

## BrokerCheck Report

### ALL-TECH DIRECT, INC.

CRD# 13992

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

Please contact FINRA with any concerns.

## About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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**Thank you for using FINRA BrokerCheck.**



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

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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)

**ALL-TECH DIRECT, INC.**

CRD# 13992

SEC# 8-26336

**Main Office Location**160 SUMMIT AVENUE  
MONTVALE, NJ 07645**Mailing Address**160 SUMMIT AVENUE  
MONTVALE, NJ 07645**Business Telephone Number**

201 782-0200

**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 Delaware on 03/28/1998.

Its fiscal year ends in June.

**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	12
Arbitration	3

## Registration Withdrawal Information

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



**Date firm ceased business:** 10/08/2001

**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 Delaware on 03/28/1998.

Its fiscal year ends in June.

## 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.

### **ALL-TECH DIRECT, INC.**

**Doing business as ALL-TECH DIRECT, INC.**

**CRD#** 13992

**SEC#** 8-26336

### **Main Office Location**

160 SUMMIT AVENUE  
MONTVALE, NJ 07645

### **Mailing Address**

160 SUMMIT AVENUE  
MONTVALE, NJ 07645

### **Business Telephone Number**

201 782-0200



## Firm Profile

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

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	RUSHMORE FINANCIAL SERVICES
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	SHAREHOLDER
<b>Position Start Date</b>	12/1995
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	

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<b>Legal Name &amp; CRD# (if any):</b>	HOUTKIN, HARVEY IRA 251066
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MSRP
<b>Position Start Date</b>	08/1992
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	HOUTKIN, HARVEY IRA 251066
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHAIRMAN OF BOARD /CEO/SECY
<b>Position Start Date</b>	09/1993

## 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):** LEFKOWITZ, HARRY MARTIN  
1454925

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

**Position** DIRECTOR

**Position Start Date** 03/1998

**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):** LERNER, LINDA  
2350733

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

**Position** CHIEF LEGAL OFFICER

**Position Start Date** 03/1992

**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):** MARGA, STEPHEN JOHN JR

## Firm Profile



### Direct Owners and Executive Officers (continued)

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<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	SROP/CROP
<b>Position Start Date</b>	11/1999
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	OGELE, FRANKLIN IHENDU 2197820
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER/FIN OP
<b>Position Start Date</b>	03/1999
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	SHEFTS, MARK DAVID 709147
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRESIDENT/DIRECTOR
<b>Position Start Date</b>	11/1987
<b>Percentage of Ownership</b>	Less than 5%

## Firm Profile



### Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

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## Firm Profile

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

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	HOUTKIN, HARVEY IRA 251066
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	RUSHMORE FINANCIAL
<b>Relationship to Direct Owner</b>	OFFICER,DIRECTOR SHARE HOLDER
<b>Relationship Established</b>	03/1993
<b>Percentage of Ownership</b>	50% but less than 75%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	SHEFTS, MARK DAVID 709147
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	RUSHMORE FINANCIAL SERVICES
<b>Relationship to Direct Owner</b>	OFFICER,DIRECTOR,SHARE HOLDER
<b>Relationship Established</b>	01/1988
<b>Percentage of Ownership</b>	50% but less than 75%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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## Firm History

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

No information reported.



## Firm Operations



### Registrations

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

**This firm is no longer registered.**

**The firm's registration was from 11/29/1983 to 06/14/2002.**



## 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 13 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

Broker or dealer selling corporate debt securities

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

Mutual fund retailer

Municipal securities dealer

Municipal securities broker

Put and call broker or dealer or option writer

Broker or dealer selling tax shelters or limited partnerships in primary distributions

Broker or dealer selling tax shelters or limited partnerships in the secondary market

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

Trading securities for own account

Other - ALL-TECH DIRECT, INC. ("ALL-TECH") HAS ENTERED INTO A CLEARING AGREEMENT WITH PENSON FINANCIAL SERVICES, INC. ("PENSON") PURSUANT TO WHICH PENSON CLEARS TRANSACTIONS ON A FULLY-DISCLOSED BASIS FOR ALL-TECH.

#### Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

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

Non-Securities Business Description:

## Firm Operations



### Clearing Arrangements

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

### Introducing Arrangements

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

<b>Name:</b>	SERVICE ASSET MANAGEMENT COMPANY
<b>CRD #:</b>	25866
<b>Business Address:</b>	1700 PACIFIC AVENUE SUITE 1400 DALLAS, TX 75201
<b>Effective Date:</b>	02/24/1999
<b>Description:</b>	ALL TECH DIRECT, INC. ("ALL-TECH") HAS ENTERED INTO A CLEARING AGREEMENT WITH PENSON FINANCIAL SERVICES, INC. ("PENSON") PURSUANT TO WHICH PENSON CLEARS TRANSACTIONS A FULLY DISCLOSED BASIS FOR ALL-TECH.

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## Firm Operations

### Industry Arrangements



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

**Name:** SERVICE ASSET MANAGEMENT COMPANY

**CRD #:** 25866

**Business Address:** 1700 PACIFIC AVENUE, SUITE 1400  
DALLAS, TX 75201

**Effective Date:** 02/24/1999

**Description:** ALL-TECH DIRECT, INC. (ALL-TECH") HAS ENTERED INTO A CLEARING AGREEMENT WITH PENSON FINANCIAL SERVICES, INC. ("PENSON") PURSUANT TO WHICH PENSON CLEARS TRANSACTIONS ON A FULLY DISCLOSED BASIS FOR ALL-TECH.

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

**Name:** SERVICE ASSET MANAGEMENT COMPANY

**CRD #:** 25866

**Business Address:** 1700 PACIFIC AVENUE, SUITE 1400  
DALLAS, TX 75201

**Effective Date:** 02/24/1999

**Description:** ALL-TECH DIRECT, INC. (ALL-TECH") HAS ENTERED INTO A CLEARING AGREEMENT WITH PENSON FINANCIAL SERVICES, INC. ("PENSON") PURSUANT TO WHICH PENSON CLEARS TRANASCTIONS ON A FULLY-DISCLOSED BASIS FOR ALL-TECH.

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

**Name:** SERVICE ASSET MANAGEMENT COMPANY

**CRD #:** 25866

**Business Address:** 1700 PACIFIC AVENUE SUITE 1400  
DALLAS, TX 75201

**Effective Date:** 02/24/1999

**Description:** ALL-TECH DIRECT, INC. (ALL-TECH") HAS ENTERED INTO A CLEARING AGREEMENT WITH PENSON FINANCIAL SERVICES, INC. ("PENSON") PURSUANT TO WHICH PENSON CLEARS TRANSACTIONS ON A FULLY - DISCLOSED BASIS FOR ALL-TECH.

#### Control Persons/Financing

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

## Firm Operations



### Industry Arrangements (continued)

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



## Firm Operations

### Organization Affiliates

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

**This firm is, directly or indirectly:**

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

**DOMESTIC SECURITIES, INC. is under common control with the firm.**

<b>CRD #:</b>	34721
<b>Business Address:</b>	160 SUMMIT AVENUE MONTVALE,, NJ 07645
<b>Effective Date:</b>	03/09/1993
<b>Foreign Entity:</b>	No
<b>Country:</b>	NEW YORK
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	BOTH ENTITIES ARE OWNED BY RUSHMORE FINANCIAL SERVICES, INC.

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**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	12	0
Arbitration	N/A	3	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 12

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** FAILURE TO PAY FINES AND/OR COSTS OF \$7,000  
**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.  
**Date Initiated:** 06/14/2002  
**Docket/Case Number:** C9B010088  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Expulsion  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Other  
**Resolution Date:** 06/14/2002  
**Sanctions Ordered:** Revocation/Expulsion/Denial  
**Other Sanctions Ordered:**  
**Sanction Details:** EXPELLED FROM NASD MEMBERSHIP JUNE 14, 2002 FOR FAILURE TO PAY FINES AND/OR COSTS IN NASD CASE #C9B010088.

#### Disclosure 2 of 12

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** MARK SHEFTS, PRESIDENT/DIRECTOR OF ALL-TECH WAS CENSURED AND SUSPENDED FROM MEMBERSHIP BY THE NASDR BASED ON AN ACTION BY THE NASD ALLEGING THAT SHEFTS FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION AND TO COMPLY WITH THE REGISTRATION, COMMUNICATIONS WITH THE PUBLIC AND MARGIN RULE REQUIREMENTS.  
**Initiated By:** MARYLAND DIVISION OF SECURITIES  
**Date Initiated:** 10/02/2001  
**Docket/Case Number:** 2001-0745  
**URL for Regulatory Action:**  
**Principal Product Type:** No Product  
**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	10/25/2001
<b>Sanctions Ordered:</b>	Censure
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	AN ORDER TO SHOW CAUSE WAS ISSUED BY THE COMMISSIONER,REQUIRING ALL-TECH TO SHOW CAUSE WHY ITS BROKER-DEALER REGISTRATION SHOULD NOT BE REVOKED. A SETTLEMENT PROVIDED ALL-TECH WITH A CONSENT TO WITHDRAW ITS BROKER-DEALER REGISTRATION IN MARYLAND.
<b>Regulator Statement</b>	BROKER-DEALER REGISTRATION WITHDRAWN BY CONSENT ORDER.

### Disclosure 3 of 12

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES - 1120, 2110, 2860, 3010 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND WITH THE APPLICABLE RULES OF THE NASD, TO ENSURE COMPLIANCE WITH RECORDKEEPING. A RESULT OF THE LACK OF ADEQUATE SYSTEMS AND PROCEDURES RESPONDENT MEMBER FIRM FAILED TO FURNISH CUSTOMERS WITH REQUIRED INFORMATION ON CONFIRMATION STATEMENTS FOR OPTIONS TRANSACTIONS. IN ADDITION, RESPONDENT MEMBER FIRM PERMITTED NINE (9) REGISTERED REPRESENTATIVES TO CONDUCT A SECURITIES BUSINESS WHILE THEIR SECURITIES INDUSTRY REGISTRATIONS WERE INACTIVE BECAUSE OF THEIR FAILURE TO SATISFY THE REGULATORY ELEMENT.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	10/15/2001
<b>Docket/Case Number:</b>	C9B010088



**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:** 10/15/2001

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

**Other Sanctions Ordered:**

**Sanction Details:** CENSURED AND FINED \$7,000.

**Regulator Statement** .

#### Disclosure 4 of 12

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE NASD ALLEGED THAT ALL-TECH FAILED HAVE ADEQUATE PROCEDURES WHICH RESULTED IN 9 REGISTERED PERSONS CONDUCTING SECURITIES BUSINESS WHILE THEIR INDUSTRY REGISTRATION WERE INACTIVE AS A RESULT OF THEIR FAILURE TO SATISFY THE REGULATORY ELEMENT OF CONTINUING EDUCATION REQUIREMENTS IN VIOLATION OF NASD CONDUCT RULE 2110 AND 3010. IN ADDITION, THE NASD ALLEGED THAT ALL-TECH FAILED TO FURNISH CUSTOMERS WITH REQUIRED INFORMATION ON CONFIRMATION STATEMENTS FOR OPTIONS TRANSACTIONS IN VIOLATION OF NASD CONDUCT RULES 1120 AND 2110.

**Initiated By:** NASD

**Date Initiated:** 05/14/2001

**Docket/Case Number:** EBOOOO14

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other



<b>Other Sanction(s)/Relief Sought:</b>	MONETARY FINE OF \$10,500.00 AND CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/08/2001
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ALL-TECH AGREED TO PAY A FINE OF \$10,500.00, WHICH INCLUDED \$4,000.00 IN ALLEGED FINANCIAL BENEFIT TO THE FIRM DURING THE ALLEGED CONTINUING EDUCATION VIOLATION.
<b>Firm Statement</b>	MATTER WAS SETTLED PURSUANT TO AN ACCEPTANCE WAIVER AND CONSENT AGREEMENT. ALL-TECH AGREED TO PAY \$10,500.00.

#### Disclosure 5 of 12

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FIRM ALLOWED MASSACHUSETTS CUSTOMERS TO HAVE TRADING AUTHORIZATION FOR OTHER MASSACHUSETTS CUSTOMER'S ACCOUNTS FOR WHICH THE CUSTOMER HAD TRADING AUTHORITY IN VIOLATION OF STIPULATED ORDER OF MAY 3, 1999.
<b>Initiated By:</b>	COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION
<b>Date Initiated:</b>	05/12/1999
<b>Docket/Case Number:</b>	R-00-48
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	MONTEARY/FINE OF \$25,000.00 CEASE AND DESIST/INJUNCTION
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/12/2000
<b>Sanctions Ordered:</b>	Monetary/Fine \$25,000.00 Cease and Desist/Injunction

**Other Sanctions Ordered:****Sanction Details:**

ALL-TECH AGREED TO WITHDRAW ITS REGISTRATION FROM MASSACHUSETTS FOR 2 YEARS; TO REPRESENT IN WRITING THAT ALL MASSACHUSETTS ACCOUNTS HAVE BEEN TERMINATED AND ALL BALANCES WILL BE FORWARDED TO SUCH CUSTOMERS WITHIN 60 DAYS.

**Disclosure 6 of 12****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

07-18-00, SECTION 15(B)(6)(B)(II) OF THE SECURITIES EXCHANGE ACT OF 1934,ARTICLE III, SECTION 3 OF THE NASD BYLAWS,NASD RULES 1031,2110,2210(B),2210(D)(1),2210(D)(2)(M),3010(A),3010(B),9522 - RESPONDENT MEMBER PERMITTED AN INDIVIDUAL STATUTORILY DISQUALIFIED TO REMAIN ASSOCIATED WITH THE FIRM AND PERFORM ACTS FOR WHICH REGISTRATION IS REQUIRED AND FAILED TO APPLY FOR RELIEF FROM THE STATUTORY DISQUALIFICATION;PERMITTED AN INDIVIDUAL TO ACT AS A BROKER WHEN THE INDIVIDUAL WAS NOT REGISTERED;THROUGH ITS WEB SITE AND PRINT AND RADIO ADVERTISEMENTS DISSEMINATED STATEMENTS THAT WERE EXAGGERATED, MISLEADING, UNWARRANTED, AND WITHOUT A BASIS;FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGISTRATION RULES,CONDUCT RULES CONCERNING COMMUNICATIONS WITH THE PUBLIC;REPRESENTATIONS BY EMPLOYEES CONCERNING MARGIN LOANS;AND MISREPRESENTED THE ACTUAL OR POTENTIAL RISKS ASSOCIATED WITH MARGIN LOANS.

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:**

07/17/2000

**Docket/Case Number:**

CAF000028

**Principal Product Type:**

Other

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:**

Decision &amp; Order of Offer of Settlement

**Resolution Date:**

06/04/2001



**Sanctions Ordered:** Censure  
Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** 06-14-01, OFFER OF SETTLEMENT ACCEPTED JUNE 4, 2001 WHEREIN RESPONDENT MEMBER IS CENSURED, FINED \$250,000, ORDERED TO HIRE A NEW PRINCIPAL TO ASSIST WITH THE FIRM'S COMPLIANCE WITH THE SECURITIES LAWS AND APPLICABLE RULES WITHIN 90 DAYS OF THE ISSUANCE OF THIS ORDER. IT IS FURTHER ORDERED THAT THE FIRM RETAIN WITHIN 60 DAYS OF THE ISSUANCE OF THIS ORDER AN OUTSIDE CONSULTANT TO REVIEW AND MAKE RECOMMENDATIONS CONCERNING THE ADEQUACY OF THE FIRM'S CURRENT POLICIES AND PROCEDURES RELATING TO MATTERS IN THE COMPLAINT. NO LATER THAN 120 DAYS AFTER THE FIRM RETAINS THE CONSULTANT, THE CONSULTANT WILL PROVIDE THE FIRM AND DEPT. OF ENFORCEMENT (DOE) INITIAL RECOMMENDATIONS. WITHIN 30 DAYS AFTER THE REPORT IS DELIVERED, THE FIRM MAY PROPOSE AN ALTERNATE PROCEDURE TO THE CONSULTANT AND DOE. WITHIN 30 DAYS, THE CONSULTANT SHALL EVALUATE ANY ALTERNATIVE PROCEDURE AND PROVIDE THE FIRM WITH A WRITTEN DECISION REFLECTING HIS/HER DETERMINATION. WITHIN 90 DAYS AFTER THE INITIAL REPORT HAS BEEN DELIVERED, THE FIRM SHALL ADOPT ALL RECOMMENDATIONS AS MODIFIED AND PROVIDE DOE STAFF WITH A REPORT SETTING FORTH THE FIRM'S IMPLEMENTATION OF THE RECOMMENDATIONS. FOR TWO YEARS FOLLOWING THE DATE OF THE CONCLUSION OF THE CONSULTANT'S WORK, THE FIRM NOR ANY OF ITS PRINCIPALS, AGENTS, OFFICERS, OR DIRECTORS OR EMPLOYEES MAY EMPLOY THE CONSULTANT IN ANY CAPACITY. ANY FIRM WITH WHICH THE CONSULTANT IS AFFILIATED OR IS A MEMBER AND ANY PERSON OR FIRM ENGAGED TO ASSIST THE CONSULTANT IN THE PERFORMANCE OF DUTIES SHALL NOT, WITHOUT PRIOR WRITTEN CONSENT OF DOE, ENTER INTO AN EMPLOYMENT OR PROFESSIONAL RELATIONSHIP WITH THE FIRM, ITS DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS IN THEIR CAPACITY AS SUCH FOR THE PERIOD OF THE ENGAGEMENT AND FOR A PERIOD OF TWO YEARS AFTER THE ENGAGEMENT.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ON JULY 17, 2000 THE NASD FILED AN ACTION AGAINST ALL-TECH ALLEGING THAT ALL-TECH (I) IMPROPERLY EMPLOYED A STATUTORILY DISQUALIFIED PERSON; (II) ALLOWED A NON-REGISTERED PERSON TO ENGAGE IN SECURITIES BUSINESS; (III) MADE MISLEADING AND UNSUPPORTED STATEMENTS TO THE PUBLIC THROUGH RADIO, TELEVISION AND WEB SITE ADVERTISEMENTS; AND (IV) FAILED TO



IMPLEMENT, MAINTAIN AND ENFORCE ADEQUATE WRITTEN PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION AND COMMUNICATIONS WITH THE PUBLIC REQUIREMENTS. THE COMPLAINT ALSO ALLEGES THAT HARVEY HOUTKIN VIOLATED NASD RULE 2110, 2110(B), 2210 (D)(1) AND 2210 (D)(2)(M) BY MAKING STATEMENTS TO THE MEDIA WITHOUT STATISTICAL SUPPORT;(II) WHICH ARE DEEMED TO BE MISLEADING AND UNSUPPORTED AND WHICH INCLUDED COMPARISONS TO OTHER ACTIVITIES WITHOUT ANY BASIS TO MAKE THE COMPARISONS MEANINGFUL. THE COMPLAINT ALLEGES THAT MARK SHEFTS (I) FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION TO COMPLY WITH THE REGISTRATION, COMMUNICATIONS WITH THE PUBLIC AND MARGIN RULE REQUIREMENTS. ADDITIONALLY, THE COMPLAINT ALLEGED THAT HARRY LEFKOWITZ (I) FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION TO COMPLY WITH MARGIN RULE AND JOURNALING REQUIREMENTS.

**Initiated By:** NASD

**Date Initiated:** 07/17/2000

**Docket/Case Number:** CAF00028

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** MONETARY FINE OF \$250,000.00 AND CENSURE.

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 06/04/2001

**Sanctions Ordered:** Censure  
Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** ALL-TECH DIRECT, INC. WAS ORDERED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW AND ALL-TECH DIRECT, INC.'S SYSTEMS AND MAKE RECOMMENDATIONS.

**Sanction Details:** N/A

**Firm Statement** MATTER WAS SETTLED ON JUNE 4, 2001 PURSUANT TO AN OFFER OF SETTLEMENT. ALL-TECH DIRECT, INC. WAS FINED \$250,000.00 AND ORDERED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW ALL-TECH'S SYSTEMS AND MAKE RECOMMENDATIONS.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ON JULY 17, 2000 THE NASD FILED AN ACTION AGAINST ALL-TECH ALLEGING THAT ALL-TECH (I) IMPROPERLY EMPLOYED A STATUTORILY DISQUALIFIED PERSON; (II) ALLOWED A NON-REGISTERED PERSON TO ENGAGE IN SECURITIES BUSINESS; (III) MADE MISLEADING AND UNSUPPORTED STATEMENTS TO THE PUBLIC THROUGH RADIO, TELEVISION AND WEB SITE ADVERTISEMENTS; AND (IV) FAILED TO IMPLEMENT, MAINTAIN AND ENFORCE ADEQUATE WRITTEN PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION AND COMMUNICATIONS WITH THE PUBLIC REQUIREMENTS. THE COMPLAINT ALSO ALLEGES THAT HARVEY HOUTKIN VIOLATED NASD RULE 2110, 2110(B), 2210 (D)(1) AND 2210 (D)(2)(M) BY MAKING STATEMENTS TO THE MEDIA WITHOUT STATISTICAL SUPPORT;(II) WHICH ARE DEEMED TO BE MISLEADING AND UNSUPPORTED AND WHICH INCLUDED COMPARISONS TO OTHER ACTIVITIES WITHOUT ANY BASIS TO MAKE THE COMPARISONS MEANINGFUL. THE COMPLAINT ALLEGES THAT MARK SHEFTS (I) FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION TO COMPLY WITH THE REGISTRATION, COMMUNICATIONS WITH THE PUBLIC AND MARGIN RULE REQUIREMENTS. ADDITIONALLY, THE COMPLAINT ALLEDGED THAT HARRY LEFKOWITZ (I) FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION TO COMPLY WITH MARGIN RULE AND JOURNALING REQUIREMENTS.

**Initiated By:** NASD

**Date Initiated:** 07/17/2000

**Docket/Case Number:** CAF00028

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** MONETARY FINE OF \$250,000.00 AND CENSURE.

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 06/04/2001

**Sanctions Ordered:** Censure  
Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** ALL-TECH DIRECT, INC. WAS ORDERED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW AND ALL-TECH DIRECT, INC.'S SYSTEMS AND



MAKE RECOMMENDATIONS.

**Sanction Details:**

N/A

**Firm Statement**

MATTER WAS SETTLED ON JUNE 4, 2001 PURSUANT TO AN OFFER OF SETTLEMENT. ALL-TECH DIRECT, INC. WAS FINED \$250,000.00 AND ORDERED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW ALL-TECH'S SYSTEMS AND MAKE RECOMMENDATIONS.

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**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

ON JULY 17, 2000 THE NASD FILED AN ACTION AGAINST ALL-TECH ALLEGING THAT ALL-TECH (I) IMPROPERLY EMPLOYED A STATUTORILY DISQUALIFIED PERSON; (II) ALLOWED A NON-REGISTERED PERSON TO ENGAGE IN SECURITIES BUSINESS; (III) MADE MISLEADING AND UNSUPPORTED STATEMENTS TO THE PUBLIC THROUGH RADIO, TELEVISION AND WEB SITE ADVERTISEMENTS; AND (IV) FAILED TO IMPLEMENT, MAINTAIN AND ENFORCE ADEQUATE WRITTEN PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION AND COMMUNICATIONS WITH THE PUBLIC REQUIREMENTS. THE COMPLAINT ALSO ALLEGES THAT HARVEY HOUTKIN VIOLATED NASD RULE 2110, 2110(B), 2210 (D)(1) AND 2210 (D)(2)(M) BY MAKING STATEMENTS TO THE MEDIA WITHOUT STATISTICAL SUPPORT;(II) WHICH ARE DEEMED TO BE MISLEADING AND UNSUPPORTED AND WHICH INCLUDED COMPARISONS TO OTHER ACTIVITIES WITHOUT ANY BASIS TO MAKE THE COMPARISONS MEANINGFUL. THE COMPLAINT ALLEGES THAT MARK SHEFTS (I) FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION TO COMPLY WITH THE REGISTRATION, COMMUNICATIONS WITH THE PUBLIC AND MARGIN RULE REQUIREMENTS. ADDITIONALLY, THE COMPLAINT ALLEDGED THAT HARRY LEFKOWITZ (I) FAILED TO ESTABLISH AND ENFORCE ADEQUATE PROCEDURES AND SUPERVISION TO COMPLY WITH MARGIN RULE AND JOURNALING REQUIREMENTS.

**Initiated By:**

NASD

**Date Initiated:**

07/17/2000

**Docket/Case Number:**

CAF00028

**Principal Product Type:**

Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

Other



<b>Other Sanction(s)/Relief Sought:</b>	MONETARY FINE OF \$250,000.00 AND CENSURE.
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	06/04/2001
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	ALL-TECH DIRECT, INC. WAS ORDERED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW AND ALL-TECH DIRECT, INC.'S SYSTEMS AND MAKE RECOMMENDATIONS.
<b>Sanction Details:</b>	N/A
<b>Firm Statement</b>	MATTER WAS SETTLED ON JUNE 4, 2001 PURSUANT TO AN OFFER OF SETTLEMENT. ALL-TECH DIRECT, INC. WAS FINED \$250,000.00 AND ORDERED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW ALL-TECH'S SYSTEMS AND MAKE RECOMMENDATIONS.

## Disclosure 7 of 12

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>***02/23/2000-GM-SEC NEWS DIGEST, ISSUE 2000-33, DATED 02/22/00. ENFORCEMENT PROCEEDINGS DISCLOSE: THE SEC TODAY INSTITUTED ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS AGAINST ALL-TECH DIRECT, INC., F/K/A ALL-TECH INVESTMENT GROUP, INC. (ALL-TECH). THE ORDER ALLEGES THAT DURING 1998, ALL-TECH - A BROKER-DEALER SPECIALIZING IN DAY-TRADING - ENGAGED IN CONDUCT THAT VIOLATED THE MARGIN LENDING PROVISIONS OF SECTION 7(C) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND REGULATION T PROMULGATED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE (FEDERAL RESERVE). THE ORDER INSTITUTING PROCEEDINGS FURTHER ALLEGES, AMONG OTHER THINGS, THAT THROUGHOUT 1998, ALL-TECH WILLFULLY AND REPEATEDLY ENGAGED IN CONDUCT THAT VIOLATED SECTION 7(C) OF THE EXCHANGE ACT WHEN THE EQUITY IN CERTAIN CUSTOMER MARGIN ACCOUNTS FELL BELOW THE MINIMUM REQUIRED BY REGULATION T. ALL-TECH ALSO WILLFULLY VIOLATED EXCHANGE ACT RULE 10B-16 BY FAILING TO TAKE STEPS TO PROVIDE CUSTOMERS WITH WRITTEN DISCLOSURES CONTAINING SPECIFIED INFORMATION ABOUT THE LOANS THEY RECEIVED FROM ASSOCIATED PERSON ACCOUNTS, INCLUDING INFORMATION ABOUT THE ANNUAL RATES OF INTEREST. (REL. 34-42446; FILE NO. 3-10150)</p>



**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 02/22/2000

**Docket/Case Number:** REL. 34-42446; FILE NO. 3-10150

**Principal Product Type:** Other

**Other Product Type(s):** SECURITIES.

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 06/13/2001

**Sanctions Ordered:** Censure  
Monetary/Fine \$225,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** 06/19/01GS: SEC ADMINISTRATIVE PROCEEDINGS, FILE NO. 3-10150, ADMINISTRATIVE PROCEEDINGS, RELEASE NO. 34-44415, DATED JUNE 13, 2001 DISCLOSES: "ORDER MAKING FINDINGS IMPOSING REMEDIAL SANCTIONS, ISSUING CEASE AND DESIST ORDER AND ORDERING COMPLIANCE WITH UNDERTAKINGS" THE FIRM IS CENSURED AND ORDERED TO CEASE AND DESIST, PURSUANT TO SECTION 21C OF THE EXCHANGE ACT, FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF REGULATION T, SECTION 7(C) OF THE EXCHANGE ACT AND RULE 10B-16, AND WITHIN 60 DAYS OF THE DATE OF THIS ORDER, THE COMMISSION WILL SELECT AN INDEPENDENT CONSULTANT ("INDEPENDENT CONSULTANT"), KNOWLEDGEABLE IN ALL ASPECTS OF BROKER-DEALER OPERATIONS, INCLUDING, BUT NOT LIMITED TO, SECTION 7 OF THE EXCHANGE ACT, EXCHANGE ACT RULE 10B-16, REGULATION T, APPLICABLE SELF-REGULATORY ORGANIZATION RULES AND REGULATIONS, AND OTHER LAWS, RULES, AND REGULATIONS APPLICABLE TO MARGIN ISSUES ("MARGIN REGULATIONS"), TO CONDUCT A COMPREHENSIVE REVIEW OF, AND MAKE FINDINGS REGARDING, ALL-TECH'S INTERNAL CONTROLS, POLICIES, PRACTICES, AND PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH SUCH MARGIN REGULATIONS.

**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	SEC COMMENCED ADMINISTRATION AND CEASE AND DESIST PROCEEDINGS AGAINST APPLICANT IN CONNECTION WITH ALLEGED VIOLATION OF REGULATION T OF THE FEDERAL RESERVE BOARD AND SECTION 7(C) OF THE EXCHANGE ACT AND SEC RULE 10B-16 IN CONNECTION WITH MARGIN LOANS.
<b>Initiated By:</b>	SEC
<b>Date Initiated:</b>	02/22/2000
<b>Docket/Case Number:</b>	3-10150
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	MONETARY FINE OF \$225,000.00 AND CENSURE.
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	06/13/2001
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$225,000.00 Suspension
<b>Other Sanctions Ordered:</b>	ALL-TECH DIRECT, INC. WAS ORDERED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF ITS SYSTEMS AND MAKE RECOMMENDATIONS.
<b>Sanction Details:</b>	ALL-TECH DIRECT, INC. WAS FINED \$225,000.00 AND CENSURED. MR. SHEFTS WAS SUSPENDED FROM ASSOCIATION IN A SUPERVISORY CAPACITY WITH ANY BROKER-DEALER FOR THREE MONTHS EFFECTIVE UPON THE SECOND MONDAY FOLLOWING THE ENTRY OF THE ORDER. MR. SHEFTS WAS FINED \$25,000.00.
<b>Firm Statement</b>	MATTER WAS RESOLVED ON JUNE 13, 2001 PURSUANT TO AN OFFER OF SETTLEMENT. ALL-TECH DIRECT, INC. WAS ALSO ORDERED TO RETAIN AN INDEPENDENT CONSULTANT.

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**Disclosure 8 of 12**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final



<b>Appealed To and Date Appeal Filed:</b>	N/A
<b>Allegations:</b>	VIOLATION OF ARTICLE 111, SECTION 1, 2A AND 4 OF THE NASD'S RULES OF FAIR PRACTICE
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	08/31/1989
<b>Docket/Case Number:</b>	PHL 847
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	N/A
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/22/1990
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	FIRM WAS JOINTLY FINED.
<b>Sanction Details:</b>	MR. HOUTKIN AND THE APPLICANT WERE JOINTLY FINED \$1000.00 FOR ALLEGED VIOLATION OF ARTICLE III, SECTION I OF THE NASD'S RULES OF FAIR PRACTICE.
<b>Firm Statement</b>	MR. HOUTKIN AND THE APPLICANT WERE JOINTLY FINED \$1000.00 FOR ALLEGED VIOLATION OF ARTICLE III, SECTION I OF THE NASD'S RULES OF FAIR PRACTICE.

#### Disclosure 9 of 12

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	See Allegations
<b>Initiated By:</b>	Massachusetts Securities Division
<b>Date Initiated:</b>	12/10/1998
<b>Docket/Case Number:</b>	R-98-77
<b>URL for Regulatory Action:</b>	



**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Stipulation and Consent

**Resolution Date:** 05/19/1999

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:**

In order to resolve the proceeding, Respondents All-Tech, Shefts, Houtkin, and Lefkowitz consented to the entry of a Stipulated Order and agreed that: 1) All-Tech will not open or operate a branch office in Massachusetts for a period of two (2) years from the date of the Order; 2) All-Tech will not open any new accounts for Massachusetts customers for a period of two (2) years; 3) All-Tech will send a copy of the Offer and Order to the owners of all current Massachusetts accounts; 4) All-Tech will not allow impermissible journaling and/or lending of funds to, from, between, or among the accounts of Massachusetts customers beyond that permitted under Regulation T and Regulation U; 5) All-Tech will not encourage or allow any Massachusetts customers to effect transactions for any third parties, nor will All-Tech permit a third party to have trading authorization for any Massachusetts customer for a period of less than two (2) years from the date of this Order; 6) All-Tech will hire, within three (3) months of the Order, a compliance officer who meets the criteria specified in the Order; 7) All-Tech will retain an independent consultant who shall submit reports to the Division on 11/15/19, 5/15/00, 11/15/00, and 5/15/01; Alltech shall make payments to the customers in accordance with Exhibit B of the Order; 9) All-Tech paid \$50,000 to the Massachusetts Investors Protection Fund; 10) Lefkowitz will withdraw from Massachusetts as an agent, and will not reapply for registration in any capacity for two (2) years from the date of the Order. The Presiding Officer found that Lefkowitz failed reasonably to supervise the operation of the Watertown Office and Lefkowitz was ordered to cease and desist from further violations of the Act. In order to resolve the proceeding, Respondents Belbel, Powell, and Zayas, consented to the entry of a Stipulated Order and agreed that



they will not apply for registration with the Division in any capacity\*See FAQ #1\*

**Regulator Statement**

CONTACT: JOE SHEEHAN (617) 727-3548

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FAILURE TO SUPERVISE RESULTING IN UNAUTHORIZED TRANSFER OF CUSTOMER FUNDS, CREATION OF FICTITIOUS CUSTOMER ACCOUNTS, COMMINGLING OF CUSTOMER FUNDS, FAILURE TO FOLLOW CUSTOMER INSTRUCTIONS, FAILURE TO REPORT CUSTOMER COMPLAINTS, THE CONDUCTING OF INVESTMENT ADVISORY ACTIVITY BY THIRD PARTIES NOT REGISTERED WITH THE DIVISION AND IMPERMISSIBLE JOURNALING OF FUNDS.

**Initiated By:**

COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION

**Date Initiated:**

12/01/1998

**Docket/Case Number:**

R-98-77

**Principal Product Type:**

Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:**

Decision & Order of Offer of Settlement

**Resolution Date:**

05/03/1999

**Sanctions Ordered:**

Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

ALL-TECH AGREED NOT TO OPERATE A BRANCH IN MASSACHUSETTS FOR TWO YEARS, NOT TO OPEN NEW ACCOUNTS IN MASS FOR TWO YEARS, TO SEND A COPY OF ORDER TO MASSACHUSETTS CUSTOMERS, NOT TO ALLOW IMPERMISSIBLE JOURNALING OF FUNDS, NOT TO PERMIT TRADING AUTHORIZATION FOR TWO YEARS, TO HIRE A COMPLIANCE OFFICER AND A CONSULTANT.

**Sanction Details:**

ALL-TECH DIRECT, INC. WAS ORDERED TO PAY \$50,000.00 TO THE MASSACHUSETTS INVESTORS PROTECTION TRUST FUND AND MAKE PAYMENTS TO CERTAIN CUSTOMERS.

**Firm Statement**

MATTER WAS RESOLVED PURSUANT TO A DECISION AND ORDER OF



OFFER OF SETTLEMENT ON 5/3/99 UNDER THE TERMS OF ITEM 12 ABOVE.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FAILURE TO SUPERVISE RESULTING IN UNAUTHORIZED TRANSFER OF CUSTOMER FUNDS, CREATION OF FICTITIOUS CUSTOMER ACCOUNTS, COMMINGLING OF CUSTOMER FUNDS, FAILURE TO FOLLOW CUSTOMER INSTRUCTIONS, FAILURE TO REPORT CUSTOMER COMPLAINTS, THE CONDUCTING OF INVESTMENT ADVISORY ACTIVITY BY THIRD PARTIES NOT REGISTERED WITH THE DIVISION AND IMPERMISSIBLE JOURNALING OF FUNDS.
<b>Initiated By:</b>	COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION
<b>Date Initiated:</b>	12/01/1998
<b>Docket/Case Number:</b>	R-98-77
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	05/03/1999
<b>Sanctions Ordered:</b>	Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	ALL-TECH AGREED NOT TO OPERATE A BRANCH IN MASSACHUSETTS FOR TWO YEARS, NOT TO OPEN NEW ACCOUNTS IN MASS FOR TWO YEARS, TO SEND A COPY OF ORDER TO MASSACHUSETTS CUSTOMERS, NOT TO ALLOW IMPERMISSIBLE JOURNALING OF FUNDS, NOT TO PERMIT TRADING AUTHORIZATION FOR TWO YEARS, TO HIRE A COMPLIANCE OFFICER AND A CONSULTANT.
<b>Sanction Details:</b>	ALL-TECH DIRECT, INC. WAS ORDERED TO PAY \$50,000.00 TO THE MASSACHUSETTS INVESTORS PROTECTION TRUST FUND AND MAKE PAYMENTS TO CERTAIN CUSTOMERS.
<b>Firm Statement</b>	MATTER WAS RESOLVED PURSUANT TO A DECISION AND ORDER OF OFFER OF SETTLEMENT ON 5/3/99 UNDER THE TERMS OF ITEM 12 ABOVE.



## Disclosure 10 of 12

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	05/23/1995
<b>Docket/Case Number:</b>	CMS940109
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	08/24/1995
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$13,600.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	<p>MARKET SURVEILLANCE COMPLAINT NO. CMS940109 AWC.</p> <p>LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) FILED MAY 23, 1995 AGAINST ALL-TECH INVESTMENT GROUP, INC. (ALST) ALLEGING VIOLATIONS OF SECTION c)3(D) OF THE RULES OF PRACTICE AND PROCEDURE FOR THE SMALL ORDER EXECUTION SYSTEM (SOES) AND ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT RESPONDENT ALST EXECUTED 136 SHORT SALE TRANSACTIONS FOR CUSTOMER ACCOUNTS THROUGH SOES.</p> <p>THE AWC WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON JULY 20, 1995 AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON AUGUST 24, 1995.</p> <p>RESPONDENT ALST WAS CENSURED AND FINED \$13,600. THE AWC BECAME</p>



FINAL ON AUGUST 24, 1995.

\*\*\$13,600.00 FULLY PAID AS OF 10/13/95, INVOICE # 95-MS.562\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Appealed To and Date Appeal Filed:** N/A

**Allegations:** ON FEBRUARY 2 AND 4 OF 1994 ALL-TECH VIOLATED A RULE OF INTERPRETATION ISSUED ON MARCH 10, 1994 GOVERNING THE NASD'S SMALL ORDER EXECUTION SYSTEM.

**Initiated By:** NASD

**Date Initiated:** 08/24/1995

**Docket/Case Number:** CMS940109

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/25/1995

**Sanctions Ordered:** Monetary/Fine \$13,200.00

**Other Sanctions Ordered:** N/A

**Sanction Details:** N/A

**Firm Statement** ON MARCH 10, 1994 THE NASD ISSUED AN ERRONEOUS INTERPRETATION OF ITS SOES RULES BUT PRIOR TO THE ISSUANCE, THE NASD HAD COMMENCED AN INVESTIGATION OF ALL-TECH FOR VIOLATION OF INTERPRETATION THAT WAS NOT YET PUBLISHED. RATHER THAN INCUR AN ESTIMATED \$250,000.00 LEGAL EXPENSES, ALL-TECH AGREED TO AWC AND \$13,200 FINES. ALL-TECH BELIEVES THE INVESTIGATION IS PART OF THE NASD'S UNLAWFUL ATTEMPT TO END SOES AND INJURE ALL-TECH. FURTHER, ALL-TECH BELIEVES THE INVESTIGATION WAS IN RETALIATION FOR ALL-TECH'S COOPERATION WITH FEDERAL GOVERNMENT INVESTIGATION OF THE NASD.



## Disclosure 11 of 12

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	06/25/1990
<b>Docket/Case Number:</b>	MS-939-AWC
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/13/1990
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	<p>MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-939-AWC (A):          LETTER          OF ACCEPTANCE, WAIVER AND CONSENT FILED JUNE 25, 1990 AGAINST          RESPONDENT MEMBER ALL-TECH INVESTMENT GROUP, INC. ALLEGING          VIOLATIONS OF ARTICLE III, SECTION I OF THE RULES OF FAIR          PRACTICE AND THE BOARD OF GOVERNORS INTERPRETATION          REGARDING          THE PROMPT RECEIPT AND DELIVERY OF SECURITIES. RESPONDENTS          EXECUTED SHORT SALE ORDERS FOR CUSTOMERS WITHOUT MAKING AN          AFFIRMATIVE DETERMINATION THAT IT WOULD RECEIVE DELIVERY OF          THE          SECURITY FROM THE CUSTOMERS OR THAT IT COULD BORROW THE          SECURITY ON BEHALF OF THE CUSTOMER FOR DELIVERY BY          SETTLEMENT          DATE.</p>



THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON JULY 10, 1990 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON SEPTEMBER 13, 1990. \$1,000.00 FINE.

\*\*\*\*\$1,000.00 PAID ON 10/30/90 INVOICE #90-MS-1174\*\*\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Appealed To and Date Appeal Filed:** N/A

**Allegations:** VIOLATION OF ARTICLE III, SECTION 1 OF THE NASD'S RULES OF FAIR PRACTICE

**Initiated By:** NASD

**Date Initiated:** 05/01/1990

**Docket/Case Number:** MS939

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/27/1990

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:** N/A

**Sanction Details:** N/A

**Firm Statement** ALL-TECH WAS FOUND TO HAVE VIOLATED ARTICLE III, SECTION 1 OF THE NASD'S RULES OF FAIR PRACTICE. A FINE IN THE AMOUNT OF \$1,000.00 WAS PAID

#### Disclosure 12 of 12

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** THE COMPLAINT STATES SEVERAL CAUSES ALL OF WHICH ARE RELATED TO THE RULES OF PRACTICE AND PROCEDURE FOR THE SMALL ORDER EXECUTION SYSTEM (SOES OPERATING RULES) AND VARIOUS INTERPRETATIONS THEREUNDER, INCLUDING VIOLATIONS OF ARTICLE III, SECTION 1 OF NASD'S RULES OF FAIR PRACTICE BY ALLOWING CERTAIN INITIALS, ACCESS TO THE FIRM'S TERMINALS THAT WERE CAPABLE OF ENTERING ORDERS INTO SOES (AT LEAST ONE OF THE CUSTOMERS PERSONALLY ACCESSED AT LEAST ONE OF ALLSTATE'S SOES TERMINALS TO OBTAIN MARKET MAKER QUOTATIONS, ALL OF WHICH IS CONTRARY TO THE SOES OPERATING RULES) NUMEROUS VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULE OF FAIR PRACTICE BY PERMITTING ORDERS TO BE ENTERED THROUGH SOES FOR THE BENEFIT OF PERSONS WHO WERE NOT PUBLIC CUSTOMERS FOR PURPOSES OF SOES USE, CONTRARY TO THE SOES OPERATING RULES, AND ORDER SPLITTING.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 10/06/1988

**Docket/Case Number:** MS-781

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 01/25/1989

**Sanctions Ordered:** Censure  
Monetary/Fine \$40,000.00  
Suspension

**Other Sanctions Ordered:**

**Sanction Details:** ALL OF THE RESPONDENTS SUBMITTED AN OFFER OF SETTLEMENT WHICH HAVE BEEN ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 12/14/1989 AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 01/12/1989. THE DECISION ACCEPTING THE RESPONDENTS' OFFERS WAS ISSUED ON 01/25/1989: FINDINGS WERE MADE OF THE RULE VIOLATIONS AS ALLEGED IN THE COMPLAINT AS TO EACH RESPONDENT AND THE FOLLOWING SANCTIONS ARE IMPOSED ON ALL-TECH INVESTMENT GROUP, INC. FOR VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE AND SCHEDULE C OF THE



BY-LAWS: CENSURED, FINED \$40,000 AND SUSPENDED FOR 7 MONTHS FROM ACTING IN THE CAPACITY OF A SOES ORDER ENTRY FIRM. IN ADDITION, ALL-TECH INVESTMENT GROUP, INC. UNDERTAKES WITH HAYES THAT HAYES WILL NOT ENGAGE IN ANY CONDUCT REQUIRING REGISTRATION PURSUANT TO SCHEDULE C UNLESS AND UNTIL HAYES IS APPROPRIATELY REGISTERED. \*\*\*\$40,000.00 PAID ON 1/18/91 FULLY PAID (INSTALLMENT)\*\*\*

### Regulator Statement

[TOP] MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-781 FILED 10/06/1988, AGAINST RESPONDENTS ALLSTATE INVESTMENT GROUP, INC. (ALLSTATE) , MARK D. SHEFTS, ANDREW B. CITRYNELL, MICHAEL A. NOVOM, SAUL RING AND DANIEL HAYES (ASSOCIATED PERSON). THE COMPLAINT STATES SEVERAL CAUSES ALL OF WHICH ARE RELATED TO THE RULES OF PRACTICE AND PROCEDURE FOR THE SMALL ORDER EXECUTION SYSTEM (SOES OPERATING RULES) AND VARIOUS INTERPRETATIONS THEREUNDER, INCLUDING VIOLATIONS OF ARTICLE III, SECTION 1 OF NASD'S RULES OF FAIR PRACTICE BY ALLOWING CERTAIN INITIALS, ACCESS TO THE FIRM'S TERMINALS THAT WERE CAPABLE OF ENTERING ORDERS INTO SOES (AT LEAST ONE OF THE CUSTOMERS PERSONALLY ACCESSED AT LEAST ONE OF ALLSTATE'S SOES TERMINALS TO OBTAIN MARKET MAKER QUOTATIONS, ALL OF WHICH IS CONTRARY TO THE SOES OPERATING RULES) NUMEROUS VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULE OF FAIR PRACTICE BY PERMITTING ORDERS TO BE ENTERED THROUGH SOES FOR THE BENEFIT OF PERSONS WHO WERE NOT PUBLIC CUSTOMERS FOR PURPOSES OF SOES USE, CONTRARY TO THE SOES OPERATING RULES, AND ORDER SPLITTING. ALL OF THE RESPONDENTS SUBMITTED AN OFFER OF SETTLEMENT WHICH HAVE BEEN ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 12/14/1989 AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 01/12/1989. THE DECISION ACCEPTING THE RESPONDENTS' OFFERS WAS ISSUED ON 01/25/1989: FINDINGS WERE MADE OF THE RULE VIOLATIONS AS ALLEGED IN THE COMPLAINT AS TO EACH RESPONDENT AND THE FOLLOWING SANCTIONS ARE IMPOSED ON ALL-TECH INVESTMENT GROUP, INC. FOR VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE AND SCHEDULE C OF THE BY-LAWS: CENSURED, FINED \$40,000 AND SUSPENDED FOR 7 MONTHS FROM ACTING IN THE CAPACITY OF A SOES ORDER ENTRY FIRM. IN ADDITION, ALL-TECH INVESTMENT GROUP, INC. UNDERTAKES WITH HAYES THAT HAYES WILL NOT ENGAGE IN ANY CONDUCT REQUIRING REGISTRATION PURSUANT TO SCHEDULE C UNLESS AND UNTIL HAYES IS APPROPRIATELY REGISTERED. \*\*\*\$40,000.00 PAID ON 1/18/91 FULLY PAID (INSTALLMENT)\*\*\*

**Reporting Source:** Firm

**Current Status:** Final



<b>Appealed To and Date Appeal Filed:</b>	N/A
<b>Allegations:</b>	VIOLATION OF NASD'S RULES OF FAIR PRACTICE
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	10/06/1988
<b>Docket/Case Number:</b>	MS781
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	01/25/1989
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$40,000.00
<b>Other Sanctions Ordered:</b>	ALL-TECH WAS FOUND TO HAVE VIOLATED ARTICLE III OF THE RULES OF FAIR PRACTICE OF THE NASD AND WAS CENSURED AND FINED \$40,000.00 AND SUSPENDED FOR 7 MONTHS FROM ACTING IN THE CAPACITY OF A SOES ORDER ENTRY FIRM. MR. SHEFTS WAS CENSURED AND FINED \$10,000.00 FOR SAME VIOLATION.
<b>Sanction Details:</b>	N/A
<b>Firm Statement</b>	ALL-TECH WAS FOUND TO HAVE VIOLATED ARTICLE III OF THE NASD'S RULES OF FAIR PRACTICE, CENSURED FINED \$40,000.00 AND SUSPENDED FROM ACTING AS A SOES ORDER ENTRY FIRM FOR 7 MONTHS. MARK SHEFTS WAS ALSO FOUND TO HAVE VIOLATED THE SAME, AND WAS CENSURED AND FINED \$10,000.00

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

### Disclosure 1 of 3

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	10/24/2003
<b>Case Number:</b>	<a href="#">03-07321</a>
<b>Disputed Product Type:</b>	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
<b>Sum of All Relief Requested:</b>	\$1,400.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	03/24/2004
<b>Sum of All Relief Awarded:</b>	\$1,425.00

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 3

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-TRANSFER; NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	08/12/1997
<b>Case Number:</b>	<a href="#">97-03961</a>
<b>Disputed Product Type:</b>	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$14,058.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 08/14/1998  
**Sum of All Relief Awarded:** \$14,058.00

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 3

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE  
**Arbitration Forum:** NASD  
**Case Initiated:** 05/24/1999  
**Case Number:** [99-02325](#)  
**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES  
**Sum of All Relief Requested:** \$275,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 08/01/2001  
**Sum of All Relief Awarded:** \$456,719.00

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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