$50,000. FINES PAID IN FULL ON MARCH 6, 2018.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>IN SEPTEMBER 2013 AND JULY 2014, MCDONALD ACTED AS A PLACEMENT AGENT IN CONNECTION WITH TWO SEPARATE CONTINGENT OFFERINGS OF SECURITIES, ISSUED BY COMPANIES AFFILIATED WITH THE FIRM. IN THE FIRST OFFERING, MCDONALD RELEASED INVESTORS' FUNDS FROM ESCROW AFTER HAVING USED AN INTERIM LOAN TO SATISFY A PORTION OF THE CONTINGENCY AMOUNT. BY ENGAGING IN SUCH CONDUCT, THE FIRM WILLFULLY VIOLATED SECURITIES EXCHANGE ACT ("SEA") RULE 10B-9 AND FINRA RULE 2010.</p> <p>IN THE SECOND OFFERING, THE FIRM RELEASED INVESTORS' FUNDS FROM ESCROW PRIOR TO MEETING THE OFFERING'S STATED MINIMUM CONTINGENCY. THIS CONDUCT WAS ALSO A WILLFUL VIOLATION OF SEA RULE LOB-9 AND FINRA RULE 2010. ADDITIONALLY, IN THE SECOND OFFERING, THE FIRM:</p>



1)ALLOWED THE FUNDS TO BE DISBURSED PRIOR TO THE CONTINGENCY OCCURRING, IN VIOLATION OF SEA RULE 15C2-4 AND FINRA RULE 2010; AND 2) CIRCULATED A COMMUNICATION TO THE PUBLIC THAT MISSTATED THE CONTINGENCY AMOUNT IN THE OFFERING MEMORANDUM, IN VIOLATION OFFINRA RULES 2210(D)(L)(B) AND 2010.

FURTHER, BETWEEN SEPTEMBER 2013 AND FEBRUARY 2015, THE FIRM FAILED TO REPORT CERTAIN MUNICIPAL SECURITIES TRANSACTIONS TO THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB"), IN VIOLATION OF MSRB RULE G-14.

Initiated By:	FINRA
Date Initiated:	05/20/2015
Docket/Case Number:	20150436496
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	A CENSURE; AND A FINE OF \$50,000 (\$10,000 OF WHICH PERTAINS TO A VIOLATION OF MSRB RULE G-14)
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/21/2018
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00
Other Sanctions Ordered:	
Sanction Details:	\$50,000 FINE, PAID IN FULL 03/06/2018 CENSURE
Firm Statement	ALL CONDITIONS HAVE BEEN MET.

Disclosure 5 of 5

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BETWEEN AUGUST 2015 AND APRIL 6, 2016,GLENN SOLD SECURITIES FROM ARKANSAS TO RESIDENTS OF OTHER STATES WITHOUT BEING REGISTER IN ANY CAPACITY WITH THE DEPARTMENT.
Initiated By:	ARKANSAS



Date Initiated: 10/17/2016

Docket/Case Number: S-16-0046

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/24/2016

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

Sanctions Ordered: Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: FINE IN THE AMOUNT OF \$15,000.00 WAS ORDERED AGAINST MCDONALD PARTNERS LLC. THE FINE WAS PAID IN FULL ON 11/3/16. NO AMOUNT OF THE FINE WAS WAIVED.

Reporting Source: Firm

Current Status: Final

Allegations: MCDONALD FAILED TO PREVENT ITS UNREGISTERED AGENTS FROM SELLING FROM AN UNREGISTERED BRANCH.

MCDONALD FAILED TO REGISTER THEIR BRANCH IN ARKANSAS

Initiated By: ARKANSAS

Date Initiated: 06/20/2016

Docket/Case Number: S-16-0046

Principal Product Type: No Product



Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	10/24/2016
Sanctions Ordered:	Monetary/Fine \$15,000.00
Other Sanctions Ordered:	
Sanction Details:	FINE OF \$15,000.00 ORDER PAID BY THE STATE AND HAS BEEN COMPLETED.



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 ACTIVITY-FRAUD; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED- BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	02/12/2019
Case Number:	19-00440
Disputed Product Type:	
Sum of All Relief Requested:	\$600,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/12/2021
Sum of All Relief Awarded:	\$160,000.00

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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