BrokerCheck Report

FAGENSON & CO., INC.

CRD# 1781

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
    - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
    - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.

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.

FAGENSON & CO., INC.

CRD# 1781

SEC# 8-9952

Main Office Location

60 BROAD STREET
NEW YORK, NY 10004

Mailing Address

60 BROAD STREET
NEW YORK, NY 10004

Business Telephone Number

(212) 422-1993

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 Rhode Island on 04/26/1961.

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	3
Arbitration	1

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:	02/27/2012
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 Rhode Island on 04/26/1961.

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.

FAGENSON & CO., INC.

Doing business as FAGENSON & CO., INC.

CRD# 1781

SEC# 8-9952

Main Office Location

60 BROAD STREET
NEW YORK, NY 10004

Mailing Address

60 BROAD STREET
NEW YORK, NY 10004

Business Telephone Number

(212) 422-1993

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):	FAGENSON, ROBERT BRUCE
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, TREASURER
Position Start Date	07/1971
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FAGENSON, JENNIFER BETH
Is this a domestic or foreign entity or an individual?	Individual
Position	OWNER
Position Start Date	01/1995
Percentage of Ownership	10% but less than 25%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FAGENSON, TOBY KRAKOWER
Is this a domestic or foreign entity or an individual?	Individual
Position	EMPLOYEE
Position Start Date	07/1971
Percentage of Ownership	10% but less than 25%

Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ARHAKOSLALIMA, BLANCHEMARIE 1721403
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF FINANCIAL OFFICER
Position Start Date	06/2011
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):	PIGNATO, PHILIP B. 723809
Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT/CHIEF COMPLIANCE OFFICER
Position Start Date	04/2000
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile

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

Indirect Owners

No information reported.

Firm History

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

No information reported.

Firm Operations

Registrations

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

This firm is no longer registered.

The firm's registration was from 04/13/1954 to 04/27/2012.

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 14 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 retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Put and call broker or dealer or option writer
Trading securities for own account
Private placements of securities
Other - RESEARCH BUSINESS

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations

Clearing Arrangements

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

Introducing Arrangements

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

Name:	PENSON FINANCIAL SERVICES, INC.
CRD #:	25866
Business Address:	2 JOURNAL SQUARE JERSEY CITY, NJ 07306
Effective Date:	05/11/2009
Description:	PENSON WILL BE HANDLING CLEARING FOR FAGENSON

Firm Operations

Industry Arrangements

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

Name:	PENSON FINANCIAL SERVICES, INC.
CRD #:	25866
Business Address:	2 JOURNAL SQUARE JERSEY CITY, NJ 07306
Effective Date:	05/11/2009
Description:	PENSON PROVIDES FULL CLEARING FOR FAGENSON ON A FULLY DISCLOSED BASIS.

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 not, directly or indirectly:

- **in control of**
- **controlled by**
- **or under common control with**

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

This firm is not directly or indirectly, controlled by the following:

- **bank holding company**
- **national bank**
- **state member bank of the Federal Reserve System**
- **state non-member bank**
- **savings bank or association**
- **credit union**
- **or foreign bank**

Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0
Arbitration	N/A	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 3

Reporting Source:	Regulator
Current Status:	Final

Allegations:	SECTION 5 OF THE SECURITIES ACT OF 1933, NASD RULES 2110, 3010, 3011 - FAGENSON & CO., INC. SOLD THROUGH THE MEANS OF INTERSTATE COMMERCE UNREGISTERED SHARES OF SECURITIES AND THE FIRM FAILED TO CONDUCT ITS OWN REASONABLE INQUIRY AS TO THE SECURITIES REGISTRATION OR EXEMPTION. THE FIRM IMPROPERLY RELIED ENTIRELY ON THIRD PARTIES, SUCH AS A TRANSFER AGENT, TO DETERMINE IF THE SECURITIES WERE EXEMPT AND/OR FREELY TRADABLE. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933 TO DETECT AND PREVENT THE SALE OF UNREGISTERED SECURITIES. THE FIRM FAILED TO ADEQUATELY INSTRUCT ITS PERSONNEL TO FOLLOW UP ON WRITTEN RESPONSES IN CUSTOMER QUESTIONNAIRES HOW SHARES HAD BEEN OBTAINED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES GAVE INADEQUATE GUIDANCE TO FIRM PERSONNEL ABOUT HOW TO DETERMINE IF A SECURITY WAS REGISTERED OR EXEMPT FROM REGISTRATION. THE FIRM FAILED TO PROPERLY IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) COMPLIANCE PROGRAM IN THAT IT DID NOT MONITOR CUSTOMER ACCOUNTS FOR RED FLAGS AND DID NOT IDENTIFY POTENTIALLY SUSPICIOUS ACTIVITY. THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE AML PROCEDURES AND FAILED TO FOLLOW ITS OWN INADEQUATE WRITTEN AML PROCEDURES. WHILE THE FIRM'S WRITTEN AML PROCEDURES ENUMERATED RED FLAGS THAT COULD BE INDICATIVE OF POTENTIAL MONEY LAUNDERING, THE RED FLAGS WERE MISSED OR IGNORED. DESPITE SUSPICIOUS PATTERNS AND THE LEVEL OF CUSTOMER INVOLVEMENT IN UNREGISTERED PENNY STOCKS, THE FIRM NEVER FILED SUSPICIOUS ACTIVITY REPORTS (SARS) OR DOCUMENTED THE RATIONALE FOR NOT FILING THEM IN CONNECTION WITH ACTIVITIES OR TRANSACTIONS OCCURRING AT THE FIRM.
Initiated By:	FINRA
Date Initiated:	04/09/2010
Docket/Case Number:	2007011830001
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	PENNY STOCKS
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/09/2010

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 $165,000.00
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 $165,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SECTION 5 OF THE SECURITIES ACT OF 1933, NASD RULES 2110, 3010, 3011 - FAGENSON & CO., INC. SOLD THROUGH THE MEANS OF INTERSTATE COMMERCE UNREGISTERED SHARES OF SECURITIES AND THE FIRM FAILED TO CONDUCT ITS OWN REASONABLE INQUIRY AS TO THE SECURITIES REGISTRATION OR EXEMPTION. THE FIRM IMPROPERLY RELIED ENTIRELY ON THIRD PARTIES, SUCH AS A TRANSFER AGENT, TO DETERMINE IF THE SECURITIES WERE EXEMPT AND/OR FREELY TRADABLE. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933 TO DETECT AND PREVENT THE SALE OF UNREGISTERED SECURITIES. THE FIRM FAILED TO ADEQUATELY INSTRUCT ITS PERSONNEL TO FOLLOW UP ON WRITTEN RESPONSES IN CUSTOMER QUESTIONNAIRES HOW SHARES HAD BEEN OBTAINED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES GAVE INADEQUATE GUIDANCE TO FIRM PERSONNEL ABOUT HOW TO DETERMINE IF A SECURITY WAS REGISTERED OR EXEMPT FROM REGISTRATION. THE FIRM FAILED TO PROPERLY IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) COMPLIANCE PROGRAM IN THAT IT DID NOT MONITOR CUSTOMER ACCOUNTS FOR RED FLAGS AND DID NOT IDENTIFY POTENTIALLY SUSPICIOUS ACTIVITY. THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE AML PROCEDURES AND FAILED TO FOLLOW ITS OWN INADEQUATE WRITTEN AML PROCEDURES. WHILE THE FIRM'S WRITTEN AML PROCEDURES ENUMERATED RED FLAGS THAT COULD BE INDICATIVE OF POTENTIAL MONEY LAUNDERING, THE RED FLAGS WERE MISSED OR IGNORED. DESPITE SUSPICIOUS PATTERNS AND THE LEVEL OF CUSTOMER INVOLVEMENT IN UNREGISTERED PENNY STOCKS, THE FIRM NEVER FILED SUSPICIOUS ACTIVITY REPORTS (SARS) OR DOCUMENTED

	THE RATIONALE FOR NOT FILING THEM IN CONNECTION WITH ACTIVITIES OR TRANSACTIONS OCCURRING AT THE FIRM.
Initiated By:	FINRA
Date Initiated:	03/25/2010
Docket/Case Number:	2007011830001
Principal Product Type:	Penny Stock(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	THE FIRM IS CENSURED AND FINED $165,000.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/09/2010
Sanctions Ordered:	Censure Monetary/Fine $165,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS CENSURED AND FINED $165,000.
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 $165,000.

Disclosure 2 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULES 10B-10, 203(B)(1) OF REGULATION SHO, NASD RULES 2110, 3010, 6130(D), 6955(A) - FAGENSON & CO., INC. FAILED TO REPORT TO THE OTC REPORTING FACILITY (OTCRF) THE CORRECT SYMBOL INDICATING WHETHER TRANSACTIONS WERE BUY, SELL, SELL SHORT OR CROSS FOR TRANSACTIONS IN REPORTABLE SECURITIES; FAILED TO REPORT TO THE OTCRF THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES IN A PRINCIPAL OR AGENCY CAPACITY. THE FIRM FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (TRF) THE CORRECT SYMBOL INDICATING WHETHER IT EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES IN A PRINCIPAL OR AGENCY CAPACITY; FAILED TO REPORT TO THE TRF THE CORRECT SYMBOL INDICATING WHETHER A

TRANSACTION WAS A BUY, SELL, SELL SHORT OR CROSS FOR A TRANSACTION IN REPORTABLE SECURITIES. THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT TRANSACTIONS WERE EXECUTED AT AN AVERAGE PRICE. THE FIRM FAILED TO TRANSMIT REPORTABLE ORDER EVENTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS); AND TRANSMITTED EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FIRM ACCEPTED SHORT SALE ORDERS IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT WITHOUT BORROWING THE SECURITY, OR ENTERING INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY; OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SHORT SALE TRADE INPUT, SHORT SALE BORROWING AND DELIVERY, ORDER HANDLING, AND BEST EXECUTION.

Initiated By:	FINRA
Date Initiated:	09/15/2009
Docket/Case Number:	2008012326601
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	REPORTABLE SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/15/2009
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 $22,500.00

Other Sanctions Ordered:	UNDERTAKING
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, FINED $22,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SHORT SALE TRADE INPUT, SHORT SALE BORROWING AND DELIVERY, ORDER HANDLING, AND BEST EXECUTION WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED VIOLATIONS OF NASD RULE 6130(D), SEC RULE 10B-10, NASD RULE 6955(A), SEC RULE 203(B)(1) OF REG SHO, NASD RULES 2110 AND 3010
Initiated By:	FINRA
Date Initiated:	09/15/2009
Docket/Case Number:	20080123266-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/15/2009
Sanctions Ordered:	Censure Monetary/Fine $22,500.00
Other Sanctions Ordered:	UNDERTAKING
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, FINED $22,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SHORT SALE TRADE INPUT, SHORT SALE BORROWING AND DELIVERY, ORDER HANDLING, AND BEST EXECUTION WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Firm Statement	FIRM IS REQUIRED TO PAY MONETARY FINE OF 22500.00 AND PROVIDE A LETTER WITHIN 30 DAYS OF THE ACCEPTANCE, OFFERING A REPRESENTATION THAT THE FIRM HAS REVISED ITS PROCEDURES.

Disclosure 3 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE FIRM VIOLATED (1) AMEX RULE 30 AND ARTICLE V, SECTION 4(H) OF THE EXCHANGE CONSTITUTION IN THAT THE FIRM EITHER FAILED TO FILE OR FILE ACCURATELY WEEKLY SHORT SALE REPORTS AND TRANSACTION REPORTS AS WELL AS MID-MONTH SHORT INTEREST REPORTS TO THE AMEX; AND, (2) AMEX RULE 320(E) IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN APPROPRIATE POLICES, SYSTEMS AND PROCEDURES OF SUPERVISION AND CONTROL, INCLUDING WRITTEN SUPERVISORY PROCEDURES, AND FAILED TO ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO ENSURE COMPLIANCE WITH THE SHORT INTEREST, SHORT SALE AND TRANSACTION REPORTING REQUIREMENTS OF THE AMEX.
Initiated By:	AMERICAN STOCK EXCHANGE
Date Initiated:	10/29/2004
Docket/Case Number:	AMEX CASE NO. 06-81 & 07-286
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Stipulation and Consent
Resolution Date:	02/19/2009
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 $25,000.00

Other Sanctions Ordered:	CENSURE AND FINE OF $25,000
Sanction Details:	CENSURE AND FINE OF $25,000

Reporting Source:	Firm
Current Status:	Final
Allegations:	INCORRECT SHORT TOTALS WERE SUBMITTED TO THE EXCHANGE ON NUMEROUS DATES BASED ON THE INFORMATION OBTAINED FROM THE VENDOR (ADP/SIS) FAGENSON EMPLOYS TO HANDLE BACK OFFICE PROCESSING.
Initiated By:	AMEX
Date Initiated:	10/29/2004
Docket/Case Number:	06-81 & 07-286
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE 25000.00
Resolution:	Stipulation and Consent
Resolution Date:	02/19/2009
Sanctions Ordered:	Censure Monetary/Fine $25,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	CENSURE AND 25000.00 FINE AGAINST APPLICANT PAID MARCH 16,2009
Firm Statement	FINE PAID

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-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	12/10/2003
Case Number:	03-08145
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	$2,450,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/17/2006
Sum of All Relief Awarded:	$58,576.43

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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