

BrokerCheck Report

SIGNAL SECURITIES, INC.

CRD# 15916

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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



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



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

**SIGNAL SECURITIES, INC.**

CRD# 15916

SEC# 8-32948

Main Office Location

700 THROCKMORTON STREET
FORT WORTH, TX 76102-5036
Regulated by FINRA Dallas Office

Mailing Address

700 THROCKMORTON STREET
FORT WORTH, TX 76102-5036

Business Telephone Number

817-877-4256

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 corporation.

This firm was formed in Texas on 09/24/1984.

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
- 45 U.S. states and territories

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

This firm conducts 14 types of businesses.

This firm is 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 | 3 |
| Arbitration | 2 |



Firm Profile

This firm is classified as a corporation.

This firm was formed in Texas on 09/24/1984.

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.

SIGNAL SECURITIES, INC.

Doing business as SIGNAL SECURITIES, INC.

CRD# 15916

SEC# 8-32948

Main Office Location

700 THROCKMORTON STREET
FORT WORTH, TX 76102-5036

Regulated by FINRA Dallas Office

Mailing Address

700 THROCKMORTON STREET
FORT WORTH, TX 76102-5036

Business Telephone Number

817-877-4256



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): | SINGLETON, IVAN JERRY |
| | 1249354 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | EXE CHRM, TREAS, DIR: JOINTLY OWNED W/CARLA WRIGHT |
| Position Start Date | 06/2011 |
| Percentage of Ownership | 75% or more |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |

| | |
|---|---|
| Legal Name & CRD# (if any): | WRIGHT, CARLA BETH |
| | 1888192 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | DIR, CORP SEC: JOINTLY OWNED WITH JERRY SINGLETON |
| Position Start Date | 03/2012 |
| Percentage of Ownership | 75% or more |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |

| | |
|---|---------------------------|
| Legal Name & CRD# (if any): | SNOW, CHRISTOPHER RICHARD |
| | 2790759 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | CEO, ROSFP, DIR, MSP |



Firm Profile

Direct Owners and Executive Officers (continued)

| | |
|---|-----------------------|
| Position Start Date | 03/2011 |
| 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): | KORNS, CHASE MARSHALL 6792936 |
|--|----------------------------------|

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

| | |
|-----------------|-----|
| Position | CCO |
|-----------------|-----|

| | |
|----------------------------|---------|
| Position Start Date | 03/2024 |
|----------------------------|---------|

| | |
|--------------------------------|--------------|
| 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): | MENGIS, JANET LEE |
|--|-------------------|

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

| | |
|-----------------|-----|
| Position | CFO |
|-----------------|-----|

| | |
|----------------------------|---------|
| Position Start Date | 01/2019 |
|----------------------------|---------|

| | |
|--------------------------------|--------------|
| Percentage of Ownership | Less than 5% |
|--------------------------------|--------------|

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

| | |
|--|----|
| Is this a public reporting company? | No |
|--|----|

Firm Profile

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

Indirect Owners

No information reported.



Firm History

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

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 45 U.S. states and territories.

| Federal Regulator | Status | Date Effective |
|-------------------|----------|----------------|
| SEC | Approved | 12/31/1984 |

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

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

A government securities broker or dealer only: No

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

| Self-Regulatory Organization | Status | Date Effective |
|------------------------------|----------|----------------|
| FINRA | Approved | 03/01/1985 |



Firm Operations

Registrations (continued)

| U.S. States & Territories | Status | Date Effective |
|---------------------------|----------|----------------|
| Alabama | Approved | 02/09/1993 |
| Arizona | Approved | 02/20/1991 |
| Arkansas | Approved | 02/26/1992 |
| California | Approved | 11/13/1990 |
| Colorado | Approved | 01/15/1990 |
| Connecticut | Approved | 10/20/1993 |
| Florida | Approved | 06/27/1991 |
| Georgia | Approved | 01/22/1993 |
| Hawaii | Approved | 01/02/2002 |
| Idaho | Approved | 01/13/1995 |
| Illinois | Approved | 04/12/1991 |
| Indiana | Approved | 12/04/1990 |
| Iowa | Approved | 03/11/1993 |
| Kansas | Approved | 04/06/1992 |
| Kentucky | Approved | 01/21/1999 |
| Louisiana | Approved | 04/25/1990 |
| Maine | Approved | 08/13/2002 |
| Maryland | Approved | 09/18/1995 |
| Massachusetts | Approved | 09/25/1995 |
| Michigan | Approved | 05/02/1995 |
| Minnesota | Approved | 01/02/1991 |
| Mississippi | Approved | 01/23/1991 |
| Missouri | Approved | 05/10/1991 |
| Montana | Approved | 05/14/2001 |
| Nebraska | Approved | 05/15/1996 |
| Nevada | Approved | 06/29/1994 |
| New Jersey | Approved | 03/19/1993 |
| New Mexico | Approved | 04/16/1991 |
| New York | Approved | 01/27/1994 |
| North Carolina | Approved | 01/24/1995 |
| North Dakota | Approved | 09/23/1996 |
| Ohio | Approved | 12/04/1990 |
| Oklahoma | Approved | 03/20/1990 |

| U.S. States & Territories | Status | Date Effective |
|---------------------------|----------|----------------|
| Oregon | Approved | 02/01/1995 |
| Pennsylvania | Approved | 01/24/2006 |
| South Carolina | Approved | 08/10/1998 |
| South Dakota | Approved | 10/29/2003 |
| Tennessee | Approved | 02/26/1992 |
| Texas | Approved | 01/10/1985 |
| Utah | Approved | 02/11/1991 |
| Virginia | Approved | 05/18/1994 |
| Washington | Approved | 03/29/1995 |
| West Virginia | Approved | 03/13/2001 |
| Wisconsin | Approved | 02/19/1993 |
| Wyoming | Approved | 04/30/1996 |



Firm Operations

Types of Business

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

This firm currently conducts 14 types of businesses.

Types of Business

| |
|---|
| Broker or dealer retailing corporate equity securities over-the-counter |
| Broker or dealer selling corporate debt securities |
| Mutual fund retailer |
| U S. government securities broker |
| Municipal securities broker |
| Broker or dealer selling variable life insurance or annuities |
| Solicitor of time deposits in a financial institution |
| Put and call broker or dealer or option writer |
| Investment advisory services |
| Broker or dealer selling tax shelters or limited partnerships in the secondary market |
| Trading securities for own account |
| Private placements of securities |
| Broker or dealer involved in a networking, kiosk or similar arrangment with a: bank, savings bank or association, or credit union |
| Broker or dealer involved in a networking, kiosk or similar arrangment with a: insurance company or agency |

Other Types of Business

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

This firm does engage in other non-securities business.

Non-Securities Business Description: SIGNAL IS A LICENSED INSURANCE AGENCY DEALING IN LIFE, HEALTH AND FIXED ANNUITIES INSURANCE SALES.



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: | HILLTOP SECURITIES INC. |
| CRD #: | 6220 |
| Business Address: | 1201 ELM STREET #4300 DALLAS, TX 75270 |
| Effective Date: | 09/11/1990 |
| Description: | FULLY DISCLOSED CLEARING ARRANGEMENT |

Firm Operations

Industry Arrangements



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

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM ST, STE 4300
DALLAS, TX 75270
Effective Date: 09/11/1990
Description: FULLY DISCLOSED CORRESPONDENT AGREEMENT

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

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 4300 ELM STREET #4300
DALLAS, TX 75270
Effective Date: 09/11/1990
Description: FULLY DISCLOSED CLEARING ARRANGEMENT

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

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM STREET #4300
DALLAS, TX 75270
Effective Date: 09/11/1990
Description: FULLY DISCLOSED CLEARING ARRANGEMENT

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 | 3 | 0 |
| Arbitration | N/A | 2 | 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 3

Reporting Source: Regulator

Current Status: Final



Allegations: SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C3-3 THEREUNDER, NASD RULES 1014, 2110 - RESPONDENT MEMBER HELD CUSTOMER FUNDS REPRESENTING PAYMENT OF COMMISSIONS IN CONNECTION WITH SECONDARY MARKET PURCHASES OF THE PURCHASE PRICE OF DIRECT PARTICIPATION PROGRAM (DPP) UNITS INTO ITS GENERAL OPERATING ACCOUNT INSTEAD OF A SEGREGATED ACCOUNT PRIOR TO FINALIZATION OF THE DPP TRANSACTIONS, THEREBY THE FIRM WAS DEEMED TO BE HOLDING CUSTOMER FUNDS. THE FINDINGS STATED THAT THE FIRM FAILED TO PROMPTLY DEPOSIT CUSTOMER CHECKS REPRESENTING PAYMENT FOR THE PURCHASE PRICE OF DPP UNITS INTO THE ESTABLISHED ESCROW ACCOUNTS AND AS A RESULT, THE FINDINGS ALSO STATED THAT THE FIRM WAS REQUIRED TO PERFORM MONTHLY RESERVE COMPUTATIONS AND TO MAKE DEPOSITS INTO A SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THE CUSTOMERS HOWEVER THE FIRM FAILED TO MAKE ANY COMPUTATIONS OR DEPOSITS TO DO SO. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S HOLDING OF CUSTOMER FUNDS VIOLATED ITS NASD MEMBERSHIP AGREEMENT WHICH PROHIBITED THE FIRM FROM HOLDING CUSTOMER FUNDS.

Initiated By: NASD

Date Initiated: 07/26/2007

Docket/Case Number: [E062005002703](#)

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: 07/26/2007

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

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

Other Sanctions Ordered:



Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, SIGNAL SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS CENSURED AND FINED \$15,000.

Reporting Source: Firm

Current Status: Final

Allegations: SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C3-3 THEREUNDER, NASD RULES 1014, 2110 - RESPONDENT MEMBER HELD CUSTOMER FUNDS REPRESENTING PAYMENT OF THE PURCHASE PRICE OF DIRECT PARTICIPATION PROGRAM (DPP) UNITS INTO ESTABLISHED ESCROW ACCOUNTS AND AS A RESULT, IT WAS REQUIRED TO PERFORM MONTHLY RESERVE COMPUTATIONS AND TO MAKE DEPOSITS INTO A SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THE CUSTOMERS HOWEVER IT FAILED TO MAKE ANY COMPUTATIONS OR DEPOSITS.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 07/26/2007

Docket/Case Number: [E062005002703](#)

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: 07/26/2007

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, SIGNAL SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, FIRM WAS CENSURED AND FINED \$15,000.

Firm Statement SIGNAL SECURITIES' FACILITATION OF THE SECONDARY MARKET TRANSACTIONS ("DPP") DESCRIBED HEREIN WAS IN PLACE PRIOR TO 2005, DURING WHICH TIMES THE NASD CONDUCTED NUMEROUS ROUTINE



EXAMINATIONS. PRIOR TO THE 2005 EXAMINATION, SIGNAL WAS NOT ADVISED THAT THESE PRACTICES WERE PROBLEMATIC. IN ALL INSTANCES WHERE A DPP TRANSACTION WAS NOT COMPLETED, THE CUSTOMER RECEIVED A REFUND, DESPITE THE FACT THE CUSTOMER'S COMMISSION CHECK WAS DEPOSITED IN OUR OPERATING ACCOUNT. ALTHOUGH SEVERAL DPP CHECKS WERE NOT IMMEDIATELY DEPOSITED, IN EACH INSTANCE, ALL FUNDS WERE ACCOUNTED FOR, AND NO CUSTOMER WAS HARMED BY THE DELAY. IN ADDITION, NO CUSTOMER COMPLAINTS HAD BEEN FILED CONCERNING THE PRACTICES DESCRIBED HEREIN.

Disclosure 2 of 3

| | |
|----------------------------|--|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | +10/11/2000+ SEC NEWS DIGEST, ISSUE NO. 2000-186, DATED 09/27/2000, ENFORCEMENT PROCEEDINGS, AND ADMINISTRATIVE PROCEEDING RELEASE #34-43350, DATED 09/26/2000, DISCLOSES: ON SEPTEMBER 26, 2000, THE SEC INSTITUTED PUBLIC ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS ("ORDER") AGAINST RESPONDENT SIGNAL SECURITIES, INC. ("SIGNAL") PURSUANT TO SECTIONS 15(B) AND 19(H) OF THE SECURITIES EXCHANGE ACT 1934 ("EXCHANGE ACT"). THE SEC ALLEGED THAT SIGNAL FAILED TO REASONABLY SUPERVISE A FORMER REGISTERED REPRESENTATIVE WHO HAD A HISTORY OF COMPLIANCE RELATED CONCERNS BEFORE JOINING THE FIRM AND WHO MISAPPROPRIATED \$2 MILLION FROM PUBLIC CUSTOMERS FOR HIS OWN USE PRIOR TO AND DURING HIS ASSOCIATION WITH THE FIRM; AND FAILED TO HAVE APPROPRIATE SUPERVISORY AND COMPLIANCE CONTROLS IN PLACE THAT MIGHT HAVE ALERTED THE FIRM TO THE REPRESENTATIVE'S CONDUCT. THE SEC ALSO ALLEGED THAT THE FORMER REGISTERED REPRESENTATIVE HAD BEEN TERMINATED FROM HIS PRIOR FIRM AND HAD AN EARLIER CUSTOMER ARBITRATION AND FINANCIAL JUDGMENTS. MOREOVER, SHORTLY AFTER SIGNAL HIRED REPRESENTATIVE, THE NASD CAUTIONED HIM AGAINST THE VERY TYPE OF ACTIVITY-ACCEPTING CHECKS FROM CLIENTS MADE OUT TO HIS COMPANY-THAT HE USED TO MISAPPROPRIATE FUNDS FROM HIS CLIENTS WHILE HE WAS ASSOCIATED WITH SIGNAL. DESPITE THE NASD WARNING, THE ARBITRATION AND FINANCIAL JUDGMENTS, SIGNAL FAILED TO INCREASE ITS SUPERVISION OF REPRESENTATIVE'S ACTIVITIES. |
| Initiated By: | UNITED STATES SECURITIES AND EXCHANGE COMMISSION |
| Date Initiated: | 09/26/2000 |
| Docket/Case Number: | REL. 34-43350, FILE #3-10304 |



Principal Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: A CIVIL PENALTY

Resolution: Order

Resolution Date: 09/26/2000

Sanctions Ordered: Censure
Monetary/Fine \$50,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: CENSURED, ORDERED TO PAY A CIVIL PENALTY OF \$50,000, AND ORDERED TO HIRE AN INDEPENDENT CONSULTANT TO REVISE ITS SUPERVISORY AND COMPLIANCE PROCEDURES

Regulator Statement THE SEC INSTITUTED PUBLIC ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS ("ORDER") AGAINST RESPONDENT SIGNAL SECURITIES, INC. PURSUANT TO SECTIONS 15(B) AND 19(H) OF THE SECURITIES EXCHANGE ACT 1934 ("EXCHANGE ACT"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, SIGNAL HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE SEC HAS DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING THE SEC'S FINDINGS, SIGNAL CONSENTED TO THE ENTRY OF THE ORDER INSTITUTING PROCEEDINGS, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS. THE SEC ALLEGED THAT SIGNAL FAILED ADEQUATELY TO SUPERVISE A FORMER REGISTERED REPRESENTATIVE. SIGNAL IS HEREBY CENSURED AND ORDERED TO PAY A CIVIL PENALTY. (REL. 34-43350; FILE #3-10304)

Reporting Source: Firm

Current Status: Final

Allegations: +10/11/2000+ SEC NEWS DIGEST, ISSUE NO. 2000-186, DATED 09/27/2000, ENFORCEMENT PROCEEDINGS, AND ADMINISTRATIVE PROCEEDING RELEASE #34-43350, DATED 09/26/2000, DISCLOSES: ON SEPTEMBER 26, 2000, THE SEC INSTITUTED PUBLIC ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS ("ORDER") AGAINST RESPONDENT SIGNAL SECURITIES, INC. ("SIGNAL") PURSUANT TO SECTIONS 15(B) AND 19(H) OF THE SECURITIES EXCHANGE ACT 1934 ("EXCHANGE ACT"). THE SEC ALLEGED THAT SIGNAL FAILED TO REASONABLY SUPERVISE A FORMER REGISTERED REPRESENTATIVE WHO HAD A HISTORY OF COMPLIANCE



RELATED CONCERNS BEFORE JOINING THE FIRM AND WHO MISAPPROPRIATED \$2 MILLION FROM PUBLIC CUSTOMERS FOR HIS OWN USE PRIOR TO AND DURING HIS ASSOCIATION WITH THE FIRM; AND FAILED TO HAVE APPROPRIATE SUPERVISORY AND COMPLIANCE CONTROLS IN PLACE THAT MIGHT HAVE ALERTED THE FIRM TO THE REPRESENTATIVE'S CONDUCT. THE SEC ALSO ALLEGED THAT THE FORMER REGISTERED REPRESENTATIVE HAD BEEN TERMINATED FROM HIS PRIOR FIRM AND HAD AN EARLIER CUSTOMER ARBITRATION AND FINANCIAL JUDGMENTS. MOREOVER, SHORTLY AFTER SIGNAL HIRED REPRESENTATIVE, THE NASD CAUTIONED HIM AGAINST THE VERY TYPE OF ACTIVITY-ACCEPTING CHECKS FROM CLIENTS MADE OUT TO HIS COMPANY-THAT HE USED TO MISAPPROPRIATE FUNDS FROM HIS CLIENTS WHILE HE WAS ASSOCIATED WITH SIGNAL. DESPITE THE NASD WARNING, THE ARBITRATION AND FINANCIAL JUDGMENTS, SIGNAL FAILED TO INCREASE ITS SUPERVISION OF REPRESENTATIVE'S ACTIVITIES.

| | |
|---|--|
| Initiated By: | SECURITIES AND EXCHANGE COMMISSION |
| Date Initiated: | 09/26/2000 |
| Docket/Case Number: | REL.34-43350,FILE NO. 3-10304 |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Censure |
| Other Sanction(s)/Relief Sought: | FIRM FINED AND REQUIRED TO HIRE INDEPENDENT CONSULTANT TO REVIEW SUPERVISORY AND COMPLIANCE PROCEDURES. FIRM PRESIDENT FINED AND SUSPENDED FROM SUPERVISORY AND PROPRIETARY ACTIVITIES FOR SIX MONTHS. CHIEF COMPLIANCE OFFICER FINED AND SUSPENDED FROM SUPERVISORY ACTIVITIES FOR FOUR MONTHS. |
| Resolution: | Order |
| Resolution Date: | 09/26/2000 |
| Sanctions Ordered: | Censure Monetary/Fine \$50,000.00 Suspension |
| Other Sanctions Ordered: | HIRE INDEPENDENT CONSULTANT TO REVIEW SUPERVISORY AND COMPLIANCE PROCEDURES |
| Sanction Details: | FIRM CENSURED, ORDERED TO PAY CIVIL PENALTY OF \$50,000.00, AND ORDERED TO HIRE AN INDEPENDENT CONSULTANT TO REVIEW SUPERVISORY AND COMPLIANCE PROCEDURES. FIRM PRESIDENT FINED \$15,000.00 AND SUSPENDED FROM PRINCIPAL AND PROPRIETARY |



ACTIVITIES FOR SIX MONTHS BEGINNING 9-26-2000. CCO FINED \$10,000.00
AND SUSPENDED FROM SUPERVISORY ACTIVITIES FOR FOUR MONTHS.

Disclosure 3 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: DEFENDANT BROKER-DEALER FAILED TO FILE ITS
AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH VIRGINIA CODE
SECTION 13.1-518.1 FOR THE SECOND YEAR.

Initiated By: VIRGINIA - STATE CORPORATION COMMISSION
DIVISION OF SECURITIES

Date Initiated: 08/01/1996

Docket/Case Number: SEC960055

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 08/01/1996

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: DEFENDANT BROKER-DEALER, WITHOUT ADMITTING OR
DENYING THE ALLEGATIONS, AGREES TO REFRAIN FROM ANY CONDUCT
WHICH WOULD CONSTITUTE A VIOLATION OF VIRGINIA CODE SECTION
13.1-518.1 AS LONG AS IT IS REGISTERED AND PAY A PENALTY OF
\$500.00.

Regulator Statement CONTACT: HALL JONES, BROKER-DEALER EXAMINER,
804-371-9016.

Reporting Source: Firm

Current Status: Final



Allegations: ALLEGED VIOLATION OF VIRGINIA CODE STATUTE 13.1-518.1 FOR FAILURE TO FILE AUDITED ANNUAL FINANCIAL REPORTS WITHIN TEN (10) DAYS OF PUBLICATION.

Initiated By: COMMONWEALTH OF VIRGINIA STATE CORPORATION COMMISSION

Date Initiated: 07/08/1996

Docket/Case Number: SEC 960055

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 08/01/1996

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: FINE WAS PAID IN FULL AND SUBMITTED WITH SIGNED SETTLEMENT ORDER TO STATE CORPORATION COMMISSION IN JULY 1996.

Firm Statement APPLICANT'S FORMER CCO FAILED TO SUBMIT ANNUAL AUDIT FOR END OF YEAR 1994. UPON NOTIFICATION, REPORT WAS IMMEDIATELY SUBMITTED. CCO RESIGNED IN DECEMBER 1995 AND FAILED TO UPDATE RECORDS PERTAINING TO VIRGINIA REGISTRATION REQUIREMENTS. REGISTRATION WAS PROMPTLY RENEWED IN 1996. REPORT WAS NOT SENT DUE TO INACCURATE RECORDS. UPON NOTIFICATION, REPORT WAS PROMPTLY SUBMITTED. APPLICANT AGREED TO SETTLEMENT UNDER THE ASSUMPTION THE MATTER WAS CLOSED AND WAS NOT REPORTABLE. APPLICANT STRONGLY DISAGREES THAT THIS MATTER RELATES TO ITEM 11D2 OF THIS FORM.



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 2

| | |
|-------------------------------------|---|
| Reporting Source: | Regulator |
| Type of Event: | ARBITRATION |
| Allegations: | ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE |
| Arbitration Forum: | NASD |
| Case Initiated: | 12/22/2000 |
| Case Number: | 00-05543 |
| Disputed Product Type: | COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE |
| Sum of All Relief Requested: | Unspecified Damages |
| Disposition: | AWARD AGAINST PARTY |
| Disposition Date: | 11/22/2002 |
| Sum of All Relief Awarded: | \$45,251.00 |

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 2

| | |
|---------------------------|---|
| Reporting Source: | Regulator |
| Type of Event: | ARBITRATION |
| Allegations: | ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE |
| Arbitration Forum: | NASD |
| Case Initiated: | 04/15/2003 |
| Case Number: | 03-01810 |



Disputed Product Type: ANNUITIES; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$310,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/05/2004

Sum of All Relief Awarded: \$6,000.00

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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