

## BrokerCheck Report

# E\*TRADE CAPITAL MARKETS - EXECUTION SERVICES LLC

CRD# 1625

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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).



## E\*TRADE CAPITAL MARKETS - EXECUTION SERVICES LLC

CRD# 1625

SEC# 8-833

### Main Office Location

440 S. LASALLE STREET  
SUITE 3030  
CHICAGO, IL 60605

### Mailing Address

440 S. LASALLE STREET  
SUITE 3030  
CHICAGO, IL 60605

### Business Telephone Number

312-663-7100

## Report Summary for this Firm

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

### Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Illinois on 01/02/1946.

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	7



## 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:** 09/30/2006

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



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Illinois on 01/02/1946.

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.

### **E\*TRADE CAPITAL MARKETS - EXECUTION SERVICES LLC**

**Doing business as E\*TRADE CAPITAL MARKETS - EXECUTION SERVICES LLC**

**CRD#** 1625

**SEC#** 8-833

### **Main Office Location**

440 S. LASALLE STREET  
SUITE 3030  
CHICAGO, IL 60605

### **Mailing Address**

440 S. LASALLE STREET  
SUITE 3030  
CHICAGO, IL 60605

### **Business Telephone Number**

312-663-7100



## 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):** E\*TRADE INSTITUTIONAL HOLDINGS, INC.

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

**Position** SHAREHOLDER

**Position Start Date** 01/2005

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?**

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**Legal Name & CRD# (if any):** GROVE, DAVID LEONARD

4121075

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

**Position** PRESIDENT, CEO

**Position Start Date** 11/2005

**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

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**Legal Name & CRD# (if any):** MEYER, CHRISTOPHER JOSEPH

2563511

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

**Position** CHIEF COMPLIANCE OFFICER

**Position Start Date** 11/2002



## 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?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** PELLINI, MARCO AMELIO  
2189176

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

**Position** COO

**Position Start Date** 11/2005

**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

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**Legal Name & CRD# (if any):** ROJEK, JAMES HAROLD  
3096214

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

**Position** CHIEF FINANCIAL OFFICER

**Position Start Date** 08/2005

**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

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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>	E*TRADE BROKERAGE HOLDINGS, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	E*TRADE INSTITUTIONAL HOLDINGS, INC.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	01/2005
<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>	No

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<b>Legal Name &amp; CRD# (if any):</b>	E*TRADE FINANCIAL CORPORATION
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	E*TRADE BROKERAGE HOLDINGS, INC.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	01/2005
<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>	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 10/16/1936 to 11/26/2012.**

## 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 4 types of businesses.**

#### Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in floor activities

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

Trading securities for own account

## **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 not refer or introduce customers to other brokers and dealers.**

## **Firm Operations**

### **Industry Arrangements**



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

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

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

#### **Control Persons/Financing**

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

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



## Firm Operations

### Organization Affiliates

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

**This firm is, 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.**

**BROWNCO, LLC is under common control with the firm.**

<b>CRD #:</b>	1326
<b>Business Address:</b>	ONE BEACON STREET 18TH FLOOR BOSTON, MA 02108
<b>Effective Date:</b>	12/01/2005
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	BROWNCO LLC, AN NASD BROKER-DEALER AND SEC REGISTERED INVESTMENT ADVISER, IS A WHOLLY OWNED SUBSIDIARY OF E*TRADE FINANCIAL CORPORATION.

**KOBREN INSIGHT MANAGEMENT INC is under common control with the firm.**

<b>CRD #:</b>	106473
<b>Business Address:</b>	20 WILLIAM STREET SUITE 310 WELLESLEY, MA 02481
<b>Effective Date:</b>	11/02/2005
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes

## Firm Operations



### Organization Affiliates (continued)

**Description:** KOBREN INSIGHT MANAGEMENT INC, AN SEC REGISTERED INVESTMENT ADVISER, IS A WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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**HARRISDIRECT LLC is under common control with the firm.**

**CRD #:** 42159

**Business Address:** HARBORSIDE FINANCIAL CENTER  
501 PLAZA II  
JERSEY CITY, NJ 07311

**Effective Date:** 10/06/2005

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** HARRISDIRECT LLC, AN NASD BROKER-DEALER AND SEC REGISTERED INVESTMENT ADVISER, IS A WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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**HOWARD CAPITAL MANAGEMENT is under common control with the firm.**

**CRD #:** 106951

**Business Address:** 11601 WILSHIRE BLVD.  
LOS ANGELES, CA 90025

**Effective Date:** 01/03/2005

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** HOWARD CAPITAL MANAGEMENT, AN SEC REGISTERED INVESTMENT ADVISER, IS A WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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**E\*TRADE FINANCIAL CORPORATION controls the firm.**

## Firm Operations



### Organization Affiliates (continued)

**Business Address:** 4500 BOHANNON DR  
MENLO PARK, CA 94025

**Effective Date:** 09/01/2002

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** E\*TRADE FINANCIAL CORPORATION BENEFICIALLY AND WHOLLY OWNS DEMPSEY & COMPANY LLC.

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#### ETRADE SECURITIES LIMITED is under common control with the firm.

**Business Address:** 2301-6 ASIA PACIFIC FINANCE TOWER  
3 GARDEN ROAD  
CENTRAL, HONG KONG

**Effective Date:** 09/01/1999

**Foreign Entity:** Yes

**Country:** HONG KONG

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ETRADE SECURITIES LIMITED (HONG KONG) IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### E\*TRADE SECURITIES LIMITED is under common control with the firm.

**Business Address:** 31 WORSHIP STREET  
5TH FLOOR  
LONDON, ENGLAND, UNITED KINGDOM EC2 2DX EC2 2DX

**Effective Date:** 09/01/1999

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes



## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** E\*TRADE SECURITIES LIMITED (UK) IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### VERSUS BROKERAGE SERVICES (U.S.) INC. is under common control with the firm.

**CRD #:** 39631

**Business Address:** 60 YONGE STREET, SUITE 1200  
TORONTO, ONTARIO, CANADA M5E 1H5

**Effective Date:** 08/28/2000

**Foreign Entity:** Yes

**Country:** CANADA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** VERSUS BROKERAGE SERVICES (U.S.) INC. (CANADA), AN NASD REGISTERED BROKER/DEALER, IS A BENEFICIALLY WHOLLY WUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### E\*TRADE SECURITIES LLC is under common control with the firm.

**CRD #:** 29106

**Business Address:** 10877 WHITE ROCK ROAD  
RANCHO CORDOVA, CA 95670

**Effective Date:** 01/12/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** E\*TRADE SECURITIES LLC, AN NASD REGISTERED BROKER/DEALER, IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### E\*TRADE ASSET MANAGEMENT, INC. is under common control with the firm.

## Firm Operations



### Organization Affiliates (continued)

**CRD #:** 108970

**Business Address:** 4500 BOHANNON DRIVE  
MENLO PARK, CA 94025

**Effective Date:** 01/19/1999

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** E\*TRADE ASSET MANAGEMENT, INC., AN SEC REGISTERED INVESTMENT ADVISOR, IS A WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### E\*TRADE CANADA SECURITIES CORPORATION is under common control with the firm.

**Business Address:** 60 YONGE STREET, SUITE 1200  
TORONTO, ONTARIO, CANADA M5E 1H5

**Effective Date:** 08/28/2000

**Foreign Entity:** Yes

**Country:** CANADA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** E\*TRADE CANADA SECURITIES CORPORATION IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### E\*TRADE BANK A/S is under common control with the firm.

**Business Address:** NYHAVEN 31G  
COPENHAGEN, DENMARK 1051

**Effective Date:** 03/27/2000

**Foreign Entity:** Yes

**Country:** DENMARK

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** E\*TRADE BANK A/S (DENMARK) IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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**E\*TRADE GLOBAL ASSET MANAGEMENT, INC. is under common control with the firm.**

**CRD #:** 42890

**Business Address:** BALLSTON TOWER  
671 NORTH GLEBE ROAD  
ARLINGTON, VA 22203

**Effective Date:** 01/12/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** E\*TRADE GLOBAL ASSET MANAGEMENT, INC., AN NASD REGISTERED BROKER/DEALER, IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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**E\*TRADE CLEARING LLC is under common control with the firm.**

**CRD #:** 25025

**Business Address:** 535 MADISON AVENUE, 35TH FLOOR  
NEW YORK, NY 10022

**Effective Date:** 09/01/1999

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** E\*TRADE CLEARING LLC, AN NASD AND NYSE REGISTERED BROKER/DEALER, IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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**E TRADE SVERIGE AB is under common control with the firm.**

## Firm Operations



### Organization Affiliates (continued)

**Business Address:** STUREGATAN 8  
114 35 STOCKHOLM  
STOCKHOLM, SWEDEN

**Effective Date:** 06/02/1999

**Foreign Entity:** Yes

**Country:** SWEDEN

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** E TRADE SVERIGE AB (SWEDEN) IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### ETRADE SECURITIES (HONG KONG) LIMITED is under common control with the firm.

**Business Address:** 2301-6 ASIA PACIFIC TOWER  
3 GARDEN ROAD  
CENTRAL, HONG KONG

**Effective Date:** 09/01/1999

**Foreign Entity:** Yes

**Country:** HONG KONG

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ETRADE SECURITIES (HONG KONG) LIMITED IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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#### E\*TRADE CAPITAL MARKETS LLC is controlled by the firm.

**CRD #:** 111528

**Business Address:** 440 S. LASALLE STREET, SUITE 3030  
CHICAGO, IL 60605

**Effective Date:** 10/02/2001

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** E\*TRADE CAPITAL MARKETS LLC, AN NASD REGISTERED BROKER/DEALER, IS A BENEFICIALLY WHOLLY OWNED SUBSIDIARY OF E\*TRADE FINANCIAL CORPORATION.

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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.

	Pending	Final	On Appeal
Regulatory Event	0	7	0



## 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 7

**Reporting Source:** Regulator

**Current Status:** Final



<b>Allegations:</b>	VIOLETIONS OF EXCHANGE ART. XX, RULE 37(A)(2)BEST RULE; ART. XX, RULE 37(A)(3)PRIMARY MARKET PROTECTION RULE; ART. IX, RULE 17 & EXCHANGE ACT RULE 10A-1(B),(C)SHORT SALE RULES; ART. XX, RULE 37(A)(3)(D)BLOCK TRADE PRICE PROTECTION RULE; ART. XX, RULE 7.05 & EXCHANGE ACT RULE 11AC1-4 LIMIT ORDER DISPLAY RULE; AND EXCHANGE ACT RULE 17A-4 RECORD RETENTION
<b>Initiated By:</b>	CHICAGO STOCK EXCHANGE
<b>Date Initiated:</b>	04/29/2005
<b>Docket/Case Number:</b>	CHX-D-05-01
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	EQUITY OTC
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	UNDERTAKINGS
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	05/23/2005
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$167,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS TO EXPEND ADDL. \$83,000 TOWARD FURTHER IMPROVING THE FIRM'S COMPLIANCE POLICIES, PROCEDURES, PERSONNEL & SYSTEMS TO PREVENT, DETECT & ADDRESS POTENTIAL VIOLATIONS OF SEC AND EXCHANGE RULES & REGULATIONS; ESTABLISH & IMPLEMENT REGULAR TRAINING & CONTINUING EDUCATION PROGRAMS; AND CONTINUE TO DESIGNATE ONE OR MORE INDIVIDUALS RESPONSIBLE FOR ADMINISTERING THE FIRM'S COMPLIANCE PROGRAM RELATING TO ITS OPERATIONS ON THE EXCHANGE'S TRADING FACILITIES
<b>Sanction Details:</b>	FINE PAID IN FULL WITHIN FIFTEEN (15) BUSINESS DAYS FROM 05/23/2005
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final





**Allegations:** ORDER ALLEGED THAT BETWEEN 1/02 AND 12/04, ETCM-ES, IN CERTAIN TRANSACTIONS, VIOLATED ART. XX RULE 37(A)(2) (BEST RULE), ART. XX RULE 37(A)(3) (PRIMARY MARKET PROTECTION), ART. IX RULE 17 AND EXCHANGE ACT RULE 10A-1 (MARKING/EXECUTING SHORT SALES), ART. XX, RULE 37(A)(3)(D) (BLOCK TRADE PROTECTION), (ART. XX, RULE 7 AND EXCHANGE ACT RULE 11AC1-4 (LIMIT ORDER DISPLAY), AND EXCHANGE ACT RULE 17A-4 (RETENTION OR ARCHIVAL OF CERTAIN EMAILS).

**Initiated By:** CHICAGO STOCK EXCHANGE

**Date Initiated:** 05/25/2005

**Docket/Case Number:** CHX-D-05-01

**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:** Order

**Resolution Date:** 05/25/2005

**Sanctions Ordered:** Monetary/Fine \$167,000.00

**Other Sanctions Ordered:** UNDERTAKING TO EXPEND \$83,000 IN TECHNOLOGICAL, PERSONNEL, AND PROCEDURAL IMPROVEMENTS

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, ETCM-ES AGREED TO A FINE OF \$167,000, \$83,000 IN TECHNOLOGICAL AND OTHER ENHANCEMENTS, CONTINUING EDUCATION AND TRAINING, AND ANNUAL COMPLIANCE REVIEW.

#### Disclosure 2 of 7

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 4632(A) - RESPONDENT FIRM INCORRECTLY DESIGNATED AS ".T" AND FAILED TO DESIGNATE AS ".SLD" THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES EXECUTED DURING NORMAL MARKET HOURS.

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

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



**Docket/Case Number:** CMS000154

**Principal Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES

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

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

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

**Resolution Date:** 07/17/2000

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$1,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED VIOLATIONS OF ACT REPORTING RULES.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 03/30/2000

**Docket/Case Number:** CMS000154

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 07/17/2000

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

**Other Sanctions Ordered:**



**Sanction Details:** FINE OF \$1,000 PAID.

### Disclosure 3 of 7

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** DEMPSEY & CO. DURING THE PERIOD FROM MARCH 3, 1999 THROUGH JUNE 11, 1999, AS THE REGISTERED SPECIALIST IN CERTAIN NASDAQ/NM ISSUES AND, THROUGH ITS REGISTERED CO-SPECIALIST IN THOSE ISSUES, FAILED TO GIVE PRECEDENCE TO ORDERS IN THE BOOK FOR THE PURCHASE AND SALE OF SECURITIES OVER ORDERS THAT ORIGINATED WITH IAS A DEALER, THEREBY VIOLATED EXCHANGE ARTICLE XXX, RULE 2

**Initiated By:** MX

**Date Initiated:** 03/15/2000

**Docket/Case Number:** CHX-D-00-1

**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:** Settled

**Resolution Date:** 04/04/2000

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

**Other Sanctions Ordered:**

**Sanction Details:** PENALTY IN THE FORM OF A \$50,000 FINE PAID IN FULL ON 04/25//2000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED VIOLATION OF EXCHANGE ARTICLE XXX, RULE 2.

**Initiated By:** CHICAGO STOCK EXCHANGE

**Date Initiated:** 03/15/2000



**Docket/Case Number:** CHX-D-00-1

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

**Resolution Date:** 04/04/2000

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE CHARGES OR FINDINGS, DEMPSEY & COMPANY SETTLED THE DISCIPLINARY ACTION BY PAYING THE FINE ON 03/28/00.

#### Disclosure 4 of 7

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 4730 - ENTERED ORDERS IN SOES, WHICH ORDERS WERE EITHER FOR THE FIRM'S PROPRIETARY TRADING ACCOUNT, OR WERE RECEIVED FROM OTHER BROKER-DEALERS AND NOT PUBLIC CUSTOMERS.

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

**Date Initiated:** 04/26/2000

**Docket/Case Number:** C8A000025

**Principal Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES.

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

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

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



**Resolution Date:** 04/26/2000

**Sanctions Ordered:** Monetary/Fine \$2,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$2,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED VIOLATION OF MARKETPLACE RULE 4730: THE MEMBER ENTERED 15 PROPRIETARY OR NON-PUBLIC ORDERS THROUGH SOES.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 03/28/2000

**Docket/Case Number:** C8A000025

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 04/26/2000

**Sanctions Ordered:** Monetary/Fine \$2,000.00

**Other Sanctions Ordered:** NONE

**Sanction Details:** FINE OF \$2,000 PAID 03/28/2000.

**Firm Statement** AWC ISSUED AND ACCEPTED BY MEMBER.

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#### Disclosure 5 of 7

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**



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

**Date Initiated:** 11/16/1998

**Docket/Case Number:** C8A980066

**Principal Product Type:**

**Other Product Type(s):**

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

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

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

**Resolution Date:** 11/16/1998

**Sanctions Ordered:** Censure  
Monetary/Fine \$3,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** ON NOVEMBER 16, 1998, DISTRICT NO. 8 NOTIFIED RESPONDENT DEMPSEY & COMPANY THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C8A980066 WAS ACCEPTED; THEREFORE, THE FIRM IS CENSURED AND FINED \$3,000 - (NASD RULES 2110 AND 3010(b) - RESPONDENT MEMBER FAILED TO TIMELY EXECUTE CUSTOMER LIMIT ORDERS FOR CERTAIN SECURITIES, IN THAT IT TRADED THE SECURITIES FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER LIMIT ORDERS; FAILED TO MAKE AND KEEP A CURRENT MEMORANDUM OF SECURITIES ORDERS PLACED BY CUSTOMERS, IN THAT THE FIRM FAILED TO RECORD THE TIME OF ENTRY OF THE CUSTOMER ORDER IN CONTRAVENTION OF SEC RULE 17a-3; AND, FAILED TO ESTABLISH OR MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING ITS TRADING AND MARKET MAKING ACTIVITIES).

\*\*03/17/99GK: \$3,000.00 PAID ON 12/07/98, INVOICE# 98-8A-926\*\*

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED FAILURE TO TIMELY EXECUTE CUSTOMER LIMIT ORDERS FOR



CERTAIN SECURITIES, IN VIOLATION OF NASD RULES 2110 AND 3010(B).

**Initiated By:** NASD

**Date Initiated:** 11/16/1998

**Docket/Case Number:** C8A980066

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** ACCEPTANCE, WAIVER, AND CONSENT

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

**Resolution Date:** 11/16/1998

**Sanctions Ordered:** Monetary/Fine \$3,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$3000.00 PAID ON 12/07/98

#### Disclosure 6 of 7

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

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

**Date Initiated:** 04/26/1990

**Docket/Case Number:** MS-920-AWC (A)

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 06/18/1990



**Sanctions Ordered:** Monetary/Fine \$750.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-920-AWC (A):  
LETTER  
OF ACCEPTANCE, WAIVER AND CONSENT FILED APRIL 26, 1990 AGAINST  
RESPONDENT MEMBER DEMPSEY & COMPANY ALLEGING VIOLATIONS OF  
PART  
VI, SECTION 5(a) OF SCHEDULE D IN THAT THE RESPONDENTS FAILED  
TO REPORT THEIR NASDAQ VOLUME.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY  
THE MARKET SURVEILLANCE COMMITTEE ON JUNE 4, 1990 AND BY THE  
NATIONAL BUSINESS CONDUCT COMMITTEE ON JUNE 18, 1990. \$750 FINE  
PAID.

\*\*\*\*\$750.00 PAID ON 7/23/90 INVOICE #90-MS-835\*\*\*\*

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

ALLEGED VIOLATIONS OF PART IV, SECTION 5 (A) OF SCHEDULE D IN THAT  
THE RESPONDANTS FAILED TO REPORT THEIR NASDAQ VOLUME

**Initiated By:**

NASD

**Date Initiated:**

04/26/1990

**Docket/Case Number:**

#MS-920-AWC

**Principal Product Type:**

Equity - OTC

**Other Product Type(s):**

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

Other

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

ACCEPTANCE, WAIVER, AND CONSENT

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

06/04/1990

**Sanctions Ordered:**

Monetary/Fine \$750.00



**Other Sanctions Ordered:****Sanction Details:** \$750.00 FINE PAID ON 7/23/90**Disclosure 7 of 7****Reporting Source:** Regulator**Current Status:** Final**Allegations:****Initiated By:** SECURITIES AND EXCHANGE COMMISSION**Date Initiated:** 05/07/1958**Docket/Case Number:** Unknown**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Decision**Resolution Date:** 05/07/1958**Sanctions Ordered:** Suspension**Other Sanctions Ordered:****Sanction Details:****Regulator Statement** SUSPENDED BY SEC FOR A PERIOD OF 5 DAYS DATED 05/07/58. SOURCE: MEMBER FIRM CARD.**Reporting Source:** Firm**Current Status:** Final**Allegations:** A 5 DAY SUSPENSION WAS IMPOSED**Initiated By:** SEC**Date Initiated:** 05/07/1958



<b>Docket/Case Number:</b>	FILE #8-833
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Suspension
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	05/19/1958
<b>Sanctions Ordered:</b>	Suspension
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	A 5 DAY SUSPENSION WAS IMPOSED
<b>Firm Statement</b>	A 5 DAY SUSPENSION WAS IMPOSED

**End of Report**



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