



**BrokerCheck Report**

**MORGAN GLADSTONE & CO. INC.**

CRD# 17062

Report # 558140 generated on Thursday, June 28, 2007.

## Dear Investor:

FINRA has generated the following BrokerCheck report for **MORGAN GLADSTONE & CO. INC.**. The information contained within this report has been provided by a FINRA brokerage firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®).

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides include: regulatory actions, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the individual broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to [www.nasaa.org](http://www.nasaa.org) for a complete list of state securities regulators.

**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)

**MORGAN GLADSTONE & CO.  
INC.**

CRD# 17062

SEC# 8-35178

**Main Office Location**

**Mailing Address**

**Report Summary for this Firm**

This firm is no longer registered with FINRA. The firm's registration with FINRA was terminated (e.g., voluntarily withdrawn, cancelled, liquidated, expelled) prior to August 1999 when the enhanced Central Registration Depository System (i.e. Web CRD®) was implemented. As a result, since the firm was not required to update its CRD record via the submission of an electronic Form BD filing to Web CRD, FINRA's BrokerCheck program contains only limited information about this firm.

**Firm Profile**

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This firm is classified as CORPORATION.

This firm was formed in Florida on 10/16/1985.

Its fiscal year ends in September.

**Firm Operations**

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This firm is no longer registered with FINRA.

**Disclosure of Arbitration Awards,  
Disciplinary and Regulatory Events**

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events range from disciplinary actions initiated by regulators to certain criminal charges and/or convictions, to financial disclosures such as bankruptcies, and summary information regarding arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms.



## **Firm Profile**

This firm is classified as a CORPORATION.

This firm was formed in Florida on 10/16/1985.

Its fiscal year ends in September.

## **Firm Names and Locations**

This section includes details, as reported by the firm on Form BD, regarding the firm's full legal name, business and mailing addresses, the firm's "doing business as" name (i.e. "DBA" name) if different from the full legal name, and any other name by which the firm conducts business and where such name is used.

**MORGAN GLADSTONE & CO. INC.**

**Doing business as MORGAN GLADSTONE & CO. INC.**

**CRD#** 17062

**SEC#** 8-35178

## **Main Office Location**

## **Mailing Address**

## **Business Telephone Number**

(407) 394-4484



## **Firm Profile**

This section provides information relating to Direct Owners and Executive Officers as reported by the firm on Form BD.

### **Direct Owners and Executive Officers**

**Information not available – see Summary Page.**



## **Firm Profile**

This section provides information relating to Indirect Owners, if any, as reported by the firm on Form BD.

## **Indirect Owners**

**Information not available – see Summary Page.**



## **Firm History**

This section provides information relating to successions (e.g. mergers or acquisitions), if any, as reported by the firm on Form BD.

**Information not available – see Summary Page.**



## Firm Operations

### Registrations

This section provides information about the regulators (e.g. U.S. Securities and Exchange Commission (SEC), self-regulatory organizations, states and U.S. territories) the firm is currently registered with, the category of each registration, and the date on which the registration status became effective, as well as certain information about the firm's SEC registration.

**This firm is no longer registered with FINRA.**

**The firm's registration with FINRA was from 9/9/1986 to 10/10/1990.**

### SEC Registration Questions

This firm was registered with the SEC as:

A broker-dealer only: **Information not available – see Summary Page.**

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

A government securities broker or dealer only: No

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





## Types of Business

This section provides the types of business and any other business or other non-securities business the firm is engaged in or is expected to be engaged in as reported by the firm on Form BD.

**This firm conducted 6 types of business.**

Exchange member engaged in exchange commission business other than floor activities	No
Exchange member engaged in floor activities	No
Broker or dealer making inter-dealer markets in corporate securities over-the-counter	Yes
Broker or dealer retailing corporate equity securities over-the-counter	Yes
Broker or dealer selling corporate debt securities	No
Underwriter or selling group participant (corporate securities other than mutual funds)	Yes
Mutual fund underwriter or sponsor	No
Mutual fund retailer	No
U.S. government securities dealer	No
U.S. government securities broker	No
Municipal securities dealer	Yes
Municipal securities broker	Yes
Broker or dealer selling variable life insurance or annuities	No
Solicitor of time deposits in a financial institution	No
Real estate syndicator	No
Broker or dealer selling oil and gas interests	No
Put and call broker or dealer or option writer	Yes
Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds)	No
Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)	No
Investment advisory services	No
Broker or dealer selling tax shelters or limited partnerships in primary distributions	No
Broker or dealer selling tax shelters or limited partnerships in the secondary market	No
Non-exchange member arranging for transactions in listed securities by exchange member	No
Trading securities for own account	No
Private placements of securities	No
Broker or dealer selling interests in mortgages or other receivables	No
Broker or dealer involved in a networking kiosk or similar arrangement with a bank, savings bank or association, or credit union	No
Broker or dealer involved in a networking kiosk or similar arrangement with a Insurance company or agency	No



### **Other Types of Business**

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

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



## **Clearing Arrangements**

Information not available – see Summary Page

## **Introducing Arrangements**

Information not available – see Summary Page

## **Industry Arrangements**

Information not available – see Summary Page

## **Organization Affiliates**

Information not available – see Summary Page



## Disclosure of Arbitration Awards, Disciplinary and Regulatory Events

Firms are required to answer a series of disclosure questions on Form BD and provide the corresponding details to any reported events as part of the securities industry registration and licensing process. The disclosure questions concern criminal and regulatory events, civil actions, and certain financial disclosures such as bankruptcy or liquidation proceedings filed within the past ten years, bond actions and unpaid judgments and liens. The firm must answer either "yes" or "no" to each question as it applies to the firm itself or to any of its control affiliates (i.e., an individual, partnership, corporation, trust, or other organization that directly or indirectly controls, is under common control with, or is controlled by the firm). This section lists the various disclosure questions and their corresponding answers as reported by the firm on Form BD.



Possible multiple reporting sources – please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report.



## Disclosure Event Details

This section provides the specific details for each disclosure event, as reported by the firm on Form BD, that correspond with any “yes” answers to the various Form BD disclosure questions. It also includes summary information regarding arbitration awards in cases where the firm was named as a respondent in the arbitration proceeding, if any.

Nothing will be displayed in this section of the firm’s BrokerCheck Report when the firm has no reported disclosure information.

If the firm does have reported disclosure events, please keep the following in mind when evaluating the disclosure event details. Items may involve pending actions or allegations that may be contested and have not been resolved or proven. The items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the firm and/or by securities industry regulators. Some of the specific data fields contained in this section of the report may be blank if the information was not provided to CRD.

Disclosure event details may be reported by more than one source (i.e., regulator and firm). When this occurs, all versions of the reported event will appear in the firm’s BrokerCheck report.

## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** FL

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** ORDER

**Resolution Date:** 08/21/1987

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** ON MAY 21, 1987, FLORIDA INITIATED ADMINISTRATIVE PROCEEDINGS TITLED 'CEASE AND DESIST ORDER' AND 'NOTICE OF RIGHTS' FOR SALES BY UNREGISTERED ASSOCIATED PERSONS, FAILURE TO MAINTAIN BOOKS AND RECORDS, FAILURE TO DISPLAY LICENSE, FRAUDULENT STATEMENTS AND MISREPRESENTATIONS INVOLVING A MARKET LETTER, FAILURE TO UPDATE



AND KEEP CURRENT FORM BD, AND ENGAGING IN PROHIBITED BUSINESS PRACTICES. NAMED RESPONDENTS: ALAN LEE SUSKIND; J. MORGAN FINANCIAL SERVICES, INC.; J. MORGAN INVESTMENT BANKERS, INC.; aka MORGAN GLADSTONE INVESTMENT BANKERS, INC.; aka MORGAN GLADSTONE & CO., INC.; RICHARD J. GLADSTONE; SHELDON G. KNOFF; AND F.D. ROBERTS SECURITIES, INC. DOCKET/CASE NO. 87-46 DOS, DATED MAY 21, 1987. (COPY OF ORDER IS ATTACHED) \*\*\*\*\* 9/14/87- RESPONDENTS WERE NAMED IN AN ADMINISTRATIVE ORDER FILED BY FLORIDA ON MAY 21, 1987, WHICH RESULTED IN A STIPULATION AND CONSENT ORDER ON AUGUST 21, 1987. THE RESPONDENTS AGREED NOT TO VIOLATE VARIOUS FLORIDA STATUTES SOME OF WHICH PERTAINED TO UNREGISTERED PERSONS, MISREPRESENTATION, AND BOOKS AND RECORDS. ADDITIONALLY RESPONDENTS AGREED TO RESTRICTIONS ON CONTROL AND EMPLOYMENT. SHELDON GERALD KANOFF AND F.D. ROBERTS SECURITIES WERE FINED \$10,000, JOINTLY AND SEVERALLY; AND THE OTHER REMAINING RESPONDENTS WERE FINED A SEPARATE FINE OF \$10,000, JOINTLY AND SEVERALLY. (DOCKET/CASE NO. 87-46-DOS, DATED AUGUST 21, 1987)



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 01/15/1988

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT NO. ATL-960 FILED JANUARY 15, 1988 BY DISTRICT NO. 7 AGAINST RESPONDENTS MORGAN GLADSTONE & CO., INC., RICHARD JAY GLADSTONE AND ALLEN SUSSKIND ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 4 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENTS GLADSTONE AND SUSSKIND, EFFECTED OVER-THE-





COUNTER TRANSACTIONS IN CORPORATE SECURITIES AS PRINCIPAL WITH RETAIL CUSTOMERS AT PRICES WHICH WERE NOT FAIR, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS. DECISION RENDERED JUNE 14, 1988, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY THE RESPONDENTS WAS ACCEPTED; THEREFORE, RESPONDENT MORGAN GLADSTONE & CO., INC. IS CENSURED, FINED \$15,000.00 AND ORDERED TO DISGORGE \$30,000.00; RESPONDENT GLADSTONE IS CENSURED; AND, RESPONDENTS MEMBER AND GLADSTONE SHALL IMPLEMENT, MAINTAIN AND CONTINUOUSLY USE AN IN-HOUSE SYSTEM THAT WILL PROVIDE TO EACH TRADER INFORMATION ABOUT THE PRICE OF THE LAST PURCHASE AND SALE FOR EACH SECURITY FOR WHICH HE OR SHE IS A TRADER. IN ADDITION, THE FIRM WILL CONDUCT A TRAINING SESSION, WHICH WILL INCLUDE THE DISSEMINATION OF WRITTEN INFORMATION TO ALL TRADERS AND REPRESENTATIVES REGARDING THE BOARD OF GOVERNORS' MARK-UP POLICY. AS NEW REGISTERED REPRESENTATIVES ARE EMPLOYED, THEY WILL BE PROVIDED THIS TRAINING. RESPONDENT SUSSKIND IS CENSURED, FINED \$2,500.00, AND SUSPENDED FOR A PERIOD OF TWO WEEKS FROM ANY MARKET MAKING ACTIVITY. \*\*\*\*\*EXPULSION FOR NON-PAYMENT ON OCTOBER 10, 1990\*\*\*\*\*



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 07/20/1988

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-707-AWC: LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED APRIL 19, 1988 AGAINST RESPONDENT MORGAN GLADSTONE & CO., INC. ALLEGING VIOLATIONS OF PART VI, SECTION 4(a) OF SCHEDULE D IN THAT RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME. THE AWC WAS ACCEPTED BY THE MARKET



SURVEILLANCE COMMITTEE ON JUNE 2, 1988 AND BY THE NATIONAL BUSINESS  
CONDUCT COMMITTEE ON JULY 20, 1988. \$250 FINE \$250 FINE PAID 8/5/88

## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 03/30/1992

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT NO. ATL-1084 FILED APRIL 21, 1989 BY DISTRICT NO. 7 AGAINST RESPONDENTS MORGAN GLADSTONE & CO., INC., RICHARD JAY GLADSTONE AND MARTIN I. TUCKER ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 4 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENTS GLADSTONE AND TUCKER, EFFECTED



TRANSACTIONS IN CORPORATE SECURITIES AS PRINCIPAL WITH PUBLIC CUSTOMERS AT PRICES WHICH WERE NOT FAIR AND REASONABLE. COMBINED DECISION RENDERED JULY 23, 1991, COMPLAINT NOS. C07890005 (ATL-1084) AND C07900030 (ATL-1224), WHEREIN RESPONDENT MEMBER IS CENSURED AND EXPELLED FROM MEMBERSHIP WITHIN THE NASD; RESPONDENT GLADSTONE IS CENSURED, FINED \$50,000 FOR COMPLAINT ATL-1084, FINED \$50,000 FOR COMPLAINT ATL-1224 AND BARRED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY; AND, RESPONDENTS MEMBER AND GLADSTONE ARE ORDERED TO PAY CUSTOMERS RESTITUTION, JOINTLY AND SEVERALLY, IN THE AMOUNTS OF \$101,594 FOR COMPLAINT ATL-1224, \$54,282 FOR COMPLAINT ATL-1084 AND ASSESSED COSTS OF \$680.50, JOINTLY AND SEVERALLY. IF NO FURTHER ACTION, DECISION IS FINAL SEPTEMBER 6, 1991. AUGUST 9, 1991 - APPEALED TO THE BOARD OF GOVERNORS. COMBINED DECISION RENDERED JULY 23, 1991, COMPLAINT NOS. C07900030 (ATL-1224) AND C07890005 (ATL-1084), WHEREIN THE OFFERS OF SETTLEMENT SUBMITTED BY RESPONDENT TUCKER WERE ACCEPTED; THEREFORE, HE IS CENSURED, FINED \$5,000 AND BARRED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY FOR ATL-1224; AND, CENSURED, FINED \$1,000, SUSPENDED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY FOR 30 BUSINESS DAYS AND BARRED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD AS A PRINCIPAL FOR ATL-1084. BOARD OF GOVERNORS DECISION RENDERED MARCH 30, 1992, WHEREIN THE FINDINGS MADE AND THE SANCTIONS IMPOSED ARE AFFIRMED. IN ADDITION, RESPONDENTS MEMBER AND GLADSTONE ARE ASSESSED APPEAL COSTS OF \$784.92, JOINTLY AND SEVERALLY. IF NO FURTHER ACTION, DECISION IS FINAL APRIL 29, 1992. APRIL 29, 1992 - DECISION IS FINAL.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

<b>Reporting Source:</b>	REGULATOR (U6)
<b>Current Status:</b>	FINAL
<b>Allegations:</b>	SALE OF UNREGISTERED SECURITIES, ENGAGING IN FRAUDULENT ACTIVITIES.
<b>Initiated By:</b>	FLORIDA DIVISION OF SECURITIES, DIVISION OF SECURITIES AND INVESTOR PROTECTION
<b>Date Initiated:</b>	
<b>Docket/Case Number:</b>	1016-S-1/89
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	ORDER
<b>Resolution Date:</b>	07/26/1990
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE STATE OF FLORIDA, DEPT. OF BANKING AND FINANCE, DIVISION OF SECURITIES AND INVESTOR PROTECTION INITIATED AN ADMINISTRATIVE PROCEEDING NO. 1016-S-1-89, DATED 1/10/90, AGAINST MORGAN GLADSTONE & CO., INC. (MG&C), MORGAN GLADSTONE HOLDING CORP. ("MGHC"), RICHARD GLADSTONE, PRESIDENT OF MG&C AND MGHC AND MARTIN I. TUCKER, A



FORMER COMPLIANCE OFFICER AND TRADER OF MG&C, ALLEGING THAT FROM TIME TO TIME BETWEEN APRIL 1987 THROUGH MAY 1988 THE RESPONDENTS VIOLATED SECTIONS OF 517 FLORIDA STATUTES AND FLORIDA ADMINISTRATIVE CODE RULE 3E-600.13(1)(p). \*\*\* ON JANUARY 10, 1990, THE FLORIDA DEPARTMENT OF BANKING AND FINANCE, DIVISION OF SECURITIES AND INVESTOR PROTECTION ISSUED AN ADMINISTRATIVE COMPLAINT, NOTICE OF CEASE AND DESIST ORDER AND NOTICE OF RIGHTS AGAINST RESPONDENTS MORGAN GLADSTONE & CO., INC.; MORGAN GLADSTONE HOLDING CORP., RICHARD JAY GLADSTONE, MARTIN I. TUCKER, AND ALLEN SUSKIND. RESPONDENTS ARE BELIEVED TO HAVE VIOLATED VARIOUS PROVISIONS OF CHAPTER 517, FLORIDA STATUTES INCLUDING BUT NOT LIMITED TO: EMPLOYMENT OF A DEVICE OR ARTIFICE TO DEFRAUD BY ENGAGING IN TRANSACTIONS OR A COURSE OF BUSINESS WHICH OPERATES AS A FRAUD OR DECEIT UPON ONE OR MORE PERSONS, SELLING OR OFFERING FOR SALE SECURITIES NOT REGISTERED WITH THE DEPARTMENT, AND VARIOUS PROHIBITED BUSINESS PRACTICES. THE DEPARTMENT INTENDS TO ISSUE ITS FINAL ORDER TO CEASE AND DESIST AND ASSESS SUCH SANCTIONS AGAINST RESPONDENTS THAT MAY INCLUDE, WITHOUT LIMITATION, SUSPENSION OR REVOCATION OF REGISTRATION WITH THE DEPARTMENT AND IMPOSITION OF FINES NOT TO EXCEED \$5,000.00 FOR EACH VIOLATION. DOCKET/CASE NO. 1016-S-1/89, DATED JANUARY 10, 1990.

## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 04/29/1992

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT NUMBER ATL-1224 (DISTRICT NO. 7) FILED JULY 20, 1990 AGAINST RESPONDENTS MORGAN GLADSTONE & CO., INC., RICHARD J. GLADSTONE AND MARTIN I. TUCKER ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 4, 18 AND 27 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENTS GLADSTONE AND TUCKER, EFFECTED





TRANSACTIONS IN OVER-THE-COUNTER CORPORATE SECURITIES, AS PRINCIPAL, WITH PUBLIC CUSTOMERS AT PRICES THAT WERE UNFAIR AND UNREASONABLE IN RELATION TO THE PREVAILING MARKET PRICE; AND, RESPONDENT GLADSTONE FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES THAT WOULD HAVE ENABLED HIM TO PROPERLY SUPERVISE THE ACTIVITIES OF THE FIRM'S ASSOCIATED PERSONS. COMBINED DECISION RENDERED JULY 23, 1991, COMPLAINT NOS. C07900030 (ATL-1224) AND C07890005 (ATL-1084), WHEREIN THE OFFERS OF SETTLEMENT SUBMITTED BY RESPONDENT TUCKER WERE ACCEPTED; THEREFORE, HE IS CENSURED, FINED \$5,000 AND BARRED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY FOR ATL-1224; AND, CENSURED, FINED \$1,000, SUSPENDED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY FOR 30 BUSINESS DAYS AND BARRED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD AS A PRINCIPAL FOR ATL-1084. COMBINED DECISION RENDERED JULY 23, 1991, COMPLAINT NOS. C07890005 (ATL-1084) AND C07900030 (ATL-1224), WHEREIN RESPONDENT MEMBER IS CENSURED AND EXPELLED FROM MEMBERSHIP WITHIN THE NASD; RESPONDENT GLADSTONE IS CENSURED, FINED \$50,000 FOR COMPLAINT ATL-1084, FINED \$50,000 FOR COMPLAINT ATL-1224 AND BARRED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY; AND, RESPONDENTS MEMBER AND GLADSTONE ARE ORDERED TO PAY CUSTOMERS RESTITUTION, JOINTLY AND SEVERALLY, IN THE AMOUNTS OF \$101,594 FOR COMPLAINT ATL-1224, \$54,282 FOR COMPLAINT ATL-1084 AND ASSESSED COSTS OF \$680.50, JOINTLY AND SEVERALLY. IF NO FURTHER ACTION, DECISION IS FINAL SEPTEMBER 6, 1991. AUGUST 9, 1991 - APPEALED TO THE BOARD OF GOVERNORS. BOARD OF GOVERNORS DECISION RENDERED MARCH 30, 1992, WHEREIN THE FINDINGS MADE AND THE SANCTIONS IMPOSED ARE AFFIRMED. IN ADDITION, RESPONDENTS MEMBER AND GLADSTONE ARE ASSESSED APPEAL COSTS OF \$784.92, JOINTLY AND SEVERALLY. IF NO FURTHER ACTION, DECISION IS FINAL APRIL 29, 1992. APRIL 29, 1992 - DECISION IS FINAL.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 10/10/1990

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** \*\*\*\*\*NASD REGISTRATION EXPELLED ON 10/10/90\*\*\*\*\*  
\*\*\*\*\*FOR  
NON-PAYMENT OF FINES AND/OR COSTS\*\*\*\*\*  
\*\*\*\*\*IN NASD  
COMPLAINT #ATL-960.\*\*\*\*\*

## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 03/16/1992

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT NO. C07910055 FILED MARCH 4, 1991 BY DISTRICT NO. 7 AGAINST MORGAN GLADSTONE & CO., INC. AND RICHARD J. GLADSTONE ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENT GLADSTONE, FAILED TO HONOR AN ARBITRATION AWARD IN THE AMOUNT OF \$8,994 AND AN



\$800 FORUM FEE TO THE NASD. DECISION RENDERED JANUARY 31, 1992, WHEREIN RESPONDENT MEMBER IS CENSURED, FINED \$10,000 AND EXPELLED FROM MEMBERSHIP WITH THE NASD, PROVIDED THAT IT MAY REAPPLY FOR MEMBERSHIP UPON THE DEMONSTRATION TO THE NASD THAT THE ARBITRATION AWARD HAS BEEN PAID IN FULL. THE COMPLAINT IS DISMISSED WITH REGARD TO RESPONDENT GLADSTONE IN THAT THE COMMITTEE COULD NOT FIND THAT HE CAUSED RESPONDENT MEMBER'S FAILURE TO HONOR THE ARBITRATION AWARD. IF NO FURTHER ACTION, DECISION IS FINAL MARCH 16, 1992. MARCH 16, 1992 - DECISION IS FINAL.

\*\*\*\*\* 6/25/92: PER FINES AND  
COSTS NOTIFICATION REC'D 6/18/92 INVOICE #92-07-174 MORGAN GLADSTONE  
& CO. INC. WAS PREVIOUSLY EXPELLED IN NASD COMPLAINT #ATL-960.

\*\*\*\*\*



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

<b>Reporting Source:</b>	REGULATOR (U6)
<b>Current Status:</b>	FINAL
<b>Allegations:</b>	FAILED TO FILE FINANCIAL STATEMENTS
<b>Initiated By:</b>	STATE OF MICHIGAN/CORP & SECURITIES BUREAU/RDS/NT
<b>Date Initiated:</b>	
<b>Docket/Case Number:</b>	BD1130
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	ORDER
<b>Resolution Date:</b>	09/30/1992
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	BD REVOKED FOR MICHIGAN



## Customer Dispute – Award/Judgment

Firms are not required to report arbitration claims filed against them by customers on Form BD; however, FINRA provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms in this section of the report. Note: an arbitration may contain multiple instances of a certain Relief Type (e.g., Actual/Compensatory Damages) requested by or awarded to one or more Claimants.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure

<b>Reporting Source:</b>	NASD
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	MISREPRESENTATION; SUITABILITY
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	01/25/1990
<b>Case Number:</b>	90-00117
<b>Disputed Product Type:</b>	COMMON STOCK
<b>Relief Sought:</b>	ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$81,000.00; PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$243,000.00; INTEREST, ASKED AMOUNT \$41,059.00; OTHER COSTS, ASKED AMOUNT \$0.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	07/27/1992
<b>Relief Awarded:</b>	ACTUAL/COMPENSATORY DAMAGES, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$80,000.00 JOINTLY AND SEVERALLY; PUNITIVE/EXEMPLARY DAMAGES, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$100,000.00 JOINTLY AND SEVERALLY; INTEREST, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$41,059.00 JOINTLY AND SEVERALLY; OTHER COSTS, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$2,649.67 JOINTLY AND SEVERALLY



## Customer Dispute – Award/Judgment

Firms are not required to report arbitration claims filed against them by customers on Form BD; however, FINRA provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms in this section of the report. Note: an arbitration may contain multiple instances of a certain Relief Type (e.g., Actual/Compensatory Damages) requested by or awarded to one or more Claimants.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure

<b>Reporting Source:</b>	NASD
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	OTHER
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	01/01/1989
<b>Case Number:</b>	89-00669
<b>Disputed Product Type:</b>	UNKNOWN TYPE OF SECURITIES
<b>Relief Sought:</b>	ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$7,600.00; INTEREST, ASKED AMOUNT \$0.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	07/17/1990
<b>Relief Awarded:</b>	ACTUAL/COMPENSATORY DAMAGES, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$7,600.00 JOINTLY AND SEVERALLY; INTEREST, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$1,394.00 JOINTLY AND SEVERALLY



## About this BrokerCheck Report

BrokerCheck reports are part of a FINRA initiative to disclose information about FINRA-registered firms and brokers to help investors determine whether to conduct, or continue to conduct, business with these firms and brokers. The information contained within these reports is collected through the securities industry's registration and licensing process.

### Who provides the information in BrokerCheck?

Information made available through FINRA BrokerCheck is derived from the Central Registration Depository (CRD®) as reported on the industry registration and licensing forms brokerage firms and brokers are required to complete.

The forms used by brokerage firms, Forms BD and BDW, are established by the Securities and Exchange Commission (SEC) and adopted by all state securities regulators and self-regulatory organizations (SROs). FINRA and the North American Securities Administrators Association (NASAA) establish the Forms U4 and U5, the forms that collect broker information. Regulators provide information via Form U6, which is used primarily to report certain history about brokerage firms and brokers. These forms are approved by the SEC.

### How current is the information contained in BrokerCheck?

Brokerage firms and brokers are required to keep this information accurate and up-to-date (updates typically are required not later than 30 days after the broker/brokerage firm learns of an event). The report data is updated when a firm, broker, or regulator submits new or revised information to CRD. Generally, updated information is available on BrokerCheck Monday through Friday.

### What information is NOT disclosed through BrokerCheck?

Information that has not been reported to the CRD system, or that is not required to be reported, is not disclosed through FINRA BrokerCheck. Examples of events that are not required to be reported or are no longer reportable include: judgments and liens originally reported as pending that subsequently have been satisfied and bankruptcy proceedings filed more than 10 years ago. Conversely, certain customer complaint information that is not required to be reported may be disclosed provided certain criteria are met.

Additional information not disclosed through BrokerCheck includes Social Security Numbers, residential history information, and physical descriptive information. On a case-by-case basis, FINRA reserves the right to exclude information that contains confidential customer information, offensive and potentially defamatory language or information that raises significant identity theft or privacy concerns that are not outweighed by investor protection concerns. NASD Interpretive Material 8310-2 describes in detail what information is and is not disclosed through BrokerCheck.

Under FINRA's current public disclosure policy, in certain limited circumstances, most often pursuant to a court order, information is expunged from the CRD system. Further information about expungement from the CRD system is available in NASD Notices to Members 99-09, 99-54, 01-65, and 04-16 at [www.finra.org](http://www.finra.org).

For further information regarding FINRA's BrokerCheck program, please visit FINRA's Web Site at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or call the FINRA BrokerCheck Hotline at (800) 289-9999. The hotline is open Monday through Friday from 8 a.m. to 8 p.m., Eastern Time (ET).

For more information about the following, select the associated link:

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- Glossary: [http://www.finra.org/brokercheck\\_glossary](http://www.finra.org/brokercheck_glossary)
- Questions Frequently Asked about BrokerCheck Reports: [http://www.finra.org/brokercheck\\_faq](http://www.finra.org/brokercheck_faq)
- Terms and Conditions: <http://brokercheck.finra.org/terms.aspx>