BrokerCheck Report

J.W. KORTH & COMPANY

CRD# 26455

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

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

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

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.

J.W. KORTH & COMPANY

CRD# 26455

SEC# 8-42712

Main Office Location

6500 CENTURION DRIVE
SUITE 250
LANSING, MI 48917
Regulated by FINRA Chicago Office

Mailing Address

6500 CENTURION DRIVE
SUITE 250
LANSING, MI 48917

Business Telephone Number

517-333-4512

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

https://www.adviserinfo.sec.gov

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 partnership.

This firm was formed in Michigan on 03/16/1990.

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
- 1 Self-Regulatory Organization
- 23 U.S. states and territories

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

This firm conducts 14 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	6
Civil Event	1

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Firm Profile

This firm is classified as a partnership.

This firm was formed in Michigan on 03/16/1990.

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.

J.W. KORTH & COMPANY, LIMITED PARTNERSHIP

Doing business as J.W. KORTH & COMPANY

CRD# 26455

SEC# 8-42712

Main Office Location

6500 CENTURION DRIVE
SUITE 250
LANSING, MI 48917

Regulated by FINRA Chicago Office

Mailing Address

6500 CENTURION DRIVE
SUITE 250
LANSING, MI 48917

Business Telephone Number

517-333-4512

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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):	J W KORTH LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	GENERAL PARTNER
Position Start Date	06/2012
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KORTH DIRECT MORTGAGE INC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SOLE MEMBER OF J W KORTH LLC, THE GENERAL PARTNER OF J W KORTH
Position Start Date	07/2020
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?	Yes

Legal Name & CRD# (if any):	GIBBONS, MICHAEL LOUIS 4416942
Is this a domestic or foreign entity or an individual?	Individual
Position	CCO
Position Start Date	06/2009
Percentage of Ownership	Less than 5%

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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):	HIPP, PAMELA JEAN 2783224
Is this a domestic or foreign entity or an individual?	Individual
Position	MANAGING DIRECTOR, FIXED INCOME TRADING
Position Start Date	01/2013
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KORTH, JAMES WILDER 1091113
Is this a domestic or foreign entity or an individual?	Individual
Position	MANAGING PARTNER
Position Start Date	03/1990
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	MACDONALD-KORTH, HOLLY CHRISTINA 5270817

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Firm Profile

Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	FINOP, MANAGING DIRECTOR
Position Start Date	07/2016
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

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Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	KORTH DIRECT MORTGAGE INC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	J W KORTH LLC
Relationship to Direct Owner	SOLE MEMBER OF J W KORTH LLC, THE GENERAL PARTNER OF J W KORTH
Relationship Established	07/2020
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

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Firm History

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

No information reported.

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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, 1 SRO and 23 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	07/06/1990

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	05/04/1990

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Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Arizona	Approved	05/05/2003
California	Approved	05/06/2003
Colorado	Approved	12/05/2008
Connecticut	Approved	10/14/2008
Florida	Approved	08/02/1995
Georgia	Approved	05/07/2003
Idaho	Approved	04/24/1998
Illinois	Approved	05/22/2003
Kansas	Approved	07/09/2018
Kentucky	Approved	04/28/2003
Louisiana	Approved	05/07/2003
Maryland	Approved	05/05/2003
Massachusetts	Approved	05/21/2003
Michigan	Approved	06/18/1990
Missouri	Approved	05/05/2003
New Jersey	Approved	06/16/2003
New York	Approved	06/23/1998
North Carolina	Approved	05/06/2003
Ohio	Approved	07/20/1998
Pennsylvania	Approved	06/03/2003
Texas	Approved	08/13/2003
Virginia	Approved	01/13/1998
Washington	Approved	04/24/2003

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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

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 dealer
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

Other Types of Business

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

Non-Securities Business Description: APPLICANT WILL FROM TIME TO TIME ACT AS A FINANCIAL CONSULTANT TO CORPORATIONS.

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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:	RBC CAPITAL MARKETS, LLC
CRD #:	31194
Business Address:	3 WORLD FINANCIAL CENTER 200 VESEY ST. NEW YORK, NY 10281
Effective Date:	11/01/2010
Description:	THE APPLICANT HAS AN ARRANGEMENT WITH RBC CAPITAL MARKETS TO TRADE AND CLEAR ON A FULLY DISCLOSED BASIS. THE APPLICANT SUBMITS ALL CUSTOMER INFORMATION DIRECTLY TO RBC CAPITAL MARKETS, ON THEIR ACCOUNT FORM, AND THE ACCOUNT IS SET UP AND MAINTAINED THERE. PLEASE NOTE RBC CAPITAL MARKETS CORPORATION BECAME RBC CAPITAL MARKETS LLC

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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: 3 WORLD FINANCIAL CENTER
200 VESEY ST.
NEW YORK, NY 10281

Effective Date: 11/01/2010

Description: THE APPLICANT HAS AN ARRANGEMENT WITH RBC CAPITAL MARKETS TO TRADE ON A FULLY DISCLOSED BASIS. THE FOLLOWING RECORDS ARE MAINTAINED BY RBC CAPITAL MARKETS: 1)LEDGER ACCTS ITEMIZING SEPARATELY EACH CASH AND MARGIN ACCT OF CUSTOMERS 2)STOCK RECORDS IN ACCORDANCE WITH RULE 17A-3, SUBPARAGRAPH(A)(4); 3)CONFIRMATIONS OF ALL PURCHASES AND SALES. PLEASE NOTE RBC CAPITAL MARKETS CORPORATION BECAME RBC CAPITAL MARKETS LLC

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

Name: RBC CAPITAL MARKETS, LLC

CRD #: 31194

Business Address: 3 WORLD FINANCIAL CENTER
200 VESEY ST.
NEW YORK, NY 10281

Effective Date: 11/01/2010

Description: THE APPLICANT HAS AN ARRANGEMENT WITH RBC CAPITAL MARKETS TO CLEAR ON A FULLY DISCLOSED BASIS. RBC CAPITAL MARKETS IS RESPONSIBLE FOR THE COMPLIANCE OF PARAGRAPH (C) OF RULE 15C3-3 UNDER THE SECURITIES EXCHANGE ACT OF 1934 17 CFR S 240-15C3-3.PLEASE NOTE RBC CAPITAL MARKETS CORPORATION BECAME RBC CAPITAL MARKETS LLC

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

Name: RBC CAPITAL MARKETS, LLC

CRD #: 31194

Business Address: 3 WORLD FINANCIAL CENTER
200 VESEY ST.
NEW YORK, NY 10281

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Firm Operations

Industry Arrangements (continued)

Effective Date: 11/01/2010

Description: THE APPLICANT CLEARS ON A FULLY DISCLOSED BASIS THROUGH RBC CAPITAL MARKETS.PLEASE NOTE RBC CAPITAL MARKETS CORPORATION BECAME RBC CAPITAL MARKETS LLC

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.

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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.

KORTH DIRECT MORTGAGE INC controls the firm.

Business Address:	135 SAN LORENZO AVENUE SUITE 600 CORAL GABLES, FL 33146
Effective Date:	07/31/2020
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	KORTH DIRECT MORTGAGE INC, A MORTGAGE LENDER AND SERVICER, OWNS J W KORTH & COMPANY

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**

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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	6	0
Civil Event	0	1	0

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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 6

Reporting Source:	Regulator
Current Status:	Final

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Allegations:	THE SEC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 AGAINST JW KORTH & COMPANY L.P. ("KORTH"), JAMES W. KORTH ("JAMES KORTH"), AND HOLLY MACDONALD-KORTH ("MACDONALD-KORTH") (COLLECTIVELY, "RESPONDENTS"), AND SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST KORTH. THE COMMISSION FINDS THAT: FROM MARCH 2015 TO OCTOBER 2018, DUALLY-REGISTERED INVESTMENT ADVISER AND BROKER-DEALER KORTH EFFECTED 201 RISKLESS PRINCIPAL TRANSACTIONS WITH ITS ADVISORY CLIENTS' ACCOUNTS WITHOUT DISCLOSING TO SUCH CLIENTS IN WRITING BEFORE THE COMPLETION OF EACH SUCH TRANSACTION THE CAPACITY IN WHICH IT WAS ACTING AND OBTAINING TRANSACTION-BY-TRANSACTION CLIENT CONSENT IN VIOLATION OF SECTION 206(3) OF THE ADVISERS ACT. FURTHER, KORTH VIOLATED ADVISERS ACT SECTION 206(4) AND RULE 206-4(7) THEREUNDER BY FAILING TO IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF SECTION 206(3) OF THE ADVISERS ACT. KORTH'S MANAGING PARTNER JAMES KORTH AND MANAGING DIRECTOR MACDONALD-KORTH EACH CAUSED KORTH'S VIOLATIONS. KORTH GENERATED $46,857 IN NET PROFITS FROM THESE TRANSACTIONS. AS A RESULT OF THE CONDUCT DESCRIBED HEREIN, KORTH WILLFULLY VIOLATED, AND JAMES KORTH AND MACDONALD-KORTH CAUSED KORTH'S VIOLATIONS OF SECTIONS 206(3) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/13/2021
Docket/Case Number:	3-20539
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	09/13/2021

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Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Censure Monetary/Fine $125,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	PREJUDGMENT INTEREST ON THE DISGORGEMENT
Sanction Details:	THE FIRM SHALL CEASE AND DESIST; IS CENSURED; AND SHALL PAY DISGORGEMENT OF $46,857, PREJUDGMENT INTEREST OF $4,676, AND A CIVIL PENALTY OF $125,000.
Regulator Statement	THE RESPONDENTS HAVE SUBMITTED OFFERS OF SETTLEMENT ("OFFERS") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. AS A RESULT OF THE CONDUCT DESCRIBED HEREIN, KORTH WILLFULLY VIOLATED, AND JAMES KORTH AND MACDONALD-KORTH CAUSED KORTH VIOLATIONS OF, SECTIONS 206(3) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7. ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT KORTH SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(3), AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 PROMULGATED THEREUNDER; IS CENSURED; AND SHALL PAY DISGORGEMENT OF $46,857, PREJUDGMENT INTEREST OF $4,676, AND A CIVIL PENALTY OF $125,000, TO THE SEC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SEC ALLEGED OUR FIRM EFFECTED 201 RISKLESS PRINCIPAL TRANSACTIONS FROM MARCH 2015 TO OCTOBER 2018 FOR INVESTMENT ADVISORY CLIENTS WITHOUT PROVIDING PRIOR WRITTEN DISCLOSURE OF OUR CAPACITY IN THE TRANSACTIONS AND OBTAINING TRANSACTION BY TRANSACTION CONSENT. THE SEC ALLEGED THESE TRANSACTIONS WERE IN VIOLATION OF SECTION 206(3) OF THE ADVISERS ACT. ADDITIONALLY, THE SEC ALLEGED OUR FIRM VIOLATED SECTION 206(4) AND RULE 206-4(7) BY FAILING TO IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF SECTION 206(3) OF THE ADVISERS ACT
Initiated By:	UNITED STATES SECURITIES EXCHANGE COMMISSION

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Date Initiated:	09/13/2021
Docket/Case Number:	3-20539
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	MONETARY/FINE DISGORGEMENT/RESTITUTION CENSURE
Resolution:	Order
Resolution Date:	09/13/2021
Sanctions Ordered:	Censure Monetary/Fine $176,533.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	SANCTIONS INCLUDED A $125,000 CIVIL PENALTY FINE, $46,857 DISGORGEMENT AND $4,676 PREJUDGEMENT INTEREST. THE FULL AMOUNT WAS LEVIED AGAINST THE FIRM AND IT WAS PAID IN FULL ON 09/14/21
Firm Statement	THIS MATTER INVOLVED RULE INTERPRETATIONS OF THE TECHNICAL ASPECTS OF RECORDING AND REPORTING FOR PURCHASES AND SALES OF BONDS AND THE RELEVANCE OF CERTAIN DISCLOSURES. AS A RESULT OF THE PROCEEDINGS, OUR FIRM HAS MADE CHANGES TO OUR POLICIES AND PROCEDURES REGARDING THESE TYPES OF TRANSACTIONS. FINES, DISGORGEMENTS AND PREJUDGMENT INTEREST HAS BEEN REMITTED TO THE SEC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SEC ALLEGED OUR FIRM EFFECTED 201 RISKLESS PRINCIPAL TRANSACTIONS FROM MARCH 2015 TO OCTOBER 2018 FOR INVESTMENT ADVISORY CLIENTS WITHOUT PROVIDING PRIOR WRITTEN DISCLOSURE OF OUR CAPACITY IN THE TRANSACTIONS AND OBTAINING TRANSACTION BY TRANSACTION CONSENT. THE SEC ALLEGED THESE TRANSACTIONS WERE IN VIOLATION OF SECTION 206(3) OF THE ADVISERS ACT. ADDITIONALLY, THE SEC ALLEGED OUR FIRM VIOLATED SECTION 206(4)

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	AND RULE 206-4(7) BY FAILING TO IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF SECTION 206(3) OF THE ADVISERS ACT
Initiated By:	UNITED STATES SECURITIES EXCHANGE COMMISSION
Date Initiated:	09/13/2021
Docket/Case Number:	3-20539
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	MONETARY/FINE DISGORGEMENT/RESTITUTION CENSURE
Resolution:	Order
Resolution Date:	09/13/2021
Sanctions Ordered:	Censure Monetary/Fine $176,533.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	SANCTIONS INCLUDED A $125,000 CIVIL PENALTY FINE, $46,857 DISGORGEMENT AND $4,676 PREJUDGEMENT INTEREST. THE FULL AMOUNT WAS LEVIED AGAINST THE FIRM AND IT WAS PAID IN FULL ON 09/14/21
Firm Statement	THIS MATTER INVOLVED RULE INTERPRETATIONS OF THE TECHNICAL ASPECTS OF RECORDING AND REPORTING FOR PURCHASES AND SALES OF BONDS AND THE RELEVANCE OF CERTAIN DISCLOSURES. AS A RESULT OF THE PROCEEDINGS, OUR FIRM HAS MADE CHANGES TO OUR POLICIES AND PROCEDURES REGARDING THESE TYPES OF TRANSACTIONS. FINES, DISGORGEMENTS AND PREJUDGMENT INTEREST HAS BEEN REMITTED TO THE SEC.

Disclosure 2 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	DEFENDANT EMPLOYED AN UNREGISTERED AGENT IN THE OFFER AND

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	SALE OF SECURITIES AND FAILED TO MAKE AND KEEP TRUE, ACCURATE AND CURRENT, AND PRESERVE THE BOOKS AND RECORDS RELATING TO ITS BUSINESS.
Initiated By:	VIRGINIA
Date Initiated:	01/30/2015
Docket/Case Number:	SEC-2014-00045
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:	COST OF INVESTIGATION
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	01/30/2015
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:	Monetary/Fine $8,000.00
Other Sanctions Ordered:	COST OF INVESTIGATION: $2,000.00
Sanction Details:	BOTH THE PENALTY AND COST OF INVESTIGATION WERE PAID IN FULL CONTEMPORANEOUSLY WITH THE ENTRY OF THE ORDER.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSION'S DIVISION OF SECURITIES AND RETAIL FRANCHISING CONDUCTED AN INVESTIGATION AND ALLEGED OUR FIRM VIOLATED 13.1-504B OF THE ACT BY EMPLOYING AN UNREGISTERED AGENT FOR CERTAIN TRANSACTIONS OCCURRING IN 2011. THE COMMISSION ALSO ALLEGED OUR FIRM VIOLATED STATUTE 21 VAC 5-20-240 BY NOT MAINTAINING TRUE AND ACCURATE RECORDS IN THAT THE INVESTOR'S LIQUID ASSETS FINANCIAL INFORMATION ON THE NEW ACCOUNT FORM WAS INCORRECT AND THAT OUR FIRM FAILED TO ENSURE THE

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	INFORMATION WAS FULL AND ACCURATE.
Initiated By:	COMMONWEALTH OF VIRGINIA, STATE CORPORATION COMMISSION
Date Initiated:	09/10/2014
Docket/Case Number:	SEC-2014-00045
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:	Decision & Order of Offer of Settlement
Resolution Date:	01/30/2015
Sanctions Ordered:	Monetary/Fine $8,000.00
Other Sanctions Ordered:	PAY THE COST OF INVESTIGATION
Sanction Details:	$8,000 FINE ALONG WITH AN ADDITIONAL $2,000 TO DEFRAY COSTS OF THE INVESTIGATION..BOTH WERE PAID IN FULL WITH THE ENTRY OF THE ORDER.
Firm Statement	IN MARCH OF 2014 THE COMMONWEALTH NOTIFIED OUR FIRM IT WAS INVESTIGATING WHETHER OR NOT WE WERE IN VIOLATION OF THE VIRGINIA STATE SECURITIES ACT AND ASSOCIATED RULES. THEIR INVESTIGATION STEMMED FROM A SETTLEMENT WITH A CLIENT RESIDING IN VIRGINIA CONCERNING THE SALE OF A BOND. OUR FIRM RESPONDED TO THEIR INQUIRIES AND PROVIDED ADDITIONAL INFORMATION. IT WAS DETERMINED OUR FIRM ERRED IN BELIEVING TWO TRANSACTIONS BETWEEN OUR REPRESENTATIVE AND HIS FAMILY MEMBER WERE DE MINIMOUS AND DID NOT REQUIRE VIRGINIA REGISTRATION AND FURTHER THE FIRM ERRED IN NOT CORRECTING THE ACCOUNT STATEMENT FOR AN ACCURATE ASSESSMENT OF THE REPRESENTATIVE'S FAMILY MEMBER'S NET WORTH. ULTIMATELY THE MATTER WAS SETTLED FOR AN $8,000 FINE ALONG WITH AN ADDITIONAL $2,000 TO DEFRAY COSTS OF THE INVESTIGATION.

Disclosure 3 of 6

Reporting Source:	Regulator
Current Status:	Final
Appealed To and Date Appeal	ON FEBRUARY 1, 2017, THE FIRM APPEALED THE DECISION TO THE NAC.

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Filed:	THE SANCTIONS ARE NOT IN EFFECT PENDING THE REVIEW. ON JUNE 18, 2019 - THE FIRM APPEALED A NATIONAL ADJUDICATORY COUNCIL (NAC) DECISION TO THE SECURITIES AND EXCHANGE COMMISSION (SEC). THE SANCTIONS ARE NOT IN EFFECT PENDING THE REVIEW.
Allegations:	THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT PUT ITS OWN INTERESTS AHEAD OF THE INTERESTS OF ITS CUSTOMERS, CHARGING THOSE CUSTOMERS EXCESSIVE MARKUPS AND MARKDOWNS ON MUNICIPAL AND CORPORATE BOND TRANSACTIONS IN ORDER TO GENERATE $39,178.51 IN ADDITIONAL REVENUE FOR THE FIRM, AT THE EXPENSE OF ITS CUSTOMERS. THE COMPLAINT ALLEGES THAT BECAUSE OF THE EXCESSIVE MARKUPS CHARGED BY THE FIRM WITH RESPECT TO THE MUNICIPAL BOND TRADES, THE FIRM'S CUSTOMERS RECEIVED YIELDS THAT WERE LOWER THAN THEY WOULD HAVE OBTAINED HAD THE MARKUPS BEEN FAIR AND REASONABLE. THE FIRM'S EXCESSIVE MARKUPS ON THE MUNICIPAL BOND TRADES WERE NOT DISCLOSED TO ITS CUSTOMERS ON TRADE CONFIRMATIONS. NOTHING IN THE NATURE OF THE FIRM'S BUSINESS OR THE MUNICIPAL BOND TRADES JUSTIFIED THE AMOUNT OF THE MARKUPS FOR THE MUNICIPAL BOND TRADES. AS A RESULT, THE FIRM WILLFULLY VIOLATED MSRB RULES G-17 AND G-30. THE COMPLAINT ALSO ALLEGES THAT THE FIRM ENTERED INTO CORPORATE BOND AND COLLATERALIZED MORTGAGE OBLIGATION (CMO) TRANSACTIONS IN WHICH IT CHARGED EXCESSIVE MARKUPS OR MARKDOWNS THAT CAUSED CUSTOMERS TO PURCHASE OR SELL THE CORPORATE BONDS AND CMOS TO OR FROM THE FIRM AT PRICES THAT WERE UNFAIR AND UNREASONABLE. BECAUSE OF THE EXCESSIVE MARKDOWNS CHARGED BY THE FIRM ON CERTAIN OF THE CORPORATE/CMO TRADES, THE FIRM'S CUSTOMERS RECEIVED SALE PROCEEDS THAT WERE LOWER THAN THEY WOULD HAVE OBTAINED HAD THE PRICES THE FIRM PAID FOR THOSE TRADES BEEN FAIR AND REASONABLE. SOME OF THE MUNICIPAL BOND TRADE AND CORPORATE/CMO TRADES VIOLATED THE FIRM'S OWN INTERNAL MARKUP POLICY.
Initiated By:	FINRA
Date Initiated:	12/10/2014
Docket/Case Number:	2012030738501
Principal Product Type:	Debt - Corporate
Other Product Type(s):	MUNICIPAL BONDS; COLLATERALIZED MORTGAGE OBLIGATIONS
Principal Sanction(s)/Relief Sought:	

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Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	05/31/2022
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:	RETAIN AN INDEPENDENT CONSULTANT; PREJUDGMENT INTEREST
Sanction Details:	THE FIRM WAS CENSURED, ORDERED TO PAY RESTITUTION OF $29,268, PLUS PREJUDGMENT INTEREST, AND ORDERED TO RETAIN AN INDEPENDENT CONSULTANT WITH EXPERIENCE IN ESTABLISHING PRICING PROCEDURES FOR SALES AND PURCHASES OF DEBT SECURITIES FOR THE LIMITED PURPOSE OF REVIEWING THE FIRM'S PRICING PROCEDURES. FINE PAID IN FULL ON OCTOBER 25, 2022.
Regulator Statement	HEARING PANEL DECISION RENDERED JANUARY 26, 2017 WHEREIN THE FIRM CHARGED EXCESSIVE MARKUPS ON 38 SALES OF MUNICIPAL BONDS AND NINE SALES OF CORPORATE BONDS, AND EXCESSIVE MARKDOWNS ON FOUR PURCHASES OF CORPORATE BONDS. THE FINDINGS STATED THAT THE HEARING PANEL DISMISSED ALLEGATIONS AS TO THREE SALES OF COLLATERALIZED MORTGAGE OBLIGATIONS, SIX SALES OF MUNICIPAL BONDS, AND TWO SALES OF CORPORATE BONDS. ON FEBRUARY 1, 2017, THE FIRM APPEALED THE DECISION TO THE NAC. THE SANCTIONS ARE NOT IN EFFECT PENDING THE REVIEW. NAC DECISION RENDERED MAY 22, 2019, IN WHICH THE FIRM WAS CENSURED, ORDERED TO PAY THE APPROXIMATE AMOUNT OF $29,268, PLUS PREJUDGMENT INTEREST, SUBJECT TO FINAL CALCULATION, IN RESTITUTION TO CUSTOMERS, AND IS REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT WITH EXPERIENCE IN ESTABLISHING PRICING PROCEDURES FOR SALES AND PURCHASES OF DEBT SECURITIES FOR THE LIMITED PURPOSE OF REVIEWING THE FIRM'S PRICING PROCEDURES. THE FIRM WAS ORDERED TO PAY $1,681.52 IN COSTS. THE NAC AFFIRMED THE FINDINGS AND THE SANCTIONS IMPOSED BY THE OHO. THE SANCTIONS WERE BASED ON FINDINGS THAT THE FIRM CHARGED EXCESSIVE MARKUPS ON SALES OF MUNICIPAL SECURITIES

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AND CORPORATE DEBT SECURITIES, AND EXCESSIVE MARKDOWNS ON PURCHASES OF CORPORATE DEBT SECURITIES. THE FINDINGS STATED THAT THE VARIOUS MARKUPS AND MARKDOWNS WERE UNFAIR.

ON JUNE 18, 2019 - THE FIRM APPEALED A NATIONAL ADJUDICATORY COUNCIL (NAC) DECISION TO THE SECURITIES AND EXCHANGE COMMISSION (SEC). THE SEC ADMINISTRATIVE PROCEEDING FILE NO. FOR THIS MATTER IS: 3-19206.

THE SANCTIONS ARE NOT IN EFFECT PENDING THE REVIEW.
SEC RELEASE NO. 86890 / SEPTEMBER 5, 2019: AS PART OF ITS APPEAL, THE FIRM REQUESTED THAT THE COMMISSION STAY THE DISCIPLINARY ACTION BY FINRA. FINRA ASSERTS IN RESPONSE THAT, PURSUANT TO FINRA RULE 9370, THE CENSURE, ORDER OF RESTITUTION, AND ORDER FOR AN INDEPENDENT CONSULTANT ARE STAYED PENDING THE FIRM'S APPEAL TO THE COMMISSION. IN LIGHT OF THE FIRM'S FILING OF AN APPLICATION FOR COMMISSION REVIEW, IT APPEARS THAT THE FIRM'S STAY MOTION IS MOOT. ACCORDINGLY, IT IS ORDERED THAT THE FIRM'S MOTION FOR A STAY OF THE SANCTIONS FINRA IMPOSED PENDING COMMISSION REVIEW OF ITS APPEAL IS DENIED.

SEC DECISION RENDERED APRIL 1, 2022 WHEREIN THE FINDINGS MADE ARE HELD AND THE SANCTIONS IMPOSED BY THE NAC ARE SUSTAINED. THE DECISION IS FINAL ON MAY 31, 2022.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ITEM 7. FINRA ALLEGED OUR FIRM CHARGED CUSTOMERS EXCESSIVE MARK-UPS OR MARK DOWNS ON A TOTAL OF 69 MUNICIPAL, CORPORATE AND CMO TRANSACTIONS OUT OF A TOTAL OF MORE THAN 18000 FROM APRIL 2009 TO DECEMBER 2011.
Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
Date Initiated:	12/10/2014
Docket/Case Number:	2012030738501
Principal Product Type:	Debt - Municipal
Other Product Type(s):	CORPORATE DEBT, CMO
Principal Sanction(s)/Relief Sought:	

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Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	05/31/2022
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	RETAIN AN INDEPENDENT CONSULTANT WITH EXPERIENCE IN ESTABLISHING PRICING PROCEDURES FOR SALES AND PURCHASES OF DEBT SECURITIES FOR THE LIMITED PURPOSE OF REVIEWING OUR FIRM'S PRICING PROCEDURES.
Sanction Details:	OUR FIRM WAS CENSURED, ORDERED TO PAY RESTITUTION OF $29,268, PLUS $1,681.52 IN APPEAL COSTS, AND ORDERED US TO RETAIN AN INDEPENDENT CONSULTANT WITH EXPERIENCE IN ESTABLISHING PRICING PROCEDURES FOR SALES AND PURCHASES OF DEBT SECURITIES FOR THE LIMITED PURPOSE OF REVIEWING OUR FIRM'S PRICING PROCEDURES.
Firm Statement	AN INDEPENDENT CONSULTANT WILL BE RETAINED FOR A REVIEW OF OUR PRICING POLICIES AND RESTITUTION WILL BE MADE TO CLIENTS IN ACCORDANCE WITH THE ORDER.

Disclosure 4 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 2110, 6230 AND MSRB RULE G-14: RESPONDENT MEMBER FIRM REPORTED ITS MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB LATE; AND ITS CORPORATE BOND TRANSACTIONS REPORTED THROUGH TRACE WERE REPORTED LATE.
Initiated By:	NASD
Date Initiated:	04/09/2007
Docket/Case Number:	2006003702601
Principal Product Type:	Debt - Corporate
Other Product Type(s):	MUNICIPAL SECURITIES
Principal Sanction(s)/Relief Sought:	

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Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/09/2007
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $2,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED $2000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD RULE 2110,6230 AND MSRB RULE G-14: RESPONDENT MEMBER FIRM REPORTED ITS MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB LATE: AND ITS CORPORATE BOND TRANSACTIONS REPORTED THROUGH TRACE WERE REPORTED LATE.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS (FINRA)
Date Initiated:	04/09/2007
Docket/Case Number:	20060037202601
Principal Product Type:	Debt - Corporate
Other Product Type(s):	MUNICIPAL SECURITIES
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	$2,000 MONETARY FINE.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/09/2007

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Sanctions Ordered:	Censure Monetary/Fine $2,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS: THEREFORE, FIRM IS CENSURED AND FINED $2000.00
Firm Statement	THIS DOCKET WAS INITIATED AND CLOSED 04/09/07. THE $2,000 FINE WAS PAID. OUR FIRM WAS GIVEN NOTICE THAT OUR FORM BD WAS NOT UPDATED. I HAVE REVIEWED THE CASE AND UPDATED IT AS OF 10/02/2007

Disclosure 5 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	9/4/2003 NOTICE OF INTENT TO DENY REGISTRATION AS BROKER-DEALER ALLEGED THAT, ON JANUARY 21, 1998, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA FOUND THAT THE FIRM AND ITS MANAGING GENERAL PARTNER, JAMES WILDER KORTH, VIOLATED SECTIONS 17(A)(1) AND 17(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AS WELL AS RULE 17A-4(J) THEREUNDER IN REFUSING TO PROVIDE THE SEC WITH ACCESS TO BOOKS AND RECORDS REQUIRED BY LAW, AND THAT THE COURT HAD PERMANENTLY ENJOINED J.W. KORTH & COMPANY FROM VIOLATING THE FEDERAL SECURITIES LAWS (SECURITIES AND EXCHANGE COMMISSION V. J.W. KORTH & CO., ET AL., 991 F.SUPP. 1468; 1473-1474 (1998)).
Initiated By:	CONNECTICUT
Date Initiated:	09/04/2003
Docket/Case Number:	ND-2003-6851-S
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Denial
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	10/22/2003

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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:	Bar
Other Sanctions Ordered:	IN LIEU OF CONTESTING THE ALLEGATIONS IN THE NOTICE OF INTENT TO DENY, THE RESPONDENT SOUGHT TO WITHDRAW ITS APPLICATION, AND REPRESENTED TO THE AGENCY THAT IT HAD TRANSACTED NO SECURITIES BUSINESS WITH CONNECTICUT RESIDENTS. ON 10/22/2003, THE CONNECTICUT BANKING COMMISSIONER ISSUED AN ORDER CONDITIONING THE RESPONDENT'S WITHDRAWAL. THE ORDER CONDITIONING WITHDRAWAL RENDERED THAT WITHDRAWAL EFFECTIVE AS OF OCTOBER 22, 2003 SUBJECT TO CERTAIN CONDITIONS: 1) FOR THIRTY-SIX MONTHS, THE RESPONDENT WOULD NOT REAPPLY FOR REGISTRATION IN CONNECTICUT AS A BROKER-DEALER OR INVESTMENT ADVISER; 2) DURING THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT WOULD NOT RELY ON ANY DEFINITIONAL EXCLUSION OR EXEMPTION THAT WOULD OTHERWISE EXCUSE REGISTRATION BY A PERSON TRANSACTING BUSINESS IN CONNECTICUT AS A BROKER-DEALER OR INVESTMENT ADVISER; 3) AT THE CONCLUSION OF THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT COULD APPLY FOR REGISTRATION AS LONG AS IT FURNISHED A WRITTEN SUBMISSION STATING THAT IT HAD NOT BEEN THE SUBJECT OF ANY SECURITIES-RELATED COMPLAINT, ACTION OR PROCEEDING SINCE THE ENTRY OF THE CONDITIONING ORDER AND HAD BEEN IN COMPLIANCE WITH THE CONDITIONING ORDER; AND 4) THE RESPONDENT WOULD NOT VIOLATE THE CONNECTICUT UNIFORM SECURITIES ACT OR ANY RULE, REGULATION OR ORDER UNDER THE ACT.
Sanction Details:	PLEASE SEE RESPONSE TO ITEM 13B.
Regulator Statement	RESPONDENT WAS AFFORDED AN OPPORTUNITY TO REQUEST A HEARING ON THE NOTICE OF INTENT TO DENY REGISTRATION AS BROKER-DEALER. UPDATE: THE 10/22/2003 ORDER CONDITIONING WITHDRAWAL ALSO WITHDREW THE 9/4/2003 NOTICE OF INTENT TO DENY REGISTRATION. COMMENT ON RESPONSE TO ITEM 11: WHILE THE ORDER CONDITIONING WITHDRAWAL WAS A FINAL ORDER, IT CONTAINED NO INDEPENDENT FINDINGS AS TO FRAUDULENT ACTIVITY.

Reporting Source:	Firm
Current Status:	Final

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Appealed To and Date Appeal Filed:	J W KORTH WITHDREW ITS APPLICATION.
Allegations:	9/4/03 DUE TO ACTION BY THE SEC IN 1997 REGARDING A PRINCIPLED DISPUTE OVER THE REASONABLENESS UNDER THE LAW OF PROVIDING THE SERIAL NUMBERS OF CERTAIN BONDS TO EXAMINERS WHEN DOING SO MAY HAVE DEBILITATED THE INTERESTS OF J W KORTH CUSTOMERS(PLEASE SEE CIVIL DRP FOR DETAILS), THE STATE OF CONNECTICUT PLANNED TO DENY REGISTRATION UNLESS J W K0RTH ATTENDED A HEARING THERE. IT WAS NOT ECONOMICALLY FEASIBLE TO ATTEND THE HEARING AND THE APPLICATION WAS WITHDRAWN.
Initiated By:	STATE OF CONNECTICUT DEPARTMENT OF BANKING
Date Initiated:	09/04/2003
Docket/Case Number:	ND-2003-6851-S
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Denial
Other Sanction(s)/Relief Sought:	CONDITIONED WITHDRAWAL 1) 36 MONTHS NOT REAPPLY; 2) DURING THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT WOULD NOT RELY ON ANY DEFINITIONAL EXCLUSION OR EXEMPTION THAT WOULD OTHERWISE EXCUSE REGIST
Resolution:	Other
Resolution Date:	10/22/2003
Sanctions Ordered:	Bar
Other Sanctions Ordered:	IN LIEU OF CONTESTING THE ALLEGATIONS IN THE NOTICE OF INTENT TO DENY, THE RESPONDENT SOUGHT TO WITHDRAW ITS APPLICATION, AND REPRESENTED TO THE AGENCY THAT IT HAD TRANSACTED NO SECURITIES BUSINESS WITH CONNECTICUT RESIDENTS. ON 10/22/2003, THE CONNECTICUT BANKING COMMISSIONER ISSUED AN ORDER CONDITIONING THE RESPONDENT'S WITHDRAWAL. THE ORDER CONDITIONING WITHDRAWAL RENDERED THAT WITHDRAWAL EFFECTIVE AS OF OCTOBER 22, 2003 SUBJECT TO CERTAIN CONDITIONS: 1) FOR THIRTY-SIX MONTHS, THE RESPONDENT WOULD NOT REAPPLY FOR REGISTRATION IN CONNECTICUT AS A BROKER-DEALER OR INVESTMENT ADVISER; 2) DURING THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT WOULD NOT RELY ON ANY DEFINITIONAL EXCLUSION OR EXEMPTION THAT WOULD OTHERWISE EXCUSE REGISTRATION BY A PERSON

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	TRANSACTING BUSINESS IN CONNECTICUT AS A BROKER-DEALER OR INVESTMENT ADVISER; 3) AT THE CONCLUSION OF THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT COULD APPLY FOR REGISTRATION AS LONG AS IT FURNISHED A WRITTEN SUBMISSION STATING THAT IT HAD NOT BEEN THE SUBJECT OF ANY SECURITIES-RELATED COMPLAINT, ACTION OR PROCEEDING SINCE THE ENTRY OF THE CONDITIONING ORDER AND HAD BEEN IN COMPLIANCE WITH THE CONDITIONING ORDER; AND 4) THE RESPONDENT WOULD NOT VIOLATE THE CONNECTICUT UNIFORM SECURITIES ACT OR ANY RULE, REGULATION OR ORDER UNDER THE ACT.
Sanction Details:	IN LIEU OF CONTESTING THE ALLEGATIONS IN THE NOTICE OF INTENT TO DENY, THE RESPONDENT SOUGHT TO WITHDRAW ITS APPLICATION, AND REPRESENTED TO THE AGENCY THAT IT HAD TRANSACTED NO SECURITIES BUSINESS WITH CONNECTICUT RESIDENTS. ON 10/22/2003, THE CONNECTICUT BANKING COMMISSIONER ISSUED AN ORDER CONDITIONING THE RESPONDENT'S WITHDRAWAL. THE ORDER CONDITIONING WITHDRAWAL RENDERED THAT WITHDRAWAL EFFECTIVE AS OF OCTOBER 22, 2003 SUBJECT TO CERTAIN CONDITIONS: 1) FOR THIRTY-SIX MONTHS, THE RESPONDENT WOULD NOT REAPPLY FOR REGISTRATION IN CONNECTICUT AS A BROKER-DEALER OR INVESTMENT ADVISER; 2) DURING THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT WOULD NOT RELY ON ANY DEFINITIONAL EXCLUSION OR EXEMPTION THAT WOULD OTHERWISE EXCUSE REGISTRATION BY A PERSON TRANSACTING BUSINESS IN CONNECTICUT AS A BROKER-DEALER OR INVESTMENT ADVISER; 3) AT THE CONCLUSION OF THE THIRTY-SIX MONTH PERIOD, THE RESPONDENT COULD APPLY FOR REGISTRATION AS LONG AS IT FURNISHED A WRITTEN SUBMISSION STATING THAT IT HAD NOT BEEN THE SUBJECT OF ANY SECURITIES-RELATED COMPLAINT, ACTION OR PROCEEDING SINCE THE ENTRY OF THE CONDITIONING ORDER AND HAD BEEN IN COMPLIANCE WITH THE CONDITIONING ORDER; AND 4) THE RESPONDENT WOULD NOT VIOLATE THE CONNECTICUT UNIFORM SECURITIES ACT OR ANY RULE, REGULATION OR ORDER UNDER THE ACT.
Firm Statement	J W KORTH WITHDREW ITS APPLICATION FOR REGISTRATION IN CONNECTICUT.....10/22/08 J.W. KORTH APPLIED AND WAS GRANTED REGISTRATION IN CONNECTICUT.

Disclosure 6 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	REL.34-40173; FILE NO. 3-9644 - THE COMMISSION HAS ISSUED AN ORDER INSTITUTING PUBLIC ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT), MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS (ORDER)

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	AGAINST J.W. KORTH & CO. (JWK), A MIAMI, FLORIDA REGISTERED BROKER-DEALER, AND ITS PRESIDENT.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	07/08/1998
Docket/Case Number:	REL.34-40173; FILE NO. 3-9644
Principal Product Type:	Other
Other Product Type(s):	UNKNOWN TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	07/08/1998
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	THE RESPONDENTS SUBMITTED, AND THE COMMISSION ACCEPTED, OFFERS OF SETTLEMENT WHEREBY THEY CONSENTED, WITHOUT ADMITTING OR DENYING, TO THE ENTRY OF THE ORDER.BASED UPON THE FINDINGS AND THE RESPONDENTS' CONSENTS, THE ORDER CENSURES JWK
Regulator Statement	THE ORDER FINDS THAT ON JANUARY 21, 1998, FINAL JUDGMENTS OF PERMANENT INJUNCTION WERE ENTERED AGAINST JWK AND ITS PRESIDENT IN THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, PERMANENTLY ENJOINING JWK FROM FURTHER VIOLATIONS, IMPOSING PENALTIES UPON THEM IN THE AMOUNTS OF $55,000 AND $5,500 RESPECTIVELY.

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOLATIONS OF SECTIONS 17(A)(1) AND 17(B)OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-4(J) THEREUNDER.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	02/04/1997
Docket/Case Number:	3-9644

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Principal Product Type:	Debt - Government
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	INJUNCTION/CENSURE MONETARY/FINE
Resolution:	Settled
Resolution Date:	07/08/1998
Sanctions Ordered:	Censure Monetary/Fine $55,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	COMPANY WAS FINED $55,000.00 AND JAMES W. KORTH WAS FINED $5,500.00. FINES WERE PAID IN FULL ON AUGUST 27, 1998.
Firm Statement	IN A PRINCIPLED DISPUTE WITH SEC WHICH DID NOT INVOLVE CUSTOMERS OR INVESTORS, COMPANY FOUND IT UNREASONABLE TO GIVE SERIAL NUMBERS OF DEFAULTED GERMAN BONDS TO SEC WHEN GERMANY CLAIMED SOME WERE STOLEN AND WOULD NOT PUBLISH LOST AND STOLEN LIST AS REQUIRED BY U.S. LAW. COURT FOUND COMPANY'S ARGUMENT WITHOUT MERIT AND FOUND INFRACTION AND ENTERED CENSURE AND FINE AGAINST COMPANY. SERIAL NUMBERS WERE TURNED OVER TO SEC. NO HARM TO CUSTOMERS, INVESTORS OR ANY OTHER PARTIES WAS FOUND.

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Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Regulator
Current Status:	Final
Allegations:	PLEASE SEE NO. 14
Initiated By:	SECURITIES AND EXCHANGE COMMISSION..
Court Details:	THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA -
Date Court Action Filed:	02/04/1997
Principal Product Type:	Other
Other Product Types:	
Relief Sought:	Injunction
Other Relief Sought:	
Resolution:	Judgment Rendered
Resolution Date:	01/22/1998
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	INJUNCTIONS
Regulator Statement	[TOP] 02-06-97, SEC NEWS DIGEST ISSUE NO. 97-24, DATED 2/5/97, ENFORCEMENT PROCEEDINGS DISCLOSE: THE COMMISSION ANNOUNCED THAT ON FEBRUARY 4 IT FILED A CIVIL LAWSUIT IN THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA AGAINST J.W. KORTH & CO. (JWK). THE SEC'S COMPLAINT AND SUPPORTING PAPERS ALLEGE THAT JWK, UNDER KORTH'S DIRECTION, HAS REPEATEDLY REFUSED TO GIVE THE SEC TRUE AND COMPLETE COPIES OF RECORDS CONTAINING THE CERTIFICATE NUMBERS FOR THESE GERMAN BONDS IN VIOLATION OF SECTIONS 17(A)(1) AND 17(B) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND RULE 17A-4(J) THEREUNDER. THE SEC CHARGES THAT KORTH VIOLATED THESE PROVISIONS AS AN AIDER AND ABETTOR, PURSUANT TO SECTION 20(F) THE SUIT SEEKS A TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTIONS, A

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CIVIL PENALTY AND CERTAIN ANCILLARY
RELIEF. [SEC V. J.W. KORTH & CO. AND JAMES WILDER KORTH, CASE NO. 97-0280-CIV-UNGARO-BENAGES, USDC/SD FL] (LR-15244) *** 02-04-98, SEC NEWS DIGEST ISSUE NO. 98-19, DATED 1/29/98, ENFORCEMENT PROCEEDINGS DISCLOSE: THE COMMISSION ANNOUNCED THAT ON JANUARY 22, THE U.S DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF FLORIDA, GRANTED THE SEC'S MOTION AND ENTERED SUMMARY JUDGMENT AGAINST J.W. KORTH & CO. AND RULED THAT KORTH AND HIS FIRM VIOLATED THE SECURITIES LAWS. IN ORDERING FINAL JUDGMENT AGAINST KORTH AND HIS FIRM, THE COURT NOTED THAT
THEY HAD "FAILED TO COMPLY WITH THE TRO, OPENLY AND PUBLICLY DEFIED IT, AND ONLY TURNED OVER THE NUMBERS AFTER THE COURT INDICATED ITS VIEW THAT THOSE ACTIONS WERE CONTUMACIOUS AND THAT CIVIL AND CRIMINAL CONTEMPT CITATIONS WERE IMMINENT."
BASED ON THEIR VIOLATION OF THE LAW AND THIS CONDUCT, THE COURT PERMANENTLY ENJOINED KORTH AND THE FIRM FROM FUTURE VIOLATIONS
OF THE RELEVANT PROVISION, SECTION 17 OF THE SECURITIES EXCHANGE ACT OF 1934 AND IMPOSED FIRST-TIER PENALTIES OF $55,000 AND $5,500 ON THE FIRM AND KORTH RESPECTIVELY. [SEC V. J.W. KORTH & CO. AND JAMES WILDER KORTH, *SEE FAQ #1*

Reporting Source: Firm

Current Status: Final

Allegations: SEC WANTED SERIAL NUMBERS OF REPUDIATED GERMAN DEBT TO DELIVER SAME TO GERMANY UNDER 17(A)(1) AND 17(B) OF THE SECURITY EXCHANGE ACT OF 1934. 02-06-97, SEC NEWS DIGEST ISSUE NO. 97-24, 2/5/97, ENFORCEMENT PROCEEDINGS DISCLOSE: ON 2/4, THE SEC FILED A CIVIL SUIT IN THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA AGAINST JAMES WILDER KORTH. THE COMPLAINT ALLEGES THAT KORTH HAS REPEATEDLY REFUSED TO GIVE TRUE, COMPLETE COPIES OF RECORDS CONTAINING CERTIFICATE NUMBERS FOR DEFAULTED PRE-WORLD WAR II GERMAN GOLD BONDS (BONDS) IN VIOLATION OF SECTIONS 17(A)(1) AND 17(B) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND RULE 17A-4(J). THE SEC CHARGES THAT KORTH VIOLATED THESE PROVISIONS AS AN AIDER AND ABETTOR, PURSUANT TO SECTION 20(F) OF THE EXCHANGE ACT. THE SUIT SEEKS A TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTIONS, A CIVIL PENALTY AND CERTAIN ANCILLARY RELIEF.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Court Details: US DISTRICT COURT, SOUTHERN DISTRICT OF FLORIDA CASE NO. 97-0280.

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Date Court Action Filed:	02/04/1997
Principal Product Type:	No Product
Other Product Types:	
Relief Sought:	Injunction
Other Relief Sought:	
Resolution:	Judgment Rendered
Resolution Date:	01/22/1998
Sanctions Ordered or Relief Granted:	Censure Monetary/Fine $55,000.00 Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	FINES REQUESTED BY THE SEC WERE REDUCED BY 50% BY THE COURT. COMPANY WAS FINED FIFTY FIVE THOUSAND DOLLARS AND JAMES W. KORTH WAS FINED FIVE THOUSAND. FINES WAS PAID ON AUGUST 27, 1998. DEFENDENTS WERE ALSO SUBJECT TO A PERMANENT INJUNCTION FROM ANY FUTURE VIOLATION OF 17(A)(1) AND 17(B)OF THE EXCHANGE ACT.
Firm Statement	THIS DID NOT INVOLVE CUSTOMERS AND WAS AN UNFORTUNATE DISPUTE ON PRINCIPLES OF LAW. 17(B)(1) OF THE EXCHANGE ACTS STATES: "ALL RECORDS OF PERSONS ARE SUBJECT AT ANY TIME, OR FROM TIME TO TIME, TO SUCH "REASONABLE" PERIODIC, SPECIAL, OR OTHER EXAMINATIONS BY REPRESENTATIVES OF THE COMMISSION". J W KORTH & COMPANY,IN AN EFFORT TO PROTECT ITS CUSTOMERS FOUND IT "UNREASONABLE" TO GIVE THE SEC SERIAL NUMBERS OF CERTAIN BONDS FOR THE FOLLOWING REASONS: 1. THE SEC DISCLOSED TO J W KORTH THAT IT INTENDED TO SEND THE SERIAL NUMBERS OF THE BONDS TO THE ISSUER, THE GERMAN GOVERNMENT. 2. J W KORTH & COMPANY HAD RECEIVED REPORTS FROM RELIABLE SOURCES,THAT GERMANY WOULD PUT THE SERIAL NUMBERS BONDS ON A "REPUDIATION LIST" AND THEREBY HARM THE INTERESTS OF J W KORTH'S CUSTOMERS WHO OWNED THE BONDS. DESPITE ITS ARGUMENT, J W KORTH WITHOUT EVER BEING GRANTED A HEARING WAS FOUND IN VIOLATION OF THE EXCHANGE ACT AND WAS GIVEN A REDUCED FINE, CENSURE AND A PERMANENT INJUNCTION. J W KORTH'S ACTIVITIES WERE NOT RESTRICTED IN ANY MANNER AND THE COURT LOWERED THE REQUESTED FINES BY 50%.

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End of Report

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