

**BrokerCheck Report**

**BUCKMAN, BUCKMAN & REID, INC.**

CRD# 23407

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## 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:

- o 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
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

**Thank you for using FINRA BrokerCheck.**



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

[brokercheck.finra.org](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)



## BUCKMAN, BUCKMAN & REID, INC.

CRD# 23407

SEC# 8-40413

### Main Office Location

44 CHURCH ST.  
LITTLE SILVER, NJ 07739  
Regulated by FINRA Woodbridge Office

### Mailing Address

44 CHURCH ST.  
LITTLE SILVER, NJ 07739

### Business Telephone Number

732-530-0303

## 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 New Jersey on 09/07/1988.

Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

**This firm is registered with:**

- the SEC
- 2 Self-Regulatory Organizations
- 50 U.S. states and territories

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

This firm conducts 13 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	17
Arbitration	4



## Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 09/07/1988.

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.

**BUCKMAN, BUCKMAN & REID, INC.**

**Doing business as BUCKMAN, BUCKMAN & REID, INC.**

**CRD#** 23407

**SEC#** 8-40413

### Main Office Location

44 CHURCH ST.  
LITTLE SILVER, NJ 07739

**Regulated by FINRA Woodbridge Office**

### Mailing Address

44 CHURCH ST.  
LITTLE SILVER, NJ 07739

### Business Telephone Number

732-530-0303



## 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):** BUCKMAN, H JOHN  
1090909

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

**Position** CHAIRMAN, RSOP

**Position Start Date** 09/1988

**Percentage of Ownership** 25% but less than 50%

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

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

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**Legal Name & CRD# (if any):** BUCKMAN, HARRY JOHN JR  
2202467

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

**Position** SR. VICE PRESIDENT

**Position Start Date** 10/2005

**Percentage of Ownership** 10% but less than 25%

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

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

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**Legal Name & CRD# (if any):** BUCKMAN, THOMAS PAUL  
2577168

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

**Position** SECRETARY



## Firm Profile

### Direct Owners and Executive Officers (continued)

<b>Position Start Date</b>	11/2005
<b>Percentage of Ownership</b>	10% but less than 25%
<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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**Legal Name & CRD# (if any):** GIAKAS, WALLACE MARTIN  
1068278

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	STOCKHOLDER
<b>Position Start Date</b>	07/2010
<b>Percentage of Ownership</b>	5% but less than 10%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	LAU, PETER SEN 2302677
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	STOCKHOLDER
<b>Position Start Date</b>	07/2010
<b>Percentage of Ownership</b>	5% but less than 10%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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## Firm Profile



### Direct Owners and Executive Officers (continued)

**Legal Name & CRD# (if any):** YANG, ZHAO  
6077274

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

**Position** SHAREHOLDER

**Position Start Date** 03/2013

**Percentage of Ownership** 5% but less than 10%

**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):** BUCKMAN, MARY  
5823239

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

**Position** STOCKHOLDER

**Position Start Date** 07/2010

**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):** CAMPOLI, JOHN  
6596748

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

**Position** SHAREHOLDER

**Position Start Date** 12/2015

**Percentage of Ownership** Less than 5%

## Firm Profile



### 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):** FAMIGLIETTI, JOHN ANTHONY  
1089329

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

**Position** CHIEF FINANCIAL OFFICER/FINOP[

**Position Start Date** 03/2008

**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):** PANNO, RICHARD ANTHONY  
724727

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

**Position** CHIEF COMPLIANCE OFFICER

**Position Start Date** 05/2017

**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):** SHOICHET, MARK ELLIOTT  
2301353



## Firm Profile



### Direct Owners and Executive Officers (continued)

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	STOCKHOLDER
<b>Position Start Date</b>	07/2010
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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## **Firm Profile**

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



## **Indirect Owners**

No information reported.

## Firm History

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

No information reported.





## Firm Operations

### Registrations

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

**This firm is currently registered with the SEC, 2 SROs and 50 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	11/25/1988

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

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

A government securities broker or dealer only: No

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

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	01/16/1989
Nasdaq Stock Market	Approved	07/12/2006



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/23/1998
Alaska	Approved	02/04/1998
Arizona	Approved	10/17/1995
Arkansas	Approved	03/12/1998
California	Approved	08/31/1993
Colorado	Approved	08/30/1993
Connecticut	Approved	10/05/1993
Delaware	Approved	07/06/1994
District of Columbia	Approved	01/22/1998
Florida	Approved	04/11/1991
Georgia	Approved	08/31/1993
Hawaii	Approved	02/24/1998
Idaho	Approved	12/08/1995
Illinois	Approved	10/26/1995
Indiana	Approved	04/06/1998
Iowa	Approved	08/10/1998
Kansas	Approved	02/06/1998
Kentucky	Approved	08/06/1997
Louisiana	Approved	04/10/1997
Maine	Approved	05/04/1998
Maryland	Approved	09/28/1993
Massachusetts	Approved	07/25/1989
Michigan	Approved	11/09/1995
Minnesota	Approved	08/23/1995
Mississippi	Approved	06/11/1999
Missouri	Approved	02/07/1996
Montana	Approved	03/23/2000
Nebraska	Approved	11/16/1998
Nevada	Approved	02/06/1998
New Hampshire	Approved	03/18/1998
New Jersey	Approved	12/15/1988
New Mexico	Approved	01/24/2005
New York	Approved	01/06/1989

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	08/04/1993
Ohio	Approved	01/15/1993
Oklahoma	Approved	02/24/1998
Oregon	Approved	10/31/1995
Pennsylvania	Approved	03/16/1989
Rhode Island	Approved	01/20/1998
South Carolina	Approved	02/18/1998
South Dakota	Approved	01/24/2001
Tennessee	Approved	04/28/1995
Texas	Approved	01/03/1994
Utah	Approved	01/20/1998
Vermont	Approved	07/15/2004
Virgin Islands	Approved	01/12/2009
Virginia	Approved	08/05/1993
Washington	Approved	07/31/1997
West Virginia	Approved	05/19/1999
Wisconsin	Approved	02/13/1998



## 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 13 types of businesses.**

#### Types of Business

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

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 broker

Municipal securities dealer

Municipal securities broker

Broker or dealer selling variable life insurance or annuities

Put and call broker or dealer or option writer

Investment advisory services

Trading securities for own account

Private placements of securities

## 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.

<b>Name:</b>	RBC CAPITAL MARKETS, LLC
<b>CRD #:</b>	31194
<b>Business Address:</b>	60 S. SIXTH ST. MINNEAPOLIS, MN 55402
<b>Effective Date:</b>	12/09/2009
<b>Description:</b>	APPLICANT CLEARS ITS CLIENTS TRANACTIONS ON A FULLY DISCLOSED BASIS THROUGH RBC.

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## Firm Operations

### Industry Arrangements



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

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** 60 SOUTH SIXTH ST  
 MINNEAPOLIS, MN 55402  
**Effective Date:** 12/09/2009  
**Description:** APPLICANT CLEARS ITS CLIENT TRANACTIONS ON A FULLY DISCLOSED BASIS THROUGH RBC.

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

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** 60 S SIXTH ST  
 MINNEAPOLIS, MN 55402  
**Effective Date:** 12/09/2009  
**Description:** APPLICANT CLEARS ITS CLIENT TRANSACTIONS ON A FULLY DISCLOSED BASIS THROUGH RBC

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

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** 60 S SIXTH ST  
 MINNEAPOLIS, MN 55402  
**Effective Date:** 12/09/2009  
**Description:** APPLICANT CLEARS ITS CLIENT TRANSACTIONS ON A FULLY DISCLOSED BASIS THROUGH RBC.

#### 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.

**BUCKMAN ADVISORY GROUP LLC is under common control with the firm.**

<b>CRD #:</b>	131688
<b>Business Address:</b>	44 CHUCH ST. LITTLE SILVER, NJ 07739
<b>Effective Date:</b>	09/20/2004
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT IS AFFILIATED WITH BUCKMAN ADVISORY GROUP LLC THROUGH COMMON CONTROL OF HJ BUCKMAN CRD 1090909.

**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	17	0
Arbitration	N/A	4	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:**
  - o 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:**
  - o 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:**
  - o 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.
  - o 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 17

**Reporting Source:** Regulator  
**Current Status:** Final



**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO PUBLISH A REPORT REFLECTING ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES. THE FINDINGS STATED THAT THE FIRM EXPERIENCED A TECHNICAL ISSUE WITH ITS WEBHOST PROVIDER THAT DISPLAYED AN OUTDATED REPORT. THE FINDINGS ALSO STATED THAT REPORTS DISPLAYED ON THE FIRM'S WEBSITE DID NOT DISCLOSE ANY PAYMENT FOR ORDER FLOW IT RECEIVED FOR ROUTING ORDERS TO AN EXECUTING VENUE. THE FIRM WAS NOT AWARE THAT SECURITIES EXCHANGE ACT RULE 606 REQUIRED THE DISCLOSURE TO APPEAR IN THE REPORT ITSELF AND WAS NOT AWARE THAT IT WAS REQUIRED TO DISCLOSE PAYMENT FOR ORDER FLOW ON A PER SHARE OR ORDER BASIS. THE FINDINGS ALSO INCLUDED THAT THE FIRM IMPROPERLY ADOPTED BY REFERENCE THE REPORT OF AN EXECUTING BROKER THAT DID NOT CLEAR THE FIRM'S TRADES. THIS REPORT REFLECTED ORDER ROUTING STATISTICS FROM THE STANDPOINT OF THE EXECUTING BROKER RATHER THAN FROM THE STANDPOINT OF THE FIRM. THE FIRM'S IMPROPER RELIANCE ON THIS REPORT WAS BASED ON AN INCORRECT BELIEF THAT IT COULD ADOPT BY REFERENCE THE REPORT OF AN EXECUTING BROKER THAT DID NOT CLEAR ITS TRADES. FINRA FOUND THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 606. THE FIRM DID NOT REVIEW FOR THE ACCURACY OF REPORTING IN NMS OPTIONS SECURITIES, IT DID NOT REVIEW TO ENSURE THE FIRM IS DISCLOSING THE MATERIAL ASPECTS OF ITS RELATIONSHIPS WITH EACH VENUE LISTED ON ITS REPORTS AS WELL AS ANY ARRANGEMENT FOR THE PAYMENT OF ORDER FLOW WITH THOSE VENUES, AND IT DID NOT REVIEW TO CONFIRM THE REPORTS WERE PUBLICLY AVAILABLE ON ITS WEBSITE.

**Initiated By:** FINRA

**Date Initiated:** 08/28/2020

**Docket/Case Number:** [2017053083201](#)

**Principal Product Type:** Other

**Other Product Type(s):** COVERED SECURITIES

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

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

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

**Resolution Date:** 08/28/2020



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

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$15,000, AND REQUIRED TO REVISE ITS WSPS. FINES PAID IN FULL ON SEPTEMBER 11, 2020.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FAILURE TO PUBLISH RULE 606 DATA AND FINRA RULE 2010.

**Initiated By:** FINRA

**Date Initiated:** 08/24/2020

**Docket/Case Number:** 20170530832

**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:** 08/24/2020

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

**Other Sanctions Ordered:** REVISION OF FIRMS WSP'S.

**Sanction Details:** 15000.00 FINE

#### Disclosure 2 of 17

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA'S SUITABILITY RULE. THE FINDINGS STATED THAT ALTHOUGH THE FIRM'S WSPS IDENTIFIED HARRY JOHN BUCKMAN, JR., ITS SENIOR VICE PRESIDENT AND ONE OF THE OWNERS OF THE FIRM AS THE PRINCIPAL RESPONSIBLE FOR REVIEWING THE SUITABILITY OF REPRESENTATIVES' RECOMMENDATIONS, HE DID NOT PERFORM SUITABILITY REVIEWS. HOWEVER, THE FIRM DID NOT MEMORIALIZE ANY PURPORTED DELEGATION OF SUPERVISORY RESPONSIBILITY IN ITS WSPS OR ELSEWHERE. THE WSPS DID NOT IDENTIFY WHO AT THE FIRM HAD RESPONSIBILITY FOR REVIEWING EXCEPTION REPORTS AND ALERTS. PRIOR TO MAY 2017, NO ONE AT THE FIRM REVIEWED THE MONTHLY EXCEPTION REPORTS AND ALERTS THAT COULD HAVE HELPED THE FIRM DETECT EXCESSIVE TRADING, AND UNSUITABLE CONCENTRATION LEVELS IN CUSTOMER ACCOUNTS. BUCKMAN DID NOT REVIEW THE EXCEPTION REPORTS, NOTWITHSTANDING THE FACT THAT THE FIRM'S WSPS DESIGNATED HIM AS THE SUPERVISOR RESPONSIBLE FOR CONDUCTING SUITABILITY REVIEWS, NOR DID HE TAKE ANY ACTIONS TO ENSURE THAT ANYONE ELSE AT THE FIRM REVIEWED THE REPORTS AND ALERTS OR OTHERWISE CONDUCTED REASONABLE SUITABILITY REVIEWS. THE FINDINGS ALSO STATED THAT THE FIRM AND BUCKMAN WHO WAS THE FIRM'S DESIGNATED SUPERVISORY PRINCIPAL RESPONSIBLE FOR CONDUCTING SUITABILITY REVIEWS FAILED TO REASONABLY SUPERVISE TWO FORMER REGISTERED REPRESENTATIVES, WHO, WHILE REGISTERED THROUGH THE FIRM, RECOMMENDED EXCESSIVE AND UNSUITABLE TRADES IN MULTIPLE CUSTOMER ACCOUNTS. RESPONDENTS FAILED TO REASONABLY SUPERVISE ONE OF THESE FORMER REPRESENTATIVES. INDEED, RESPONDENTS DID NOT IDENTIFY THAT HE RECOMMENDED EXCESSIVE TRADES IN AT LEAST FOUR CUSTOMERS' ACCOUNTS (SOME OF WHICH WERE RETIREMENT ACCOUNTS), INCLUDING FREQUENT AND SHORT-TERM TRADES OF UNIT INVESTMENT TRUSTS (UITs) AND OTHER PRODUCTS THAT HAD SIGNIFICANT UP-FRONT COSTS AND WERE INTENDED TO BE LONG-TERM INVESTMENTS. HIS TRADING RAISED NUMEROUS RED FLAGS. COLLECTIVELY, OVER A TWO-YEAR SPAN, THIS REPRESENTATIVE'S EXCESSIVE TRADING OF UITs AND OTHER LONG-TERM PRODUCTS CAUSED THE FOUR CUSTOMERS, WHO COLLECTIVELY HELD SIX ACCOUNTS AT THE FIRM, TO PAY APPROXIMATELY \$210,000 IN COMMISSIONS AND RESULTED IN LOSSES OF APPROXIMATELY \$163,000. SIMILARLY, AS TO THE SECOND FORMER REPRESENTATIVE, THE RESPONDENTS DID NOT REASONABLY SUPERVISE HIM IN THAT THEY



FAILED TO IDENTIFY THAT HE HAD EXCESSIVELY TRADED AND HAD UNSUITABLY CONCENTRATED POSITIONS IN AT LEAST THREE CUSTOMERS' ACCOUNTS AND RECOMMENDED UNSUITABLY CONCENTRATED POSITIONS IN AT LEAST FOUR ADDITIONAL CUSTOMERS' ACCOUNTS. NOTWITHSTANDING THE APPEARANCE OF THE THREE CUSTOMERS' ACCOUNTS ON THOSE REPORTS, NEITHER THE FIRM NOR BUCKMAN TOOK ANY ACTIONS TO INVESTIGATE OR RESTRICT THE FORMER REPRESENTATIVE'S TRADING, NOR DID ANYONE CONTACT THE CUSTOMERS TO DETERMINE WHETHER THEY WERE AWARE OF THE LEVEL OF TRADING IN THEIR ACCOUNTS. COLLECTIVELY, THIS REPRESENTATIVE'S EXCESSIVE AND UNSUITABLE TRADING OF THE THREE CUSTOMERS' ACCOUNTS CAUSED THE CUSTOMERS TO PAY APPROXIMATELY \$173,476 IN COMMISSIONS AND RESULTED IN LOSSES OF APPROXIMATELY \$290,238. RESPONDENTS WERE AWARE THAT HE HAD RECOMMENDED THAT SOME OF HIS CUSTOMERS HOLD CONCENTRATED POSITIONS IN THE STOCK. HOWEVER, NEITHER BUCKMAN NOR ANYONE AT THE FIRM TOOK ANY MEASURES TO DETERMINE THE SPECIFIC CONCENTRATION LEVELS, MUCH LESS TO DETERMINE WHETHER THE CONCENTRATION LEVELS WERE SUITABLE FOR THE CUSTOMERS IN QUESTION. NO ONE AT THE FIRM CONTACTED THE CUSTOMERS TO DETERMINE WHETHER THEY WERE AWARE OF THE CONCENTRATED POSITIONS IN THEIR ACCOUNTS. COLLECTIVELY, THE FORMER REPRESENTATIVE'S RECOMMENDATIONS THAT THESE CUSTOMERS CONCENTRATE THEIR ACCOUNT HOLDINGS IN A SINGLE, SPECULATIVE SECURITY RESULTED IN LOSSES OF APPROXIMATELY \$32,078 FOR THE FOUR CUSTOMERS.

**Initiated By:** FINRA

**Date Initiated:** 04/25/2019

**Docket/Case Number:** [2018058266301](#)

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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

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

**Resolution Date:** 04/25/2019



**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  
Disgorgement/Restitution

**Other Sanctions Ordered:** UNDERTAKING; PLUS INTEREST ON RESTITUTION

**Sanction Details:** THE FIRM WAS CENSURED, ORDERED TO PAY \$205,554, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS AND REQUIRED TO REVIEW AND REVISE, AS NECESSARY, ITS SUPERVISORY SYSTEM AND WSPS, REGARDING SUPERVISION OF EXCESSIVE TRADING AND UNSUITABLE CONCENTRATION LEVELS AND SUPERVISION OF REGISTERED REPRESENTATIVES WITH DISCIPLINARY HISTORIES, WITHIN 30 DAYS OF THE ISSUANCE OF THE NOTICE OF ACCEPTANCE OF THE AWC.

IN LIGHT OF THE FIRM'S FINANCIAL STATUS, NO MONETARY SANCTION HAS BEEN IMPOSED. AS WELL AS THE FIRM'S AGREEMENT TO PAY FULL RESTITUTION TO THE AFFECTED CUSTOMERS.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FAILURE TO REASONABLY SUPERVISE; FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA'S SUITABILITY RULE

**Initiated By:** FINRA

**Date Initiated:** 04/25/2019

**Docket/Case Number:** [2018058266301](#)

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):** EQUITIES

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

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





**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 04/25/2019  
**Sanctions Ordered:** Censure  
 Disgorgement/Restitution  
**Other Sanctions Ordered:** UNDERTAKING AND INTEREST ON RESTITUTION  
**Sanction Details:** PRINCIPAL SUSPENDED FROM SUPERVISORY CAPACITY 05/20/2019 TO  
 08/19/2019; FIRM AGREED TO PAY RESTITUTION

### Disclosure 3 of 17

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** N/A  
**Initiated By:** FLORIDA OFFICE OF FINANCIAL REGULATION  
**Date Initiated:** 07/27/2018  
**Docket/Case Number:** 70896-S  
**URL for Regulatory Action:**  
**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:** CEASE AND DESIST  
**Resolution:** Order  
**Resolution Date:** 07/27/2018  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Sanctions Ordered:** Monetary/Fine \$7,000.00  
 Cease and Desist/Injunction  
**Other Sanctions Ordered:**



**Sanction Details:** ADMINISTRATIVE FINE OF \$7,000.00 PAID IN FULL ON 7/27/2018

**Regulator Statement** ON JULY 27, 2018, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF BUCKMAN, BUCKMAN & REID, INC. BUCKMAN, BUCKMAN & REID, INC. NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE. THE OFFICE FOUND THAT BUCKMAN, BUCKMAN & REID, INC. FAILED TO HAVE A SCHEDULE FOR THE INSPECTION OF NON-BRANCH LOCATIONS AND CRITERIA FOR THE FREQUENCY OF THE INSPECTIONS IN THE FIRM'S WRITTEN SUPERVISORY PROCEDURES. PURSUANT TO THE FINAL ORDER, BUCKMAN, BUCKMAN & REID, INC. AGREED TO CEASE AND DESIST FROM ALL PRESENT AND FUTURE VIOLATIONS OF CHAPTER 517, F. S. AND THE ADMINISTRATIVE RULES THEREUNDER; AND TO PAY AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$7,000.00.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATION OF FL. ADMIN.CODE 69 W 600.0131 FAILURE TO SET FORTH A SCHEDULE FOR FREQUENCY OF BRANCH INSPECTIONS IN ITS WSP'S.

**Initiated By:** FLORIDA OFFICE OF FINANCIAL REGULATION

**Date Initiated:** 05/31/2018

**Docket/Case Number:** 70896 S

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** STIPULATION AND CONSENT AGREEMENT , FINE 7000.00

**Resolution:** Stipulation and Consent

**Resolution Date:** 05/31/2018

**Sanctions Ordered:** Monetary/Fine \$7,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** FINE.

**Sanction Details:** FINE

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**Disclosure 4 of 17****Reporting Source:** Regulator**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT EFFECTED OPENING TRANSACTIONS FOR A CUSTOMER'S ACCOUNT THAT EXCEEDED THE APPLICABLE POSITION LIMIT ON THE BULLISH SIDE OF THE MARKET IN A SECURITY, WHICH WAS 50,000 CONTRACTS BY 5,676 CONTRACTS. THE FINDINGS STATED THAT THE NEXT DAY, THE FIRM EXECUTED AN ADDITIONAL 500 CONTRACTS IN THE SECURITY FOR THE SAME CUSTOMER WHILE THE CUSTOMER'S POSITION IN THE SECURITY HAD ALREADY EXCEEDED THE POSITION LIMIT ON THE PREVIOUS TRADING DAY, WHICH FURTHER CAUSED THE APPLICABLE POSITION LIMIT TO BE EXCEEDED BY A TOTAL OF 6,176 CONTRACTS. ALTHOUGH THE FIRM IDENTIFIED THAT ITS CUSTOMER'S POSITION IN THE SECURITY HAD EXCEEDED THE APPLICABLE POSITION LIMIT, AND WHILE THE FIRM MADE SOME INITIAL EFFORTS TO ADDRESS THE ISSUE, SUCH EFFORTS WERE UNSUCCESSFUL IN BRINGING ITS CUSTOMER'S POSITION IN THE SECURITY INTO COMPLIANCE WITH THE APPLICABLE POSITION LIMIT. AS SUCH, THE FIRM EXCEEDED THE POSITION LIMIT IN THE SECURITY FOR A TOTAL OF 16 CONSECUTIVE TRADING DAYS, WHICH RANGED FROM APPROXIMATELY 11 PERCENT TO 12 PERCENT OVER THE APPLICABLE LIMIT FOR THE SECURITY. THE FIRM'S CLEARING FIRM, WHERE THE POSITIONS WERE MAINTAINED, ALSO FAILED TO TAKE ACTION NECESSARY TO BRING THE POSITION INTO COMPLIANCE. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING POSITION LIMITS. IN ADDITION, THE FIRM'S WSPS WERE DEFICIENT AS THEY INCORRECTLY INDICATED THAT THE FIRM'S CLEARING FIRM OR OTHER FIRMS EXECUTING ON ITS BEHALF HAD SYSTEMS TO PREVENT ORDER ENTRIES THAT WOULD VIOLATE POSITION LIMITS. THE FINDINGS ALSO INCLUDED THAT IN SITUATIONS WHERE THE FIRM WAS ACQUIRING SHARES VIA OTC LINK, AN ELECTRONIC INTER-DEALER QUOTATION SYSTEM, TO FACILITATE CUSTOMER ORDERS ON A NET BASIS, WHILE THE FIRM TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REFLECTING THE NET PRICE AT WHICH IT SATISFIED THE CUSTOMER ORDERS, IT FAILED TO TRANSMIT ROES TO OATS FOR ORDERS FROM ITS PRINCIPAL ACCOUNT THAT WERE UTILIZED TO ACQUIRE THE SECURITIES ON BEHALF OF ITS CUSTOMERS. FINRA FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO FINRA RULE 7450, AS THE FIRM WAS UNAWARE OF ITS OATS



REPORTING OBLIGATIONS INVOLVING THE ROES IT FAILED TO REPORT,  
AND DID NOT INCLUDE ADEQUATE WSPS.

**Initiated By:** FINRA

**Date Initiated:** 06/04/2018

**Docket/Case Number:** [2016049343502](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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

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

**Resolution Date:** 06/04/2018

**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 \$37,500.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$37,500. FINES PAID IN FULL ON JUNE 12, 2020.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** OATS VIOLATION FINRA 7450A,3110,2010.OPTIONS POSITION LIMIT VIOLATION RULE2360B 3.

**Initiated By:** FINRA

**Date Initiated:** 05/22/2018

**Docket/Case Number:** 20160493435

**Principal Product Type:** Equity - OTC



**Other Product Type(s):** OPTIONS.  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:** FINE.  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 06/04/2018  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$37,500.00  
**Other Sanctions Ordered:**  
**Sanction Details:** AWC,CENSURE AND FINE 37500.00

#### Disclosure 5 of 17

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** BBR FAILED TO COMPLY WITH THE TERMS OF A HEIGHTENED SUPERVISION AGREEMENT FOR A REGISTERED REPRESENTATIVE.  
**Initiated By:** NEW JERSEY BUREAU OF SECURITIES  
**Date Initiated:** 05/09/2018  
**Docket/Case Number:** N/A  
**URL for Regulatory Action:** [HTTP://WWW.NJCONSUMERAFFAIRS.GOV/ACTIONS/BUCKMANBUCKMANREID\\_EXECUTEDCONSENT%20ORDER\\_09MAY2018.PDF](http://www.njconsumeraffairs.gov/actions/buckmanbuckmanreid_executedconsent%20order_09may2018.pdf)  
**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:** BUCKMAN, BUCKMAN & REID, INC. ("BBR") WILL CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE SECURITIES LAW AND WILL COMPLY WITH THE SECURITIES LAW.  
**Resolution:** Consent  
**Resolution Date:** 05/09/2018



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

**Sanctions Ordered:** Monetary/Fine \$10,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** FROM JUNE 29, 2015, THROUGH AT LEAST OCTOBER 2016, APPROXIMATELY TWO TO THREE DAYS A WEEK, A BBR REGISTERED REPRESENTATIVE ON A HEIGHTENED SUPERVISORY AGREEMENT WORKED FROM HOME IN CONTRAVENTION OF THE AGREEMENT.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FAILURE TO COMPLY WITH THE TERMS OF A HEIGHTENED SUPERVISION AGREEMENT FOR A R.R.

**Initiated By:** NEW JERSEY BUREAU OF SECURITIES

**Date Initiated:** 05/09/2018

**Docket/Case Number:** N/A

**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:** Consent

**Resolution Date:** 05/09/2018

**Sanctions Ordered:** Monetary/Fine \$10,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** 10000 FINE TO BE PAID IN INSTALLMENTS BY APPLICANT PER CONSENT ORDER.



**Firm Statement** FROM 6/29/2015 THRU 10/2016 APPX. 2-3 DAYS A WEEK A BBR REP. ON A HEIGHTENED SUPERVISORY AGMT. WORKED FROM HOME IN CONTRAVENTION OF THE AGMT.

### Disclosure 6 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA, FAILED TO SHOW THE CORRECT ORDER RECEIPT TIME ON THE BROKERAGE ORDER MEMORANDA, AND FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM MADE PUBLICLY AVAILABLE A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES THAT INCLUDED INCORRECT INFORMATION AS TO THE PERCENTAGE OF THE FIRM'S CUSTOMER NON-DIRECTED FLOW. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WSPS FAILED TO PROVIDE FOR ONE OR MORE OF THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS CONCERNING ORDER HANDLING, SHORT SALE TRANSACTIONS, OATS REPORTING, EXTRAORDINARY MARKET VOLATILITY, ELECTRONIC COMMUNICATIONS REVIEWS, AND SEC RULE 15C3-5.

**Initiated By:** FINRA

**Date Initiated:** 02/22/2017

**Docket/Case Number:** [2014039940501](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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

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

**Resolution Date:** 02/22/2017



**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 \$40,000.00

**Other Sanctions Ordered:** UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$40,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES. FINES PAID IN FULL ON MARCH 2, 2019.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATIONS OF FINRA RULE 7450 A, 4511, SEC 17A 3, 10B 10, RULE 606,

**Initiated By:** FINRA

**Date Initiated:** 02/22/2017

**Docket/Case Number:** 20140399405-01

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 02/22/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$40,000.00

**Other Sanctions Ordered:** REVISE WSP'S

**Sanction Details:** INSTALLMENT OPLAN ACCEPTED.

**Firm Statement** OATS REPORTING VIOLATIONS





## Disclosure 7 of 17

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT WHILE ACCEPTING AND HOLDING CUSTOMER MARKET ORDERS AND CUSTOMER LIMIT ORDERS, THE FIRM EXECUTED PROPRIETARY TRADES AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER ORDERS AND SUBSEQUENTLY EXECUTED PORTIONS OF THE CUSTOMER ORDERS AT INFERIOR PRICES. THE FINDINGS STATED THAT THE FIRM HAS PAID RESTITUTION FOR THOSE TRANSACTIONS. THE FINDINGS ALSO STATED THAT WHILE ACCEPTING AND HOLDING CUSTOMER LIMIT ORDERS, THE FIRM EXECUTED PROPRIETARY TRADES AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER LIMIT ORDERS. THE FIRM THEN EXECUTED THE CUSTOMER ORDERS UP TO THE SIZE AND AT THE SAME PRICE AT WHICH IT HAD TRADED FOR ITS OWN ACCOUNT, BUT FAILED TO DO SO IMMEDIATELY; IT WAITED APPROXIMATELY ONE MINUTE AND 40 SECONDS TO EXECUTE ONE OF THE CUSTOMER ORDERS AFTER EXECUTING A PROPRIETARY TRADE AND APPROXIMATELY FOUR AND A HALF MINUTES TO EXECUTE THE OTHER CUSTOMER ORDER AFTER EXECUTING THE SECOND PROPRIETARY TRADE. THE FINDINGS ALSO INCLUDED THAT THE FIRM HAS FAILED TO ESTABLISH REASONABLE WRITTEN SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 5320 AND FAILED TO SUPERVISE ITS TRADERS' ACTIVITY ADEQUATELY IN THAT IT FAILED TO REVIEW SECURITIES TRANSACTIONS IN A MANNER DESIGNED TO IDENTIFY THE TRADES THAT VIOLATED FINRA RULE 5320.</p>
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	11/13/2015
<b>Docket/Case Number:</b>	<a href="#">2013037591301</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 11/13/2015

**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 \$27,500.00

**Other Sanctions Ordered:** UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$27,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.  
FINE PAID IN FULL ON DECEMBER 7, 2015.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WHILE ACCEPTING AND HOLDING CUSTOMER MARKET AND LIMIT ORDERS THE FIRM EXECUTED PROPRIETARY TRADES AT PRICES THAT WOULD SATISFY CUSTOMER ORDERS AND SUBSEQUENTLY EXECUTED CUSTOMER ORDERS AT INFERIOR PRICES.FAILED TO ESTABLISH REASONABLE WRITTEN SUPERVISORY PROCEDURES TO COMPLY WITH FINRA RULE 5320 AND FAILED TO SUPERVISE TRADERS ADEQUATELY.THE FINDINGS STATED THAT THE FIRM HAS PAID RESTITUTION FOR THOSE TRANSACTIONS.

**Initiated By:** FINRA

**Date Initiated:** 11/13/2015

**Docket/Case Number:** [2013037591301](#)

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE 27500.00,REVISE WRITTEN SUPERVISORY PROCEDURES.

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

**Resolution Date:** 11/13/2015



**Sanctions Ordered:** Censure  
Monetary/Fine \$27,500.00

**Other Sanctions Ordered:** REVISE WRITTEN SUPERVISORY PROCEDURES.

**Sanction Details:** FIRM IS CENSURED ,FINED 27500.00, AND REQUIRED TO REVISE WRITTEN SUPERVISORY PROCEDURES.

## Disclosure 8 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT PARTICIPATED IN THE UNLAWFUL DISTRIBUTIONS OF THE SHARES OF TWO ISSUERS WHOSE SECURITIES WERE NOT REGISTERED AND WERE NOT SUBJECT TO AN APPLICABLE REGISTRATION EXEMPTION. THE FINDINGS STATED THAT THE FIRM FAILED TO CONDUCT AN ADEQUATE INDEPENDENT INQUIRY TO DETERMINE WHETHER THE SHARES OF THE ISSUERS WERE FREELY TRADABLE. THE FIRM FAILED TO UNDERTAKE SUFFICIENT EFFORTS TO ASCERTAIN WHETHER THE STOCKS COULD BE PROPERLY SOLD UNDER ANY EXEMPTION. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A REASONABLE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933. THE FIRM FAILED TO REASONABLY SUPERVISE THE SALES OF UNREGISTERED SECURITIES WHICH ALLOWED CUSTOMERS TO SELL LARGE VOLUMES OF THE TWO SECURITIES AND IT DID NOT IDENTIFY AND ADEQUATELY ADDRESS THE MULTIPLE RED FLAGS SIGNALING THAT THE CUSTOMERS' CONDUCT WAS A PLAN TO EVADE COMPLIANCE WITH APPLICABLE RULES. THE FIRM ALSO FAILED TO ESTABLISH AND IMPLEMENT ANTI-MONEY LAUNDERING (AML) POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS RELATED TO PENNY STOCK LIQUIDATIONS AND THE SALE OF UNREGISTERED SECURITIES. THE FIRM FAILED TO TAILOR ITS AML PROGRAM TO THE RISKS PRESENTED BY THE DEPOSIT AND SALE OF LOW PRICED SECURITIES. THE FIRM'S WRITTEN AML PROCEDURES ALSO DID NOT ADDRESS IN ANY WAY THE REVIEW OF TRADING ACTIVITY AT ONE OF THE FIRM'S CLEARING FIRMS AND ITS SUCCESSOR. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE SUPERVISORY SYSTEMS, INCLUDING WRITTEN PROCEDURES, RELATING TO SUPERVISION OF ITS CUSTOMERS' TRADING ACTIVITY THROUGH THE CLEARING FIRM AND ITS SUCCESSOR. THE FIRM ALSO FAILED TO ESTABLISH AND IMPLEMENT AN ADEQUATE AML SYSTEM AND PROCEDURES TO DETECT, MONITOR AND



REPORT SUSPICIOUS ACTIVITY IN ITS ACCOUNTS THAT CLEARED THROUGH THE CLEARING FIRM AND ITS SUCCESSOR. FINRA FOUND THAT THE FIRM IMPLEMENTED MATERIAL CHANGES IN ITS BUSINESS OPERATIONS BY INCREASING THE NUMBER OF ITS SALES PERSONNEL BEYOND THE "SAFE HARBOR" PARAMETERS WITHOUT FIRST OBTAINING APPROVAL FROM FINRA. FINRA ALSO FOUND THAT THE FIRM PAID TRANSACTION-BASED COMPENSATION TO AN UNREGISTERED ENTITY WHICH WAS OWNED AND CONTROLLED BY TWO REGISTERED REPRESENTATIVES REGISTERED WITH IT. IN ADDITION, FINRA DETERMINED THAT THE FIRM FAILED TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THE NATIONAL DO-NOT-CALL REGISTRY AND TO INSTITUTE A FIRM-SPECIFIC DO-NOT-CALL LIST. MOREOVER, FINRA FOUND THAT THE FIRM FAILED TO REVIEW AND RETAIN BUSINESS-RELATED EMAILS SENT AND RECEIVED FROM TWO OF ITS REGISTERED REPRESENTATIVES' PERSONAL EMAIL ACCOUNTS AND SUPERVISE THEIR BUSINESS-RELATED EMAIL USAGE.

**Initiated By:** FINRA

**Date Initiated:** 01/26/2015

**Docket/Case Number:** [2011029206503](#)

**Principal Product Type:** Penny Stock(s)

**Other Product Type(s):** UNREGISTERED SECURITIES

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

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

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

**Resolution Date:** 01/26/2015

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$200,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM IS CENSURED AND FINED \$200,000.  
FINRA IMPOSED A LOWER FINE ON THE FIRM IN THIS CASE AFTER IT



CONSIDERED, AMONG OTHER THINGS, ITS REVENUES AND FINANCIAL RESOURCES. FINES PAID IN FULL ON FEBRUARY 11, 2018.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA RULES VIOLATIONS 2010, 1017, 2212,2420, 3010A AND B,3310,SEC RULE 17A4.SALES OF UNREGISTERED SECURITIES OF 2 ISSUERS, FAILING TO ESTABLISH MAINTAIN ADEQUATE SUPERVISORY PROGRAM, EXPANSION WITHOUT PRIOR APPROVAL ,PAYMENTS TO AN UNREGISTERED ENTITY,FAILURE TO COMPLY WITH DO NOT CALL LIST REQUIREMENTS VAND FAIULURE TO REVIEW/MAINTAIN EMAILS.

**Initiated By:** FINRA

**Date Initiated:** 01/26/2015

**Docket/Case Number:** FINRA 2011029206503

**Principal Product Type:** Penny Stock(s)

**Other Product Type(s):**

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

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

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

**Resolution Date:** 01/26/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$200,000.00  
Suspension

**Other Sanctions Ordered:**

**Sanction Details:** CONTROL AFFILIATE HJ BUCKMAN CRD 1090909 WAS SUSPENDED ONE MONTH STARTING 02/17/2015 AND FINED 25,000.00 AS PART OF THIS AWC ALSO.THE FIRM WAS ALSO CENSURED.

#### Disclosure 9 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULES 10B-10, 17A-3, 611(A)(1), SEC RULES 200(G), 203(B)(1) OF



REGULATION SHO, SEC RULE 611(A)(1) OF REGULATION NMS, FINRA RULES 2010, 4511(A), 6182, 6380A, 6624, 7450(A), NASD RULE 3010 - BUCKMAN, BUCKMAN & REID, INC. APPENDED A TRADE REPORTING MODIFIER/NATIONAL MARKET SYSTEM (NMS) EXEMPTION CODE TO TRADES REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) WITHOUT PROVIDING A REASONABLE JUSTIFICATION; THE FIRM EXECUTED INTER-DEALER TRANSACTIONS ON BEHALF OF CUSTOMERS AT AN AVERAGE PRICE THAT INCLUDED THE FIRM'S COMPENSATION. THE FIRM EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT EACH OF THE TRANSACTIONS TO THE FNTRF WITH A SHORT SALE MODIFIER. THE FIRM INCORRECTLY APPENDED AN ACCOUNT TYPE CODE OF "A" FOR ORDERS RECEIVED FROM RETAIL CUSTOMERS, INCORRECTLY SUBMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THE LONG/SHORT INDICATOR AND ACCOUNT TYPE, INCORRECTLY SUBMITTED TO OATS A BUY/SELL CODE OF "SX", FAILED TO SUBMIT AN OATS REPORT INCLUDING THE RECEIPT AND ROUTING OF AN ORDER IN FULL, FAILED TO APPEND THE "NOT HELD" SPECIAL HANDLING CODE TO NEW ORDER REPORTS SUBMITTED TO OATS, AND INCORRECTLY APPENDED AN ACCOUNT TYPE CODE OF "A" IN TWO INSTANCES. THE FIRM INCORRECTLY MARKED SHORT SALES AS LONG. THE FIRM INACCURATELY DENOTED ITS COMPENSATION TYPE AS "COMMISSION" ON CUSTOMER CONFIRMATIONS, FAILED TO ACCURATELY DISCLOSE ITS CAPACITY AND COMPENSATION TYPE AND APPEND AN AVERAGE PRICE DISCLOSURE; AND FAILED TO APPEND CAPACITY AND/OR AVERAGE PRICE DISCLOSURE ON CUSTOMER CONFIRMATIONS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS THAT DO NOT FALL WITHIN ANY APPLICABLE EXCEPTION, AND IF RELYING ON AN EXCEPTION, ARE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THE TERMS OF THE EXCEPTION. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 611(A)(1) OF REGULATION NMS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA AND SEC RULES ADDRESSING TRADING AND MARKET MAKING TOPICS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR MINIMUM REQUIREMENTS FOR ADEQUATE WSPS IN: SUPERVISORY SYSTEM, PROCEDURES AND QUALIFICATIONS: OFFICE OF SUPERVISORY JURISDICTION (OSJ) LOCATIONS; ORDER HANDLING: SEC RULE 606 AND SEC RULE 605; BEST EXECUTION: EXECUTION OF CUSTOMER ORDERS: PRINCIPAL/RISKLESS PRINCIPAL/AGENT VIA ORDER BY ORDER ROUTING AND AGENT VIA AGGREGATE ROUTING; TRADE REPORTING: ORDER MAKING REQUIREMENTS; LOCATE REQUIREMENTS; SHORT SALE REPORTING, REGULATION SHO RULE 204, SHORT SALE



CIRCUIT BREAKER AND NAKED SHORT SELLING ANTIFRAUD RULE; OTHER TRADING RULES: TRADING HALTS, FINRA CLEARLY ERRONEOUS; ORDER AUDIT TRAIL SYSTEM (OATS): ACCURATE AND TIMELY SUBMISSION AND ACCURACY OF REPORTED ROUTED IDS; OTHER RULES: CHINESE WALLS/INFORMATION BARRIERS, BOOKS AND RECORDS AND REVIEW INCOMING, OUTGOING AND INTERNAL ELECTRONIC COMMUNICATIONS BETWEEN AND FROM THE FIRM'S TRADING DESK(S); AND USE OF MARKET PARTICIPANT IDENTIFIERS (MPIDS): MULTIPLE MPID USAGE AND SUPERVISION OF ACTIVITY. [CONTINUED IN COMMENT.]

**Initiated By:** FINRA

**Date Initiated:** 09/13/2013

**Docket/Case Number:** [2012030983601](#)

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):** NMS SECURITIES

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

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

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

**Resolution Date:** 09/13/2013

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

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

**Other Sanctions Ordered:** UNDERTAKINGS

**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 \$50,000 AND REQUIRED TO REVISE ITS WSPS REGARDING SEC RULE 611(A)(1) OF REGULATION NMS, SUPERVISORY SYSTEM, PROCEDURES AND QUALIFICATIONS: OSJ LOCATIONS; ORDER HANDLING: SEC RULE 606 AND SEC RULE 605; BEST EXECUTION: EXECUTION OF CUSTOMER ORDERS: PRINCIPAL/RISKLESS PRINCIPAL/AGENT VIA ORDER BY ORDER ROUTING AND AGENT VIA AGGREGATE ROUTING; TRADE REPORTING: ORDER MAKING



REQUIREMENTS; LOCATE REQUIREMENTS; SHORT SALE REPORTING, REGULATION SHO RULE 204, SHORT SALE CIRCUIT BREAKER AND NAKED SHORT SELLING ANTIFRAUD RULE; OTHER TRADING RULES: TRADING HALTS, FINRA CLEARLY ERRONEOUS; OATS: ACCURATE AND TIMELY SUBMISSION AND ACCURACY OF REPORTED ROUTED IDS; OTHER RULES: CHINESE WALLS/INFORMATION BARRIERS, BOOKS AND RECORDS AND REVIEW INCOMING, OUTGOING AND INTERNAL ELECTRONIC COMMUNICATIONS BETWEEN AND FROM THE FIRM'S TRADING DESK(S); AND USE OF MPIDS: MULTIPLE MPID USAGE AND SUPERVISION OF ACTIVITY WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

### Regulator Statement

ALLEGATIONS CONTINUED: THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS CONCERNING: ORDER HANDLING: SEC RULE 606, SEC RULES 604 AND 602, ORDER PROTECTION AND SEC RULE 605; BEST EXECUTION: EXECUTION OF CUSTOMER ORDERS: PRINCIPAL/RISKLESS PRINCIPAL/ AGENT VIA ORDER BY ORDER ROUTING AND AGENT VIA AGGREGATE ROUTING; TRADE REPORTING: GENERAL TRADE REPORTING, RISKLESS PRINCIPAL TRADE REPORTING, ACCEPTING TRADES, TRADE MODIFIERS AND TRADES REPORTED ON THE FIRM'S BEHALF; SALES TRANSACTIONS: ORDER MARKING REQUIREMENTS, LOCATE REQUIREMENTS AND SHORT SALE REPORTING; OATS: CLOCK SYNCHRONIZATION, ACCURATE AND TIMELY SUBMISSION, REJECTS, OATS VS TRF CONSISTENCY AND ROUTED ORDER IDS; OTHER RULES: CHINESE WALLS/INFORMATION BARRIER, ELECTRONIC COMMUNICATIONS REVIEW; USE OF MPIDS: REQUIREMENTS/LIMITATIONS OF USE OF MPID AND LIMITING ACCESS OF MPID. THE FIRM EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT. THE FIRM EFFECTED SHORT SALES 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 THE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH RULE 203(B)(1) OF REGULATION SHO.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VIOLATIONS OF: 10B-10; 17A-3; 611A-1; 2000(G); 2003(B)(1); 611(A)(1); FINRA RULES 2010, 4511(A), 6182, 6380(A), 6624, 7450(A), NASD RULE 3010.

**Initiated By:** FINRA

**Date Initiated:** 09/13/2013





**Docket/Case Number:** 20120309836-01

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):** NMS SECURITIES

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

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

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

**Resolution Date:** 09/13/2013

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

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THEREFORE, THE FIRM WAS CENSURED AND FINED \$50,000 AND REQUIRED TO REVISE WSPS REGARDING SEC RULE 611(A)(1) OF REGULATION NMS, SUPERVISORY SYSTEM PROCEDURES AND QUALIFICATIONS, OSJ LOCATIONS ORDER HANDLING, SEC RULES 605 AND 606, BEST EXECUTION OF CUSTOMER ORDERS AND QUALIFICATIONS, PRINCIPAL/AGENT, VIA ORDER BY ORDER ROUTING AND AGENT, VIA AGGREGATE ROUTING, TRADE REPORTING, ORDER MAKING REQUIREMENTS, LOCATE REQUIREMENTS, SHORT SALE REPORTING, REGULATION SHO RULE 204, SHORT SALE CIRCUIT BREAKER, NAKED SHORT SELLING, ANTI-FRAUD RULES, OTHER TRADING RULES, TRADING HALTS, FINRA CLEARLY ERRONEOUS, OATS, ACCURATE AND TIMELY SUBMISSION, AND ACCURACY OF REPORTED ROUTED IDS, OTHER RULES, CHINES WALLS/INFORMATION BARRIERS, BOOKS & RECORDS, AND REVIEW INCOMING, OUTGOING, AND INTERNAL ELECTRONIC COMMUNICATIONS BETWEEN AND FROM THE FIRM'S TRADING DESK, AND USE OF MPIDS, MULTIPLE MPID USAGE, AND SUPERVISION OF ACTIVITY WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

#### Disclosure 10 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** MSRB RULE G-14: RESPONDENT MEMBER FIRM FAILED TO ACCURATELY AND TIMELY REPORT TRANSACTIONS TO THE MSRB.



**Initiated By:** NASD  
**Date Initiated:** 09/21/2006  
**Docket/Case Number:** E9B2005001802  
**Principal Product Type:** Debt - Municipal  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 09/21/2006  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Sanctions Ordered:** Monetary/Fine \$5,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** MSRB RULE G-14: RESPONDENT MEMBER FIRM FAILED TO ACCURATELY AND TIMELY REPORT TRANSACTIONS TO THE MSRB.  
**Initiated By:** NASD  
**Date Initiated:** 09/21/2006  
**Docket/Case Number:** E9B2005001802  
**Principal Product Type:** Debt - Municipal  
**Other Product Type(s):**



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

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

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

**Resolution Date:** 09/21/2006

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

#### Disclosure 11 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 6130(B), 2110 - RESPONDENT MEMBER FAILED TO ACCEPT OR DECLINE IN ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION.

**Initiated By:** NASD

**Date Initiated:** 11/19/2004

**Docket/Case Number:** CMS040187

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 11/19/2004



**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 \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BUCKMAN, BUCKMAN & REID INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$12,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE FIRM FAILED TO ACCEPT OR DECLINE IN ACT 430 TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION.

**Initiated By:** NASD

**Date Initiated:** 10/12/2004

**Docket/Case Number:** CMS040187

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):** EQUITY OTC

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

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

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

**Resolution Date:** 11/19/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM IS TO BE NOTIFIED BY THE NASD FINANCE DEPARTMENT REGARDING PAYMENT OF THE FINE.

**Firm Statement**

WE ERRONEOUSLY BELIEVED WE HAD A QSR AGREEMENT WITH TRIMARK WHEREBY THEY WOULD BE RESPONSIBLE FOR OUR ACT REPORTING ON TRADES DONE THROUGH THEM. WE NOW HAVE THAT AGREEMENT

**Disclosure 12 of 17**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULE 2110, 3010, AND 3370 - RESPONDENT MEMBER FIRM EXECUTED SIX SHORT ORDERS IN CERTAIN SECURITIES AND FAILED TO MAINTAIN A WRITTEN RECORD OF THE AFFIRMATIVE DETERMINATION MADE FOR SUCH ORDERS. RESPONDENT MEMBER SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS RELATING TO SHORT SALE TRANSACTIONS.

**Initiated By:** NASD

**Date Initiated:** 07/11/2003

**Docket/Case Number:** CMS030158

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED TYPE OF FINANCIAL PRODUCT.

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

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

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

**Resolution Date:** 07/11/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,000.00

**Other Sanctions Ordered:** UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE AREAS DESCRIBED IN ITEM #7. WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC, A REGISTERED PRINCIPAL OF THE RESPONDENT MEMBER SHALL SUBMIT TO NASD COMPLIANCE DEPARTMENT, A SIGNED AND DATED LETTER, PROVIDING THE FOLLOWING INFORMATION: (1) A REFERENCE TO THIS MATTER; (2) A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES DESCRIBED IN ITEM #7; AND (3) THE DATE THE REVISED PROCEDURES



WERE IMPLEMENTED.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER FIRM CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINED \$7,000.00.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CONDUCT RULE 3370 (AFFIRMATIVE DETERMINATION)

**Initiated By:** NASD

**Date Initiated:** 03/11/2002

**Docket/Case Number:** CMS030158

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

**Resolution Date:** 06/04/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,000.00

**Other Sanctions Ordered:** AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

**Sanction Details:** \$7,000.00 PAID 8/12/03

#### Disclosure 13 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULE 2110, NASD MARKETPLACE RULE 6740, AND SEC RULE 15C2-11 - RESPONDENT MEMBER ("FIRM") PUBLISHED QUOTATIONS FOR A COMPANY, AN OTC EQUITY SECURITY, OR, DIRECTLY OR INDIRECTLY, SUBMITTED SUCH QUOTATIONS FOR PUBLICATION, IN A QUOTATION MEDIUM AND: (I) DID NOT HAVE IN ITS RECORDS THE



DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A) ("PARAGRAPH (A) INFORMATION"); (II) DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE PARAGRAPH (A) INFORMATION WAS ACCURATE IN ALL MATERIAL RESPECTS; OR (III) DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE SOURCES OF THE PARAGRAPH (A) INFORMATION WERE RELIABLE. THE QUOTATIONS DID NOT REPRESENT A CUSTOMER'S INDICATION OF UNSOLICITED INTEREST. THE FIRM, FOR EACH QUOTATION DESCRIBED IN PARAGRAPH ONE, FAILED TO FILE A FORM 211 WITH NASD AT LEAST THREE BUSINESS DAYS BEFORE THE FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

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

**Date Initiated:** 03/13/2003

**Docket/Case Number:** CMS030044

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 03/13/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE FIRM PUBLISHED OR SUBMITTED FOR PUBLICATION NINE QUOTATIONS IN INSTINET FOR AN OTC SECURITY WITHOUT DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A), DID NOT HAVE A REASONABLE BASIS FOR BELIEVING INFIRMATION IN PARAGRAPH (A) WAS



ACCURATE OR DID NOT HAVE REASONABLE BASIS FOR BELIEVING SOURCES OF THE PARAGRAPH (A) WERE RELIABLE. THE QUOTATIONS DID NOT REPRESENT A CUSTOMER'S INDICATION OF UNSOLICITED INTEREST. FOR EACH QUOTATION THE FIRM FAILED TO FILE A FORM 211 WITH THE NASD AT LEAST 3 BUSINESS DAYS BEFORE THE QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

**Initiated By:** NASD DEPARTMENT OF MARKET REGULATION

**Date Initiated:** 03/13/2003

**Docket/Case Number:** CMS030044

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE OF \$7,500.

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

**Resolution Date:** 03/13/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE BEING PAID ON APPROVED INSTALLMENT PLAN.

#### Disclosure 14 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 3110, 6130, AND 1021 - RESPONDENT MEMBER MAINTAINED WRITTEN SUPERVISORY PROCEDURES THAT WERE MATERIALLY DEFICIENT IN SEVERAL AREAS; FAILED TO IMPLEMENT THE FIRM ELEMENT OF THE ASSOCIATION'S CONTINUING EDUCATION PROGRAM; FAILED TO INCLUDE THE TIME OF ENTRY ON ORDER TICKETS; FAILED TO INDICATE ON THE MEMORANDA FOR SECURITY TRANSACTIONS THE NAME OF EACH DEALER CONTACTED AND THE QUOTATIONS RECEIVED TO DETERMINE THE BEST INTER-DEALER MARKET; FAILED TO DISCLOSE IN AN OFFERING MEMORANDUM (1) A DATE UPON WHICH THE FIRM WOULD CEASE OFFERING SHARES TO THE PUBLIC; AND (2) THAT CUSTOMER FUNDS WOULD BE RETURNED IF THE FIRM FAILED TO SELL





THE MINIMUM NUMBER OF SHARES; FAILED TO TIMELY UTILIZE THE BROWSE FUNCTION IN THE AUTOMATED CONFIRMATION TRANSACTION SERVICE TO ACCEPT OR DECLINE TRANSACTIONS IN NASDAQ SECURITIES WITHIN TWENTY MINUTES OF EXECUTION; ALLOWED THE FIRM'S FINANCIAL AND OPERATIONS PRINCIPAL TO FUNCTION IN THE CAPACITY OF A GENERAL SECURITIES PRINCIPAL WITHOUT THE BENEFIT OF REGISTRATION.

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

**Date Initiated:** 08/01/2000

**Docket/Case Number:** C06000014

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 08/01/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$37,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED JOINTLY AND SEVERALLY FOR \$37,500.00.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED VIOLATIONS OF THE FOLLOWING RULES IN CONNECTION WITH NASDR ROUTINE EXAMINATION OF THE FIRM CONDUCTED IN 1998/1999: NASD RULES 2110, 3010, 1120(B), 1021, 6130, 3110 AND SEC RULE 17A-3.

**Initiated By:** NASD REGULATION

**Date Initiated:** 08/01/2000

**Docket/Case Number:** C06000014

**Principal Product Type:** No Product

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	MONETARY FINE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/01/2000
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$37,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	CENSURE & MONETARY FINE OF \$7,500 AGAINST FIRM; CENSURE & MONETARY FINE OF \$20,000 IMPOSED JOINTLY & SEVERALLY AGAINST FIRM AND H. JOHN BUCKMAN; CENSURE & MONETARY FINE OF \$10,000 IMPOSED JOINTLY & SEVERALLY AGAINST FIRM, H. JOHN BUCKMAN AND ROBERT MARTIN SNYDER. FIRM "WILL BE NOTIFIED BY...FINANCE DEPARTMENT REGARDING THE PAYMENT OF ANY FINE."
<b>Firm Statement</b>	THE ALLEGED VIOLATIONS OCCURRED OVER A FOUR YEAR PERIOD FROM 1996 THROUGH 1999. UPDATED PROCEDURES HAVE BEEN INSTITUTED THAT ARE REASONABLY DESIGNED TO ATTEMPT TO AVOID THESE VIOLATIONS IN THE FUTURE.

#### Disclosure 15 of 17

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 6740, AND SEC RULE 15C2-11 - RESPONDENT MEMBER PLACED ORDERS TO BUY CERTAIN OTC EQUITY SECURITIES, AND SUBMITTED QUOTATIONS FOR PUBLICATION IN A QUOTATION MEDIUM IN THE FIRM'S PROPRIETARY ACCOUNT, IN VIOLATION OF SEC RULE 15C2-11 (INITIATE/RESUME QUOTES); AND, FAILED TO FILE A FORM 211 WITH THE NASD AT LEAST THREE BUSINESS DAYS BEFORE THE FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.
<b>Initiated By:</b>	THE NATIONAL ASSOCIATION OF SECURITIES DEALERS
<b>Date Initiated:</b>	01/24/2000
<b>Docket/Case Number:</b>	CMS990170
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	



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

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

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

**Resolution Date:** 01/24/2000

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM SHALL ALSO, WITHIN 60 DAYS OF THE ACCEPTANCE OF THIS AWC BY THE NASD, UNDERTAKE TO SUBMIT REVISED WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO PREVENT FUTURE VIOLATIONS OF SEC RULE 15C2-11 AND NASD RULE 6740.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASDR ALLEGED VIOLATIONS OF SEC RULE 15C 2-11 IN THAT IN MARCH, 1998 THE FIRM PLACED QUOTES FOR ITS PROPRIETARY ACCOUNT IN AN OTC BULLETIN BOARD SECURITY WITHOUT HAVING IN ITS RECORDS DOCUMENTATION REQUIRED BY THE RULE.

**Initiated By:** NASD REGULATION

**Date Initiated:** 01/24/2000

**Docket/Case Number:** CMS990170 AWC

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 01/21/2000

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:** WE ARE TO BE NOTIFIED BY CRD/PUBLIC DISCLOSURE DEPARTMENT REGARDING SANCTIONS



**Sanction Details:** \$5000. WAS LEVIED AGAINST APPLICANT AND WE ARE TO BE NOTIFIED BY THE FINANCE DEPARTMENT REGARDING PAYMENT.

**Firm Statement** IT WAS THE FIRM'S UNDERSTANDING THAT SUBMISSION OF A QUOTE IN AN OTC BB SECURITY FOR THE FIRM'S PROPRIETARY ACCOUNT WAS EXEMPT FROM THIS PROVISION OF RULE 15C 2-11. THIS WAS AN INADVERTANT OVERSIGHT BY THE TRADER WHO IS NO LONGER WITH THE FIRM. PROCEDURES HAVE BEEN INSTITUTED THAT ARE REASONABLY DESIGNED TO AVOID THIS VIOLATION IN THE FUTURE.

#### Disclosure 16 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FROM SEPTEMBER 1990 THROUGH DECEMBER 1992, THE FIRM ALLEGEDLY TRANSACTED BUSINESS AS A BROKER-DEALER IN CONNECTICUT ABSENT REGISTRATION UNDER THE CONNECTICUT UNIFORM SECURITIES ACT AND EMPLOYED UNREGISTERED AGENTS.

**Initiated By:** CONNECTICUT DEPT. OF BANKING

**Date Initiated:** 07/16/1993

**Docket/Case Number:** ST-93-2241-S

**URL for Regulatory Action:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent

**Resolution Date:** 10/04/1993

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** PER STIPULATION AND AGREEMENT DATED 10/4/93, THE FIRM AGREED TO 1) REVIEW AND MODIFY ITS SUPERVISORY PROCEDURES TO PREVENT AND DETECT REGULATORY VIOLATIONS; AND 2) PAY \$1,440



TO THE STATE, \$750 OF WHICH REPRESENTED A CIVIL PENALTY AND \$690 OF WHICH REPRESENTED BACK UNCOLLECTED REGISTRATION FEES DURING THE PERIOD OF UNREGISTERED ACTIVITY.

**Regulator Statement** CONTACT: C. ANTANAITIS, 203-566-4560

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CONDUCTED BUSINESS WITHIN THE STATE WITHOUT BEING REGISTERED; EMPLOYED AND PAID COMMISSIONS TO AGENTS NOT REGISTERED IN THE STATE.

**Initiated By:** STATE OF CONNECTICUT

**Date Initiated:** 07/16/1993

**Docket/Case Number:** ST-93-2241-S

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent

**Resolution Date:** 09/23/1993

**Sanctions Ordered:** Monetary/Fine \$1,440.00

**Other Sanctions Ordered:**

**Sanction Details:** CIVIL FINE OF \$750. AND BACK FEES OF \$690.

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#### Disclosure 17 of 17

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** THE DIVISION ALLEGED THAT MERCER, BOKERT, BUCKMAN & REID, INC. VIOLATED THE ACT BY EFFECTING SECURITIES TRANSACTION WHILE NOT REGISTERED AS A B/D IN MARYLAND.

**Initiated By:** MARYLAND DIVISION OF SECURITIES



**Date Initiated:** 08/30/1993

**Docket/Case Number:** BD-93-0227

**URL for Regulatory Action:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent

**Resolution Date:** 09/28/1993

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

**Other Sanctions Ordered:**

**Sanction Details:** THE COMMISSIONER ACCEPTED A CONSENT ORDER WHEREIN MERCER, BOKERT, BUCKMAN & REID, INC. AGREED NOT TO VIOLATE THE ACT IN THE FUTURE AND PAID A FINE IN THE AMOUNT OF \$1,000.00.

**Regulator Statement** BROKER-DEALER REGISTRATION APPROVED 9/28/93.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CONDUCTED BUSINESS AS A BROKER-DEALER WITHIN THE STATE PRIOR TO REGISTERING IN MARYLAND

**Initiated By:** STATE OF MARYLAND

**Date Initiated:** 08/30/1993

**Docket/Case Number:** NONE

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Consent



**Resolution Date:** 09/23/1993  
**Sanctions Ordered:** Monetary/Fine \$1,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** PAID FINE OF \$1,000. SIGNED A CONSENT ORDER.



## 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](http://www.finra.org/awardsonline).

### Disclosure 1 of 4

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	09/04/2001
<b>Case Number:</b>	<a href="#">01-04640</a>
<b>Disputed Product Type:</b>	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
<b>Sum of All Relief Requested:</b>	\$33,972.62
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	10/31/2002
<b>Sum of All Relief Awarded:</b>	\$175.00

There may be a non-monetary award associated with this arbitration. Please select the Case Number above to view more detailed information.

### Disclosure 2 of 4

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	04/18/2002
<b>Case Number:</b>	<a href="#">02-01836</a>





**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE;  
WARRANTS/RIGHTS

**Sum of All Relief Requested:** \$600,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 05/24/2004

**Sum of All Relief Awarded:** \$126,310.35

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 3 of 4

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-  
CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT  
ACTIVITY-SUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 09/04/2002

**Case Number:** [02-05054](#)

**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$451,698.64

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/24/2003

**Sum of All Relief Awarded:** \$75,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 4 of 4

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-  
OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT  
RELATED-FAILURE TO SUPERVISE



**Arbitration Forum:** FINRA  
**Case Initiated:** 03/20/2013  
**Case Number:** [13-00710](#)  
**Disputed Product Type:** COMMON STOCK; OPTIONS  
**Sum of All Relief Requested:** \$49,980.20  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 10/14/2013  
**Sum of All Relief Awarded:** \$46,929.24

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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