

BrokerCheck Report
SICOR SECURITIES INC
 CRD# 16195

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Registration and Withdrawal	2
Firm Profile	3 - 8
Firm History	9
Firm Operations	10 - 14
Disclosure Events	15



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

About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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Thank you for using FINRA BrokerCheck.



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



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



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 Ohio on 04/01/1984.
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 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	13
Arbitration	1

SICOR SECURITIES INC
CRD# 16195
SEC# 8-33445

Main Office Location
6500 POE AVENUE
SUITE 105
DAYTON, OH 45414-2556

Mailing Address
6500 POE AVENUE
SUITE 105
DAYTON, OH 45414-2556

Business Telephone Number
937 890-3101

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: 10/15/2013

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 Ohio on 04/01/1984.

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.

SICOR SECURITIES INC

Doing business as SICOR SECURITIES INC

CRD# 16195

SEC# 8-33445

Main Office Location

6500 POE AVENUE
SUITE 105
DAYTON, OH 45414-2556

Mailing Address

6500 POE AVENUE
SUITE 105
DAYTON, OH 45414-2556

Business Telephone Number

937 890-3101



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): TIS HOLDINGS INC

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

Position STOCK HOLDER

Position Start Date 10/2002

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): LEHMAN, HEATH A

2395182

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

Position FINANCIAL & OPERATIONS PRINCIPAL

Position Start Date 06/2012

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): MERRICK, GREGORY LUNAR

2933448

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

Position PRESIDENT/DIRECTOR

Position Start Date 10/2000



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): MERRICK, GREGORY LUNAR
2933448

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 03/2004

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): MERRICK, SARA ANN
2672417

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

Position SECRETARY/V-PRES/DIRECTOR

Position Start Date 01/1998

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): THE DEMANGE ASSET MANAGEMENT CO

Firm Profile



Direct Owners and Executive Officers (continued)

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

Position STOCK HOLDER

Position Start Date 11/1999

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	MERRICK, SARA ANN 2672417
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	S & P BUSINESS TRUST
Relationship to Direct Owner	TRUSTEE OF S & P BUSINESS TRUST
Relationship Established	07/1998
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):	S & P BUSINESS TRUST
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	TIS HOLDINGS, INC.
Relationship to Direct Owner	BUSINESS TRUST
Relationship Established	07/1998
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	GREGORY MERRICK ASSET MANAGEMENT CO
Is this a domestic or foreign	Domestic Entity

Firm Profile



Indirect Owners (continued)

entity or an individual?

Company through which indirect ownership is established TIS HOLDINGS, INC.,.

Relationship to Direct Owner BUSINESS TRUST

Relationship Established 04/1999

Percentage of Ownership 25% but less than 50%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): MERRICK, GREGORY LUNAR
2933448

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

Company through which indirect ownership is established GREGORY MERRICK ASSET MANAGEMENT CO

Relationship to Direct Owner TRUSTEE OF GREGORY MERRICK ASSET MANAGEMENT CO

Relationship Established 04/1999

Percentage of Ownership 25% but less than 50%

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

Is this a public reporting company? No

Firm History

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

No information reported.



Firm Operations



Registrations

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

This firm is no longer registered.

The firm's registration was from 05/06/1985 to 01/31/2014.

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 10 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
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member

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:	STERNE AGEE CLEARING INC
CRD #:	23952
Business Address:	800 SHADES CREEK PRKWY SUITE 580 BIRMINGHAM, AL 35209
Effective Date:	05/13/2002
Description:	WE MAINTAIN A RELATIONSHIP WITH THIS BROKER DEALER TO INTRODUCE CUSTOMERS FOR GENERAL SECURITIES BUSINESS. ALL TRADES ARE CLEARED THROUGH STERNE AGEE CLEARING INC.

Firm Operations

Industry Arrangements



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

Name: STERNE AGEE CLEARING INC
CRD #: 23952
Business Address: 800 SHADES CREEK PRKWAY SUITE 580
BIRMINGHAM, AL 35209
Effective Date: 05/13/2002
Description: WE MAINTAIN A RELATIONSHIP WITH THIS BROKER DEALER TO
INTRODUCE CUSTOMERS FOR GENERAL SECURITIES BUSINESS. ALL
TRADES ARE CLEARED THROUGH STERNE AGEE CLEARING INC.

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

Name: STERNE AGEE CLEARING INC
CRD #: 23952
Business Address: 800 SHADES CREEK PRKWAY SUITE 580
BIRMINGHAM, AL 35209
Effective Date: 05/13/2002
Description: WE MAINTAIN A RELATIONSHIP WITH THIS BROKER DEALER TO
INTRODUCE CUSTOMERS FOR GENERAL SECURITIES BUSINESS. ALL
TRADES ARE CLEARED THROUGH STERNE AGEE CLEARING INC.

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

Name: STERNE AGEE CLEARING INC
CRD #: 23952
Business Address: 800 SHADES CREEK PRKWAY SUITE 580
BIRMINGHAM, AL 35209
Effective Date: 05/13/2002
Description: WE MAINTAIN A RELATIONSHIP WITH THIS BROKER DEALER TO
INTRODUCE CUSTOMERS FOR GENERAL SECURITIES BUSINESS. ALL
TRADES ARE CLEARED THROUGH STERNE AGEE CLEARING INC.

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, 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.

SIGNATURE INVESTMENTS, INC. is under common control with the firm.

CRD #:	113443
Business Address:	6500 POE AVE, SUITE 110 DAYTON, OH 45414
Effective Date:	07/01/2001
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	THRU COMMON CONTROL OF TIS HOLDINGS, INC AND GREGORY L. MERRICK.

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	13	0
Arbitration	N/A	1	N/A



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 13

Reporting Source: Regulator

Current Status: Final



Allegations: EXHIBITED A LACK OF GOOD BUSINESS REPUTE WHEN NOT COMPLETING SUITABILITY ANALYSIS OF CUSTOMERS.

Initiated By: OHIO

Date Initiated: 09/25/2014

Docket/Case Number: 14-015

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): CATS

Principal Sanction(s)/Relief Sought: Revocation

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/02/2015

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

Disclosure 2 of 13

Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENT SICOR SECURITIES INC FAILED TO PAY FINES AND/OR COSTS OF \$200,000 IN FINRA CASE #2012030718001.

Initiated By: FINRA

Date Initiated: 01/31/2014

Docket/Case Number: [2012030718001](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Expulsion


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

Resolution Date: 01/31/2014

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: Revocation/Expulsion/Denial

Other Sanctions Ordered:
Sanction Details: PURSUANT TO FINRA RULE 8320, RESPONDENT SICOR SECURITIES INC IS EXPELLED FROM FINRA MEMBERSHIP AS OF THE CLOSE OF BUSINESS ON JANUARY 31, 2014 FOR FAILURE TO PAY FINES AND/OR COSTS.

Disclosure 3 of 13
Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENT SICOR SECURITIES INC FAILED TO PAY FEES OF \$1,936.11 DUE TO FINRA.

Initiated By: FINRA

Date Initiated: 10/28/2013

Docket/Case Number: N/A

Principal Product Type: No Product

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

Other Sanction(s)/Relief Sought: CANCELLATION

Resolution: Other

Resolution Date: 11/18/2013



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

Sanctions Ordered:

Other Sanctions Ordered: CANCELLATION

Sanction Details: PURSUANT TO FINRA RULE 9553, SICOR SECURITIES INC.'S MEMBERSHIP WITH FINRA IS CANCELED AS OF NOVEMBER 18, 2013 FOR FAILURE TO PAY OUTSTANDING FEES.

Disclosure 4 of 13

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 17A-3, 17A-3(A)(11), 17A-4(B)(4), 17A-5, FINRA BY-LAWS ARTICLE IV, SECTION 8, FINRA RULES 2010, 2330, 3130, 3270, 3310(C), NASD RULES 1021, 2210, 2211, 3010, 3012, 3110, 3110(A), 3310: THE FIRM, BY AND THROUGH ITS CHIEF COMPLIANCE OFFICER (CCO), FAILED TO PROPERLY INSPECT ITS HOME AND BRANCH OFFICES. THE CCO WAS DESIGNATED AS HAVING OVERSIGHT RESPONSIBILITIES FOR ENSURING COMPLIANCE WITH ALL APPLICABLE RULES AND REGULATIONS CONCERNING MEMBERSHIP AND REGISTRATION INFORMATION AND WAS SPECIFICALLY CHARGED WITH THE RESPONSIBILITY OF CORRECTLY DESIGNATING EACH LOCATION AS AN OFFICE OF SUPERVISORY JURISDICTION (OSJ), SUPERVISORY BRANCH, BRANCH OR NON-BRANCH OFFICE LOCATION. DESPITE ASSURANCES FROM THE FIRM THAT IT WOULD INSPECT ITS BRANCH OFFICES IN RESPONSE TO FINRA'S REPEATED REQUESTS TO DO SO, THE FIRM, BY AND THROUGH THE CCO, SUBMITTED FORMS BR DEREGISTERING ALL OF ITS SINGLE REPRESENTATIVE BRANCH OFFICE LOCATIONS, IMPLIEDLY REPRESENTING THAT THE LOCATIONS NO LONGER QUALIFIED AS BRANCH OFFICES. THE REPRESENTATIONS MADE TO FINRA IN THE FORMS BR, HOWEVER, WERE INACCURATE. NONE OF THE DEREGISTERED LOCATIONS WERE EXEMPT FROM BRANCH REGISTRATION BASED ON THE PRIMARY RESIDENCE EXCEPTION, OR ANY OTHER EXCEPTION. IN FACT, THE FIRM, ACTING THROUGH THE CCO, KNEW OR SHOULD HAVE KNOWN THAT THE LOCATIONS SHOULD HAVE REMAINED REGISTERED AS BRANCH OFFICES. THE FIRM, BY AND THROUGH THE CCO, FAILED TO MAINTAIN AND PRESERVE EMAILS GENERATED BY REPRESENTATIVES AT THE FIRM, AND FAILED TO ESTABLISH REASONABLE PROCEDURES. CONSISTENT WITH THE FIRM'S



POLICY THAT PERMITTED REPRESENTATIVES TO USE A NON-FIRM EMAIL ADDRESS, REPRESENTATIVES USED THEIR OWN PERSONAL EMAIL ADDRESS TO CONDUCT THEIR SECURITIES BUSINESS. THE FIRM, HOWEVER, FAILED TO PRESERVE AND MAINTAIN A LARGE PORTION OF THE EMAIL COMMUNICATIONS SENT AND RECEIVED THROUGH REPRESENTATIVES' PERSONAL EMAIL ADDRESSES, APPARENTLY BECAUSE FIRM REPRESENTATIVES HAD FAILED TO COMPLY WITH ITS PROCEDURE REQUIRING THOSE EMAILS TO BE COPIED TO THE FIRM'S INTERNAL MAIL SERVER. DESPITE THE FIRM'S HEAVY RELIANCE ON THE USE OF THE EMAIL SERVICE TO CAPTURE AND RETAIN SECURITIES RELATED EMAILS, THE FIRM FAILED TO HAVE AN ADEQUATE SYSTEM IN PLACE TO ENSURE THE EMAIL SERVICE WAS CAPTURING AND PRESERVING SECURITIES RELATED EMAILS. FOR INSTANCE, THE FIRM HAD NO PROCESS OR PROCEDURES IN PLACE TO CONDUCT ANY INDEPENDENT REVIEW OF ITS REPRESENTATIVES' COMPLIANCE WITH THE POLICY REQUIRING THAT THEY FORWARD BUSINESS-RELATED EMAILS TO THE FIRM'S INTERNAL MAIL SERVER. FURTHER, THE FIRM FAILED TO HAVE ANY PROCEDURES IN PLACE PROVIDING GUIDELINES TO A REGISTERED PRINCIPAL ON THE MANNER AND FREQUENCY OF EMAIL REVIEW TO ENSURE COMPLIANCE WITH ALL APPLICABLE SEC AND FINRA RULES. THE FIRM'S REGISTERED REPRESENTATIVES HAD FORMS U4 THAT DID NOT ACCURATELY IDENTIFY ALL OUTSIDE BUSINESS ACTIVITIES ENGAGED IN BY THE REPRESENTATIVES. HOWEVER, THE FIRM FAILED TO POLL THE INDIVIDUALS REGARDING THE EXISTENCE OF ANY DISCLOSURE EVENTS ON A MONTHLY BASIS, THEREBY THE FIRM FAILED TO ENFORCE ITS PROCEDURES. THE FIRM WAS NOTIFIED BY ITS REPRESENTATIVES ON SEVERAL OCCASIONS OF PROPOSALS TO ENGAGE IN CERTAIN OUTSIDE BUSINESS ACTIVITIES. DESPITE SUCH NOTIFICATIONS AND THE FIRM'S OBLIGATION TO REVIEW THESE NOTICES, THE FIRM FAILED IN ALL INSTANCES TO CONSIDER WHETHER THE PROPOSED ACTIVITIES INTERFERED WITH THE REPRESENTATIVES' RESPONSIBILITIES TO THE FIRM'S CUSTOMERS AND WHETHER THE ACTIVITIES WOULD BE VIEWED BY CUSTOMERS AS PART OF THE FIRM'S BUSINESS. DESPITE THE FIRM'S REQUIREMENT TO REVIEW AND APPROVE BUSINESS CARDS, LETTERHEAD AND WEBSITES, THE FIRM FAILED TO ENFORCE ITS PROCEDURES RELATED TO THE REVIEW OF THESE ITEMS. FOR EXAMPLE, THE FIRM FAILED TO REVIEW AND APPROVE REGISTERED REPRESENTATIVES' BUSINESS CARDS RELATED TO THEIR OUTSIDE BUSINESS ACTIVITIES. ADDITIONALLY, THE FIRM FAILED TO REVIEW AND APPROVE THE WEBSITES OF REGISTERED REPRESENTATIVES RELATED TO THEIR OUTSIDE BUSINESS ACTIVITIES. (CONT. IN COMMENT SECTION)

Initiated By: FINRA

Date Initiated: 11/11/2013

Docket/Case Number: [2012030718001](#)



Principal Product Type:	Other
Other Product Type(s):	VARIABLE ANNUITY EXCHANGES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/11/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$200,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$200,000.
Regulator Statement	(CONT. FROM ALLEGATIONS SECTION)- FURTHERMORE, LETTERHEAD AND SEVERAL WEBSITES CONTAINED MISLEADING INFORMATION THAT WAS COMMUNICATED TO THE PUBLIC. THE FIRM FAILED TO COMPLY WITH SEC RULE 15C3-1, IN THAT IT USED THE MAILS OR OTHER MEANS OR INSTRUMENTALITIES OF INTERSTATE COMMERCE TO EFFECT TRANSACTIONS IN SECURITIES, WHILE IT FAILED TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT. IN ADDITION, THE FIRM FAILED TO PREPARE AN ACCURATE NET CAPITAL COMPUTATION FOR A PERIOD, AND FAILED TO FILE AN ACCURATE FOCUS REPORT FOR THAT PERIOD. FOR THREE SEPARATE CALENDAR YEARS, THE FIRM PREPARED AN INADEQUATE NASD RULE 3012 REPORT. THE REPORTS FOR TWO OF THE YEARS WERE DEFICIENT BECAUSE THEY DID NOT PROVIDE DETAILS AS TO THE FIRM'S SUPERVISORY CONTROLS, A SUMMARY OF THE TEST RESULTS AND ADDITIONAL SUPERVISORY PROCEDURES CREATED IN RESPONSE TO THE TEST RESULTS. THE THIRD REPORT WAS ALSO DEFICIENT BECAUSE IT ONLY PROVIDED A STATUS ON THE UPDATES THAT WERE MADE TO THE FIRM'S SUPERVISORY SYSTEM AS A RESULT OF A FINRA EXAMINATION. THE FIRM'S RULE 3012 REPORTS ALSO SERVED AS ITS FINRA RULE 3130 REPORTS. CONSEQUENTLY, THE RULE 3130 REPORTS WERE INADEQUATE AND PREVENTED THE FIRM'S CHIEF



EXECUTIVE OFFICER (CEO) FROM MAKING A PROPER CERTIFICATION UNDER RULE 3130 DURING THE RELATED CALENDAR YEARS. PRIOR TO A CERTAIN PERIOD, THE FIRM FAILED TO HAVE WRITTEN SUPERVISORY PROCEDURES (WSPS) IN PLACE REQUIRING THAT THE ACCOUNT ACTIVITY OF A PRODUCING MANAGER BE REVIEWED BY A SENIOR, OR OTHERWISE INDEPENDENT, PRINCIPAL. THEREBY, THE FIRM FAILED TO ENSURE THAT SOME ACCOUNT APPLICATIONS WITH REGARD TO ITS PRODUCING MANAGER WERE REVIEWED BY A SENIOR, OR OTHERWISE INDEPENDENT, PRINCIPAL. ALTHOUGH THE FIRM'S ANTI-MONEY LAUNDERING (AML) PROCEDURES REQUIRED THAT ITS AML PROGRAM BE TESTED, IT FAILED TO STATE HOW FREQUENTLY THE TEST WOULD BE DONE. FURTHERMORE, THERE WERE NO AML TESTS CONDUCTED IN SOME ANNUAL PERIODS, AND THE AML TEST THAT WAS CONDUCTED FOR AN ANNUAL PERIOD WAS NOT INDEPENDENT BECAUSE IT WAS PERFORMED BY FIRM PERSONNEL WHO REPORTED TO THE FIRM'S AML COMPLIANCE OFFICER AND PERFORMED THE FUNCTIONS TO BE TESTED. THE FIRM'S REPRESENTATIVES RECOMMENDED SOME VARIABLE ANNUITY EXCHANGES FOR WHICH THEY FAILED TO DOCUMENT THEIR DETERMINATIONS RELATED TO THE COST AND BENEFIT OF EXCHANGING ONE VARIABLE ANNUITY FOR ANOTHER. IN ONE OF THE EXCHANGES, THERE WAS A FAILURE TO DOCUMENT THE DETERMINATION INVOLVING THE REMAINING SURRENDER PERIOD, WHILE THERE WAS A FAILURE TO ADDRESS THE VARIABLE ANNUITY RIDER INFORMATION FOR THE CUSTOMERS' EXISTING POLICY, IN SOME EXCHANGES. THE FIRM KNOWINGLY PERMITTED AN UN-REGISTERED EMPLOYEE TO PERFORM THE DUTIES OF A FINANCIAL AND OPERATIONS PRINCIPAL (FINOP) WITHOUT ENSURING THAT SHE WAS PROPERLY REGISTERED. SPECIFICALLY, THE EMPLOYEE SIGNED ALL OF THE CHECKS FOR THE FIRM'S OPERATING ACCOUNT. THE FIRM'S CUSTOMER ACCOUNT DOCUMENTATION WAS DEFICIENT BECAUSE THE ACCOUNT DOCUMENTATION FOR CERTAIN ACCOUNTS FAILED TO DOCUMENT, AMONG OTHER THINGS, THE CUSTOMER'S TAX STATUS AND THE APPROVAL OF THE ACCOUNT BY A PRINCIPAL OF THE FIRM. IN ADDITION TO SUPERVISORY SYSTEM AND PROCEDURES FAILURES THE FIRM ALSO FAILED TO: REQUIRE THAT ITS REPRESENTATIVES CONDUCTING INVESTMENT ADVISOR BUSINESS TAKE AND PASS THE SERIES 65 EXAMINATION; REVIEW AND APPROVE THE ACCOUNT OPENING AND TRANSACTIONS INVOLVING THESE SAME REPRESENTATIVES; CONFIRM IN WRITING A CHANGE OF ADDRESS INVOLVING CUSTOMERS IN SEPARATE OFFICES; FINGERPRINT NON-REGISTERED ADMINISTRATIVE EMPLOYEES WHO HANDLED CHECKS AND ORIGINAL BOOKS AND RECORDS; SUPERVISE THE CHECKS RECEIVED AND FORWARDED BLOTTERS OR THE HANDLING OF CUSTOMER CHECKS AT ALL BRANCH OFFICES; AND REVIEW THE PERSONAL TRADING ACCOUNT OF AN INDIVIDUAL REPRESENTATIVE WHO HAD A BROKERAGE ACCOUNT OUTSIDE THE FIRM.



Disclosure 5 of 13

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULES 15C3-1, 17A-3, 17A-3(A)(2), 17A-3(A)(11), 17A-5, FINRA RULE 2010, NASD RULE 3110(A) - SICOR SECURITIES, INC., BY AND THROUGH ITS FINANCIAL AND OPERATIONS PRINCIPAL (FINOP), FAILED TO PREPARE A NET CAPITAL COMPUTATION ONE MONTH; AND FOR FOUR MONTHS, BY AND THROUGH ITS FINOP, USED THE MAILS OR OTHER MEANS OR INSTRUMENTALITIES OF INTERSTATE COMMERCE TO EFFECT TRANSACTIONS IN SECURITIES, WHILE FAILING TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT. THE FIRM, BY AND THROUGH ITS FINOP, FAILED TO MAKE AND KEEP CURRENT ACCURATE LEDGERS FOR TWO MONTHS AND FAILED TO PREPARE ACCURATE NET CAPITAL COMPUTATIONS. THE FIRM, BY AND THROUGH ITS FINOP, FILED AN INACCURATE FINANCIAL AND OPERATIONAL COMBINED SINGLE (FOCUS) PART IIA REPORT WITH REGARD TO A THREE MONTH PERIOD.
Initiated By:	FINRA
Date Initiated:	05/11/2012
Docket/Case Number:	2010021015201
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:	05/11/2012
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 \$50,000.00

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

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$50,000, \$10,000 OF WHICH IS JOINTLY AND SEVERALLY. FINE PAID IN FULL ON MAY 23, 2012.

Reporting Source:

Firm

Current Status:

Final

Allegations:

FINRA ALLEGES THAT THE FIRM, ACTING THROUGH MR. MERRICK, DID FAIL TO MAINTAIN ADEQUATE NET CAPITAL FOR THE PERIODS OF MAY 2009, JUNE 2009, MARCH 2010 AND APRIL 2010 AS EXEMPLIFIED BY ACCURATE BOOKS AND RECORDS.

Initiated By:

FINRA

Date Initiated:

05/11/2012

Docket/Case Number:

[2010021015201](#)

Principal Product Type:

No Product

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

Civil and Administrative Penalt(ies) /Fine(s)

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

Acceptance, Waiver & Consent(AWC)

Resolution Date:

05/11/2012

Sanctions Ordered:

Censure
Monetary/Fine \$50,000.00
Suspension

Other Sanctions Ordered:**Sanction Details:**

MERRICK IS SUSPENDED AS FINOP FOR 30 BUSINESS DAYS & REQUIRED TO REQUALIFY AS A FINOP, PRIOR TO ASSOCIATING WITH ANY FINRA MEMBER AS A FINOP, FOLLOWING HIS SUSPENSION, HIS SUSPENSION IS FROM JUNE 4,2012 THRU JULY 16,2012. FIRM'S FINE \$50,000, \$10,000 OF WHICH IS JOINTLY AND SEVERALLY. PAID MAY 21,2012, NO PORTION OF PENALTY WAS WAIVED.

Firm Statement

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;



THEREFORE, THE FIRM IS CENSURED AND FINED
\$50,000, \$10,000 OF WHICH IS JOINTLY AND SEVERALLY WITH GREGORY L.
MERRICK.

Disclosure 6 of 13

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON OCT. 24, 2011, AN APPLICATION FOR REGISTRATION AS A BROKER DEALER IN THE STATE OF ALABAMA WAS FILED BY SICOR SECURITIES, INC. AND GREGORY MERRICK, PRESIDENT, CCO, AND CONTROL PERSON PROVIDED A STATEMENT OF UNDERTAKING THAT NO PRIOR SECURITIES ACTIVITY IN THE STATE OF ALABAMA BY HIS FIRM. RECORDS PROVIDED BY CLEARING FIRM, STERNE AGEE ON OCTOBER 24, 2011 REFLECT SECURITIES TRANSACTIONS EFFECTED BY SICOR ON BEHALF OF ALABAMA CLIENTS FROM NOVEMBER 16, 2006 THROUGH DECEMBER 21, 2010. ON MAY 11, 2012 A CONSENT ORDER WAS ENTERED INTO WHEREBY SICOR/MERRICK PAID TO THE ALABAMA SECURITIES COMMISSION, A PARTIAL REIMBURSEMENT FOR THE COMMISSION'S COST FOR INVESTIGATING THIS MATTER, THE SUM OF \$2,000.00, AS WELL AS, AN ADMINISTRATIVE ASSESSMENT IN THE TOTAL SUM OF \$5, 000.00 INCLUDING DISGORGEMENT OF COMMISSIONS.
Initiated By:	ALABAMA
Date Initiated:	05/11/2012
Docket/Case Number:	CO-2012-0017
URL for Regulatory Action:	
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	EQUITIES AND DEBT SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	ON OCT. 24, 2011, AN APPLICATION FOR REGISTRATION AS A BROKER DEALER IN THE STATE OF ALABAMA WAS FILED BY SICOR SECURITIES, INC. AND GREGORY MERRICK, PRESIDENT, CCO, AND CONTROL PERSON PROVIDED A STATEMENT OF UNDERTAKING THAT NO PRIOR SECURITIES ACTIVITY IN THE STATE OF ALABAMA BY HIS FIRM. RECORDS PROVIDED BY CLEARING FIRM, STERNE AGEE ON OCTOBER 24, 2011 REFLECT SECURITIES TRANSACTIONS EFFECTED BY SICOR ON BEHALF OF ALABAMA CLIENTS FROM NOVEMBER 16, 2006 THROUGH DECEMBER 21, 2010. ON MAY 11, 2012 A CONSEN



Resolution: Order

Resolution Date: 05/11/2012

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

Sanctions Ordered: Monetary/Fine \$7,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: ON OCT. 24, 2011, AN APPLICATION FOR REGISTRATION AS A BROKER DEALER IN THE STATE OF ALABAMA WAS FILED BY SICOR SECURITIES, INC. AND GREGORY MERRICK, PRESIDENT, CCO, AND CONTROL PERSON PROVIDED A STATEMENT OF UNDERTAKING THAT NO PRIOR SECURITIES ACTIVITY IN THE STATE OF ALABAMA BY HIS FIRM. RECORDS PROVIDED BY CLEARING FIRM, STERNE AGEE ON OCTOBER 24, 2011 REFLECT SECURITIES TRANSACTIONS EFFECTED BY SICOR ON BEHALF OF ALABAMA CLIENTS FROM NOVEMBER 16, 2006 THROUGH DECEMBER 21, 2010. ON MAY 11, 2012 A CONSENT ORDER WAS ENTERED INTO WHEREBY SICOR/MERRICK PAID TO THE ALABAMA SECURITIES COMMISSION, A PARTIAL REIMBURSEMENT FOR THE COMMISSION'S COST FOR INVESTIGATING THIS MATTER, THE SUM OF \$2,000.00, AS WELL AS, AN ADMINISTRATIVE ASSESSMENT IN THE TOTAL SUM OF \$5, 000.00 INCLUDING DISGORGEMENT OF COMMISSIONS.

Regulator Statement ON OCT. 24, 2011, AN APPLICATION FOR REGISTRATION AS A BROKER DEALER IN THE STATE OF ALABAMA WAS FILED BY SICOR SECURITIES, INC. AND GREGORY MERRICK, PRESIDENT, CCO, AND CONTROL PERSON PROVIDED A STATEMENT OF UNDERTAKING THAT NO PRIOR SECURITIES ACTIVITY IN THE STATE OF ALABAMA BY HIS FIRM. RECORDS PROVIDED BY CLEARING FIRM, STERNE AGEE ON OCTOBER 24, 2011 REFLECT SECURITIES TRANSACTIONS EFFECTED BY SICOR ON BEHALF OF ALABAMA CLIENTS FROM NOVEMBER 16, 2006 THROUGH DECEMBER 21, 2010. ON MAY 11, 2012 A CONSENT ORDER WAS ENTERED INTO WHEREBY SICOR/MERRICK PAID TO THE ALABAMA SECURITIES COMMISSION, A PARTIAL REIMBURSEMENT FOR THE COMMISSION'S COST FOR INVESTIGATING THIS MATTER, THE SUM OF \$2,000.00, AS WELL AS, AN ADMINISTRATIVE ASSESSMENT IN THE TOTAL SUM OF \$5, 000.00 INCLUDING DISGORGEMENT OF COMMISSIONS.

Reporting Source: Firm



Current Status:	Final
Allegations:	THE STATE OF ALABAMA ALLEGES THAT, THERE WERE EFFECTED SECURITIES TRANSACTIONS ON BEHALF OF ALABAMA CLIENTS BETWEEN NOVEMBER 2006 AND DECEMBER 2010 WITHOUT PROPER REGISTRATION IN THE STATE.
Initiated By:	ALABAMA
Date Initiated:	05/11/2012
Docket/Case Number:	CO-2012-0017
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	DEBT-CORPORATE AND EQUITY-OTC
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	DISGORGEMENT
Resolution:	Order
Resolution Date:	05/11/2012
Sanctions Ordered:	Monetary/Fine \$7,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	A TOTAL OF \$ 7,000.00, WAS JOINTLY AND SEVERALLY FOR FIRM WITH GREGORY L. MERRICK, PAID TOTAL AMOUNT ON JULY 4, 2012, NO PORTION OF PENALTY WAS WAIVED.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS JOINTLY AND SEVERALLY FINED \$7,000.00.

Disclosure 7 of 13

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULES 15C3-1, 17A-3(A), 17A-3(A)(11) AND 17A-5, FINRA RULES 2010 AND 3110, AND NASD RULES 2110 AND 3110(A): RESPONDENT SICOR SECURITIES, INC., ACTING THROUGH A PRINCIPAL, FAILED TO PREPARE ACCURATE NET CAPITAL COMPUTATIONS BY ERRONEOUSLY TREATING A PORTION OF A RECEIVABLE AS AN ALLOWABLE. AS A RESULT OF THE FIRM'S INACCURATE NET CAPITAL COMPUTATIONS, THE FIRM FAILED TO



FILE ACCURATE FOCUS REPORTS. AS A RESULT OF THE FIRM'S FAILURE TO TREAT AN ARBITRATION AWARD AS A LIABILITY, THE FIRM, ACTING THROUGH A PRINCIPAL, FAILED TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT WHILE CONDUCTING A SECURITIES BUSINESS, AND PREPARED INACCURATE NET CAPITAL COMPUTATIONS, RESULTING IN THE FILING OF ANOTHER INACCURATE FOCUS REPORT.

Initiated By: FINRA

Date Initiated: 10/07/2009

Docket/Case Number: [2007009773001](#)

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: 10/07/2009

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 \$30,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000. IN ADDITION, THE FIRM IS JOINTLY AND SEVERALLY FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM FAILED TO PREPARE ACCURATE NET CAPITAL COMPUTATIONS & FOCUS FILINGS BETWEEN MAY 2007 AND DECEMBER 2008 AS A RESULTS OF THE TREATMENT OF A RECEIVABLE AND A LIABILITY FROM THE SAME



PARTY.

Initiated By: FINRA

Date Initiated: 10/07/2009

Docket/Case Number: [2007009773001](#)

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/07/2009

Sanctions Ordered: Censure
Monetary/Fine \$30,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000. IN ADDITION, THE FIRM IS JOINTLY AND SEVERALLY FINED \$10,000.

Disclosure 8 of 13

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 15C3-1, 17A-3, 17A-5, NASD RULES 2110, 3110 - RESPONDENT MEMBER USED THE MAILS OR OTHER MEANS OR INSTRUMENTALITIES OF INTERSTATE COMMERCE TO EFFECT TRANSACTIONS IN SECURITIES WHEN IT FAILED TO MEET ITS MINIMUM NET CAPITAL REQUIREMENTS. THE FINDINGS STATED THAT THE FIRM PREPARED INACCURATE TRIAL BALANCES, GENERAL LEDGERS AND NET CAPITAL COMPUTATIONS FOR VARIOUS PERIODS OF TIME. THE FINDINGS ALSO STATED THAT THE FIRM FILED WITH FINRA FOCUS IIA REPORTS THAT WERE INACCURATE IN THAT THE REPORTS OVERSTATED THE FIRM'S NET CAPITAL.

Initiated By: FINRA

Date Initiated: 10/02/2007



Docket/Case Number: [2006004682101](#)

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: 10/02/2007

Does the order constitute a No

final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

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

Other Sanctions Ordered:

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

Reporting Source: Firm

Current Status: Final

Allegations: WE FAILED TO PREPARE ACCURATE BOOKS AND RECORDS AS REFERENCED IN AWC 2006004682101 DUE TO NASD STAFF DISALLOWANCE OF ALLOWABLE ASSET OF THE FIRM.

Initiated By: FINRA

Date Initiated: 10/02/2007

Docket/Case Number: [2006004682101](#)

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: 10/02/2007

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

Other Sanctions Ordered:

Sanction Details: \$15,000 FINE AGAINST APPLICANT ONLY, PAID \$3,750.00 ON OCTOBER 16, 2007, BALANCE WILL BE PAID MONTHLY STARTING 12/07/2007 AT \$522.00 PER MONTH AND ENDING 11/07/2009 PER CONTRACT, NO PORTION WAS WAIVED.

Disclosure 9 of 13

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 17A-3(A)(11), 17A-5, NASD RULES 2110, 3110(A) - RESPONDENT MEMBER FAILED TO PREPARE ACCURATE TRIAL BALANCES AND NET CAPITAL COMPUTATIONS FOR THE THIRD QUARTER OF 2004 BY FAILING TO BOOK LIABILITIES RELATING TO CERTAIN LEGAL EXPENSES AND AS A CONSEQUENCE, THE FIRM FAILED TO FILE AN ACCURATE FOCUS REPORT.

Initiated By: NASD

Date Initiated: 06/28/2007

Docket/Case Number: E8A2004072401

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: 06/28/2007



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 \$5,000.00

Other Sanctions Ordered:

Sanction Details:

WITHOUT ADMITTING OR DENYING THE FINDINGS, SICOR SECURITIES INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$5,000.

Reporting Source:

Firm

Current Status:

Final

Allegations:

WE FAILED TO PREPARE ACCURATE TRIAL BALANCES AND NET CAPITAL COMPUTATIONS FOR THE THIRD QUARTER OF 2004, BY FAILING TO BOOK LIABILITIES RELATING TO CERTAIN LEGAL EXPENSES AND AS A CONSEQUENCE, WE FAILED TO FILE AN ACCURATE FOCUS REPORT.

Initiated By:

NASD

Date Initiated:

06/28/2007

Docket/Case Number:

E8A2004072401

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:

06/28/2007

Sanctions Ordered:

Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details:

\$5,000.00 FINE AGAINST APPLICANT ONLY, PAID \$5,000.00 ON 7.24.2007, NO PORTION WAS WAIVED.



Disclosure 10 of 13

Reporting Source:	Regulator
Current Status:	Final
Allegations:	PURSUANT TO 61-1-6 OF THE UTAH UNIFORM SECURITIES ACT AND BASED ON REVOCATION OF RESPONDENT'S LICENSE IN ARIZONA AND THE CEASE AND DESIST ORDER ISSUED BY THE SEC
Initiated By:	UTAH DIVISION OF SECURITIES
Date Initiated:	06/12/2002
Docket/Case Number:	SD-02-0078
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Revocation
Other Sanction(s)/Relief Sought:	
Resolution:	Stipulation and Consent
Resolution Date:	12/26/2002
Sanctions Ordered:	Monetary/Fine \$2,500.00
Other Sanctions Ordered:	RESPONDENT AGREES TO WITHDRAW ITS LICENSE FROM UTAH; RESPONDENT PROHIBITED FROM REAPPLYING FOR LICENSURE IN UTAH UNLESS OR UNTIL THERE IS A SUBSTANTIAL CHANGE IN OWNERSHIP OF RESPONDENT
Sanction Details:	FINE OF \$2,500.00; RESPONDENT AGREES TO WITHDRAW ITS LICENSE FROM UTAH; RESPONDENT PROHIBITED FROM REAPPLYING FOR LICENSURE IN UTAH UNLESS OR UNTIL THERE IS A SUBSTANTIAL CHANGE IN OWNERSHIP OF RESPONDENT
Regulator Statement	PURSUANT TO 61-1-6 OF THE UTAH UNIFORM SECURITIES ACT AND BASED ON REVOCATION OF RESPONDENT'S LICENSE IN ARIZONA AND THE CEASE AND DESIST ORDER ISSUED BY THE SEC. FOR MORE INFORMATION, PLEASE VISIT THE DIVISION'S WEB SITE AT: HTTP://WWW.SECURITIES.STATE.UT.US/ACTIONSEVENTS.ASP?DOCKET+NUMBER=SD%2D02%2D0078



Reporting Source: Firm

Current Status: Final

Allegations: ACTION SEEKS REVOCATION OF UTAH REGISTRATION AS A BROKER/DEALER

Initiated By: UTAH DIVISION OF SECURITIES

Date Initiated: 06/12/2002

Docket/Case Number: SD-02-0078

Principal Product Type: Investment Contract(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Revocation

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 12/26/2002

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered: WE WITHDREW OUR LICENSE FROM UTAH; AND AGREED NOT TO APPLY FOR LICENSURE UNTIL THERE IS A SUBSTANTIAL CHANGE IN OWNERSHIP.

Sanction Details: WE WITHDREW OUR LICENSE FROM UTAH ON 12/16/2002. WE AGREED NOT TO REAPPLY UNTIL THERE IS A SUBSTANTIAL CHANGE IN OWNERSHIP. OUR FINE WAS \$ 2500.00; PAID ON 12/16/2002 AND NO PORTION OF THE FINE WAS WAIVED.

Firm Statement THE STATE OF UTAH BASED THEIR REVOCATION PROCEEDINGS UPON NOTIFICATION FROM THE CENTRAL REGISTRATION DEPOSITORY (CRD) REGARDING THE STATE OF ARIZONA AND THE SEC ACTIONS. THE INFORMATION PLACED ON THE FIRMS U-6, BY THE STATE OF ARIZONA, WAS INACCURATE AND THE FIRM REQUESTED A RE-HEARING TO BE HEARD REGARDING THIS INACCURACY, HOWEVER, THE FIRM WAS DENIED.

Disclosure 11 of 13

Reporting Source: Regulator

Current Status: Final

Appealed To and Date Appeal REQUEST FOR REHEARING BY COMMISSION FILED APRIL 12, 2002 -



Filed: DECISION NO. 64559 WAS ENTERED 2/22/02, AFTER A CONTESTED HEARING BEFORE AN AZ CORPORATION COMMISSION HEARING OFFICER. REHEARING WAS DENIED BY ORDER DATED 5/30/02, DECISION NO. 64854

Allegations: ACTION SEEKS REVOCATION OF AZ REGISTRATION AS A SECURITIES DEALER PURSUANT TO ARS 44-1961 AND 44-1962 BASED UPON SEC INJUNCTION AGAINST CONTINUING FRAUDULENT ACTIVITIES IN CONNECTION WITH THE SALE OR PURCHASE OF SECURITIES AND UPON SEC HAVING SUSPENDED LEHMAN (#1345038) FROM ASSOCIATION WITH ANY BROKER-DEALER OR INVESTMENT ADVISOR OR INVESTMENT COMPANY FOR A PERIOD OF AT LEAST SIX MONTHS.

Initiated By: ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION

Date Initiated: 12/27/2000

Docket/Case Number: S-03439A-00

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): PRIME BANK AND VIATICAL

Principal Sanction(s)/Relief Sought: Revocation

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 02/22/2002

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: REVOCATION EFFECTIVE 2/22/02 - TOWER REQUESTED RE-HEARING 4/12/02 - REQUEST FOR REHEARING WAS DENIED 5/30/02 BY DECISION # 64851

Regulator Statement ORDER WAS ENTERED AFTER A CONTESTED HEARING BEFORE THE ARIZONA CORPORATION COMMISSION HEARING OFFICER. SEC HAD FOUND TOWER EQUITIES AND PHILLIP A. LEHMAN GUILTY OF WILLFUL SECURITIES FRAUD IN CONNECTION WITH FOUR PRIME BANK AND VIATICAL OFFERINGS.

Reporting Source: Firm

Current Status: Final



Appealed To and Date Appeal Filed:	TOWER REQUESTED RE-HEARING BY COMMISSION FILED APRIL 12, 2002. REHEARING DENIED 5/30/2002.
Allegations:	ACTION SEEKS REVOCATION OF AZ REGISTRATION AS A BROKER/DEALER
Initiated By:	ARIZONA CORPORATION COMMISSION
Date Initiated:	12/27/2000
Docket/Case Number:	S-03439A-00
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT
Principal Sanction(s)/Relief Sought:	Revocation
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	02/22/2002
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	REVOCATION EFFECTIVE 2/22/2002; TOWER REQUESTED RE-HEARING ON APRIL 12/2002. REHEARING DENIED 5/30/2002.
Firm Statement	IN FEBRUARY 1997 TOWER SPONSORED A PRIVATE PLACEMENT. ALL MONIES WERE RETURNED JANUARY 1998. IN AUGUST 1998 TOWER SPONSORED A GROUP OF THREE PRIVATE PLACEMENTS & RETURNED ALL MONIES DECEMBER 1998. IN ALL PROGRAMS THE INVESTORS WERE ACCREDITED INVESTORS AND HAD A FULL UNDERSTANDING OF THE RISK TO THE PROGRAM, WHICH WAS TO COMPLETE THE PROGRAM AS SPECIFIED IN THE DISCLOSURE DOCUMENT. NO MONIES WOULD LEAVE THE ESCROW ACCOUNT UNTIL THE SPECIFICATIONS OF THE OFFERINGS WERE MET. WE WERE NOT ABLE TO MEET THE SPECIFICATIONS SO ALL OF THE MONIES WITH INTEREST WERE VOLUNTARILY RETURNED TO THE INVESTORS WITH NO EXPENSE DEDUCTION. NO CLIENT COMPLAINTS OR ARBITRATIONS. NO INVESTORS IN ARIZONA. IN FEBRUARY 1998 TOWER VOLUNTARILY LIMITED, IN A LETTER AGREEMENT WITH THE NASD, TO NOT UNDERWRITE ANY PRIVATE PLACEMENTS IN THE FUTURE. AN AGREED SETTLEMENT WITH THE SEC WAS ENTERED INTO SEPTEMBER 2000 THAT CENSURED TOWER.



Reporting Source: Regulator

Current Status: Final

Allegations: 04-04-01, SEC RULES 15C3-1, 17A-3 AND NASD RULE 2110 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, USED THE MAILS OR OTHER MEANS OR INSTRUMENTALITIES OF INTERSTATE COMMERCE TO EFFECT TRANSACTIONS IN SECURITIES WHEN IT FAILED TO MAINTAIN THE MINIMUM REQUIRED NET CAPITAL; AND, ACTING THROUGH AN INDIVIDUAL, FAILED TO MAINTAIN AN ACCURATE GENERAL LEDGER.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/29/2001

Docket/Case Number: C8B010008

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/29/2001

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

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$10,000, JOINTLY AND SEVERALLY

Reporting Source: Firm

Current Status: Final

Allegations: ON 12/31/1998, 04/30/1999 & 05/31/1999 THE FIRM, ACTING THROUGH MR. WISEMAN, EFFECTED TRANSACTIONS WHEN IT FAILED TO MAINTAIN MINIMUM NET CAPITAL. DURING JANUARY, FEBRUARY & MARCH 1999 THE FIRM ACTING THROUGH MR. WISEMAN, FAILED TO MAINTAIN AN ACCURATE GENERAL LEDGER.

Initiated By: NASD REGULATION INC

Date Initiated: 01/17/2001



Docket/Case Number: C8B010008

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: \$10,000 JOINT AND SEVERAL FINE WITH KENNETH R WISEMAN

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/29/2001

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

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$10,000, JOINTLY AND SEVERALLY

Firm Statement THE NASD CONDUCTED A COMPREHENSIVE EXAMINATION OF THE BOOKS AND RECORDS OF THE FIRM FOR THE PERIODS 12/31/1998 THROUGH 05/31/1999. MR. WISEMAN SIGNED AN AWC THAT PROVIDED FOR A CENSURE AND \$10,000 FINE JOINT AND SEVERAL, THAT IS BEING PAID ON AN INSTALLMENT BASIS.

Disclosure 13 of 13

Reporting Source: Regulator

Current Status: Final

Allegations: THE ORDER INSTITUTING PROCEEDINGS ALLEGES THAT, FROM FEBRUARY 1997 THROUGH DECEMBER 1998, THE RESPONDENT MADE MISREPRESENTATIONS AND OMITTED FACTS WHILE OFFERING AND SELLING OVER \$10 MILLION WORTH OF INVESTMENT CONTRACTS. THE RESPONDENT WILLFULLY VIOLATED AND COMMITTED OR CAUSED VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT OF 1933; SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER; SECTION 15(C)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C1-2 THEREUNDER; AND SECTIONS 206(1) AND 206(2) OF THE INVESTMENT ADVISERS ACT OF 1940.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/22/1999

Docket/Case Number: REL. 34-43262; IA-1896; FILE NO. 3-10024



Principal Product Type:	Investment Contract(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Order
Resolution Date:	09/07/2000
Sanctions Ordered:	Censure Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	(1) CENSURED; AND (2) ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS.
Regulator Statement	<p>+09/27/1999, SEC NEWS DIGEST, ISSUE NO. 99-184, DATED 09/23/1999, ENFORCEMENT PROCEEDINGS DISCLOSES: ON SEPTEMBER 22, THE COMMISSION INSTITUTED PUBLIC ADMINISTRATIVE PROCEEDINGS AND CEASE AND DESIST PROCEEDINGS PURSUANT TO SECTIONS 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(B), 19(H), 21B AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E), 203(F), 203(I) AND 203(K) OF THE INVESTMENT ADVISERS ACT AND SECTION 9(B) OF THE INVESTMENT COMPANY ACT AGAINST TOWER EQUITIES, INC. A HEARING WILL BE SCHEDULED TO DETERMINE WHAT, IF ANY, REMEDIAL ACTION IS APPROPRIATE AGAINST RESPONDENT. (RELS. 33-7742; 34-41898; IA-1831; IC-24049; FILE NO. 3-10024) ***** +09/15/2000+ SEC NEWS DIGEST, ISSUE NO. 2000-173, DATED 09/08/2000, ENFORCEMENT PROCEEDINGS AND ADMINISTRATIVE PROCEEDING RELEASE NO. 33-7889, DATED 09/07/2000, DISCLOSES:</p> <p>ON SEPTEMBER 7, THE COMMISSION ENTERED A CEASE-AND-DESIST ORDER AND AN ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AGAINST RESPONDENT. THE ORDER FINDS THAT, FROM FEBRUARY 1997 THROUGH DECEMBER 1998, THE RESPONDENT MISREPRESENTED FACTS WHILE OFFERING AND SELLING OVER \$10 MILLION WORTH OF INVESTMENT CONTRACTS. THE COMMISSION CENSURED RESPONDENT AND ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS. (RELS. 33-7889, 34-43262, IA-1896, IC- 24636, FILE NO. 3-10024)</p>

Reporting Source: Firm

Current Status: Final



Allegations:	THE DIVISION OF ENFORCEMENT HAS ALLEGED CERTAIN VIOLATION RELATING TO THE FIRM'S OFFER AND SALE OF PRIVATE PLACEMENT SECURITIES, FROM TIME PERIODS RANGING FROM FEBRUARY 1997 THROUGH DECEMBER 1998
Initiated By:	UNITED STATES SECURITIES & EXCHANGE COMMISSION
Date Initiated:	09/22/1999
Docket/Case Number:	AP FILE # 3-10024
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Order
Resolution Date:	09/07/2000
Sanctions Ordered:	Censure Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	(1) CENSURE; (2) CEASE AND DESIST
Firm Statement	IN FEBRUARY 1997 TOWER SPONSORED A PRIVATE PLACEMENT. ALL MONIES WERE RETURNED JANUARY 1998. IN AUGUST 1998 TOWER SPONSORED A GROUP OF THREE PRIVATE PLACEMENTS & RETURNED ALL MONIES DECEMBER 1998. IN ALL PROGRAMS THE INVESTORS WERE ACCREDITED INVESTORS AND HAD A FULL UNDERSTANDING OF THE RISK TO THE PROGRAM, WHICH WAS TO COMPLETE THE PROGRAM AS SPECIFIED IN THE DISCLOSURE DOCUMENT. NO MONIES WOULD LEAVE THE ESCROW ACCOUNT UNTIL THE SPECIFICATIONS OF THE OFFERINGS WERE MET. WE WERE NOT ABLE TO MEET THE SPECIFICATIONS SO ALL OF THE MONIES WITH INTEREST WERE VOLUNTARILY RETURNED TO THE INVESTORS WITH NO EXPENSE DEDUCTION. NO CLIENT COMPLAINTS OR ARBITRATIONS'S WERE INITIATED BECAUSE OF THE PRIVATE PLACEMENTS. IN FEBRUARY 1998 TOWER VOLUNTARILY LIMITED, IN A LETTER AGREEMENT WITH THE NASD, TO NOT UNDERWRITE ANY PRIVATE PLACEMENTS IN THE FUTURE. AN AGREED SETTLEMENT WAS ENTERED INTO SEPTEMBER 2000 THAT CENSURED TOWER.



Arbitration Award - Award / Judgment

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

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

Disclosure 1 of 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	02/02/2005
Case Number:	05-00540
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$40,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	12/12/2005
Sum of All Relief Awarded:	\$54,300.00

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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