

BrokerCheck Report

GEORGE MCKELVEY CO., INC.

CRD# 2733

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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



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



GEORGE MCKELVEY CO., INC.

CRD# 2733

SEC# 8-17597

Main Office Location

2410 STATE HIGHWAY 34
MANASQUAN, NJ 08736

Mailing Address

P.O. BOX 560
ALLENWOOD, NJ 08720

Business Telephone Number

732-449-5323

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 corporation.

This firm was formed in New Jersey on 01/04/1973.

Its fiscal year ends in December.

Firm History

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

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	7

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



**This firm terminated or
withdrew registration on:** 10/23/2020

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 01/04/1973.

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.

GEORGE MCKELVEY CO., INC.

Doing business as GEORGE MCKELVEY CO., INC.

CRD# 2733

SEC# 8-17597

Main Office Location

2410 STATE HIGHWAY 34
MANASQUAN, NJ 08736

Mailing Address

P.O. BOX 560
ALLENWOOD, NJ 08720

Business Telephone Number

732-449-5323



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): GIUNCO, ROBERT AUGUSTUS JR
1411809

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

Position VICE-PRESIDENT / SECRETARY

Position Start Date 11/1999

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

Legal Name & CRD# (if any): LOONEY, RICHARD
1778012

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

Position VICE-PRESIDENT / TREASURER

Position Start Date 11/1999

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

Legal Name & CRD# (if any): MCKELVEY, ROBERT GOULD
820698

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

Position PRESIDENT / CHIEF COMPLIANCE OFFICER

Firm Profile**Direct Owners and Executive Officers (continued)**

Position Start Date	02/1976
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

Legal Name & CRD# (if any): MCCABE, EDWARD ANTHONY
1252538

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

Position CHIEF FINANCIAL OFFICER/FINOP (FINANCIAL AND OPERATIONS PRINCIPAL)

Position Start Date 09/2008

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

Firm Profile

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



Indirect Owners

No information reported.

Firm History

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

No information reported.



Firm Operations



Registrations

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

This firm is no longer registered.

The firm's registration was from 04/13/1961 to 12/22/2020.



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 8 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Mutual fund retailer

U S. government securities dealer

U S. government securities broker

Municipal securities dealer

Municipal securities broker

Investment advisory services

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 82 DEVONSHIRE STREET
BOSTON, MA 02109
Effective Date: 10/29/1992
Description: NATIONAL FINANCIAL SERVICES LLC, CRD NUMBER 13041, CLEARS
TRANSACTIONS ON A FULLY DISCLOSED BASIS FOR GEORGE
MCKELVEY CO., INC.

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

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

Control Persons/Financing

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

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



Firm Operations

Organization Affiliates

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

This firm is not, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	7	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - 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 7

Reporting Source: Regulator
Current Status: Final



Allegations: GEORGE MCKELVEY MAINTAINED BROKERAGE ACCOUNTS FOR NEW HAMPSHIRE RESIDENTS WHEN IT WAS NOT LICENSED IN THE STATE.

Initiated By: NEW HAMPSHIRE

Date Initiated: 09/13/2007

Docket/Case Number: INV07-034

URL for Regulatory Action:

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/28/2008

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 \$17,500.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: \$15,900 ADMINISTRATIVE FINE AND \$1,600 IN BACK REGISTRATION FEES PAID.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM TRANSACTED BUSINESS FOR SIX NEW HAMPSHIRE RESIDENTS BEGINNING ON OR ABOUT NOVEMBER 1999 WHILE NOT LICENSED AS A BROKER-DEALER WITH THE STATE OF NEW HAMPSHIRE, A VIOLATION OF THE NEW HAMPSHIRE SECURITIES ACT, SECTION 421-B:6.

Initiated By: ENFORCEMENT DIVISION, NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION

Date Initiated: 09/13/2007



Docket/Case Number: INV07-034

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

Other Product Type(s): EQUITY - OTC; DEBT - CORPORATE; DEBT - MUNICIPAL; MUTUAL FUNDS

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/28/2008

Sanctions Ordered: Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THAT ITS CONDUCT VIOLATED THE NEW HAMPSHIRE SECURITIES ACT, THE FIRM WAS FINED \$17,500.00.

Disclosure 2 of 7

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM TRANSACTED BUSINESS IN MAINE FOR FOUR MAINE RESIDENTS BETWEEN JULY 2001 AND MAY 2007 WHILE NOT LICENSED TO TRANSACT BUSINESS IN MAINE AS A BROKER-DEALER UNDER THE REVISED MAINE SECURITIES ACT, 32 M.S.R.A. SECTIONS 10301 AND 10302 OR THE MAINE UNIFORM SECURITIES ACT, 32 M.S.R.A. SECTION 16401.

Initiated By: STATE OF MAINE, DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION, OFFICE OF SECURITIES

Date Initiated: 08/24/2007

Docket/Case Number: 08-003-CAG

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

Other Product Type(s): DEBT - MUNICIPAL; DEBT - CORPORATE; EQUITY - OTC; MUTUAL FUNDS

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

Other Sanction(s)/Relief Sought:



Resolution: Consent
Resolution Date: 09/04/2007
Sanctions Ordered: Monetary/Fine \$10,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THAT ITS CONDUCT VIOLATED THE REVISED MAINE SECURITIES ACT OR THE MAINE SECURITIES ACT, THE FIRM WAS FINED \$10,000.00.

Disclosure 3 of 7

Reporting Source: Regulator
Current Status: Final
Allegations: BASED UPON INFORMATION SUBMITTED BY RESPONDENT, THE DIVISION CONCLUDED THAT SECURITIES TRANSACTIONS HAS BEEN EFFECTED BEFORE BROKER-DEALER REGISTRATION WAS APPROVED.
Initiated By: MARYLAND DIVISION OF SECURITIES
Date Initiated: 12/19/2006
Docket/Case Number: 20060712
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 02/06/2007
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: Monetary/Fine \$1,425.00
Other Sanctions Ordered: BACK FEES OF \$1425.00 WERE PAID.



Sanction Details:	CONSENT ORDER ISSUED.
Regulator Statement	BROKER-DEALER REGISTRATION APPROVED 2/6/2007
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	REGISTRANT (ACTING AS BROKER DEALER) HAD FOUR UNSOLICITED CLIENTS IN THE STATE OF MARYLAND. REGISTRANT ASSUMED IT WAS NOT REQUIRED TO REGISTER WITH LESS THAN 15 TRANSACTIONS PER ANNUM (DE MINIMUS EXEMPTION). ON ITS OWN INITIATIVE AND VOLUNTARILY, IT APPROACHED THE STATE OF MARYLAND TO REGISTER.
Initiated By:	STATE OF MARYLAND
Date Initiated:	01/16/2007
Docket/Case Number:	20060712
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/06/2007
Sanctions Ordered:	Monetary/Fine \$1,425.00
Other Sanctions Ordered:	
Sanction Details:	PAYMENT OF \$1425 WAS PAID ON 1/23/07 AS REIMBURSEMENT FOR REGISTRATION FEES.
Firm Statement	SEE ABOVE DETAILS.

Disclosure 4 of 7

Reporting Source:	Firm
Current Status:	Final
Allegations:	REGISTRANT (ACTING AS A BROKER DEALER) HAD THREE UNSOLICITED CLIENTS IN THE STATE OF ILLINOIS. REGISTRANT ASSUMED IT WAS NOT



REQUIRED TO REGISTER WITH LESS THAN 5 CLIENTS (DE MINIMUS EXEMPTION) UNTIL ADVISED BY ITS COUNSEL. ON ITS OWN INITIATIVE AND VOLUNTARILY, IT APPROACHED THE STATE AUTHORITIES TO REGISTER.

Initiated By: STATE OF ILLINOIS

Date Initiated: 08/05/1997

Docket/Case Number: 9700499

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 08/05/1997

Sanctions Ordered: Monetary/Fine \$19,657.54

Other Sanctions Ordered:

Sanction Details: PAYMENT OF \$2,157.54 WAS PAID ON 08/11/1997 AS REIMBURSEMENT OF THE DEALER AND SALESPERSONS REGISTRATION FEES, AND \$17,500.00 WAS PAID TO THE AUDIT AND ENFORCEMENT ENDOWMENT FUND.

Firm Statement SEE ABOVE DETAILS.

Disclosure 5 of 7

Reporting Source: Regulator

Current Status: Final

Allegations: 06/24/99GK: ON JUNE 17, 1999, DISTRICT NO. 10 NOTIFIED RESPONDENTS GEORGE MCKELVEY CO., INC. AND ROBERT A. GIUNCO THAT THE LETTER OF AWC NO. C10990086 WAS ACCEPTED; THEREFORE, RESPONDENTS ARE CENSURED AND FINED \$5,000, JOINTLY AND SEVERALLY - (NASD RULES 2110, 3010 AND SEC RULE 15C3-1 - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT GIUNCO, CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS MINIMUM NET CAPITAL; AND, FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN



SUPERVISORY PROCEDURES IN THE AREA OF NET CAPITAL COMPLIANCE).

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 06/17/1999

Docket/Case Number: C10990086

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/17/1999

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

Other Sanctions Ordered:

Sanction Details: FINED

Regulator Statement 01-14-00, \$5,000 PAID J&S ON 9/13/99, INVOICE #99-10-758

Reporting Source: Firm

Current Status: Final

Allegations: ON JUNE 17, 1999, NASD REGULATION, INC. ISSUED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC #C10990086) THAT ALLEGED THAT, ON OR ABOUT JUNE 30, 1997, GEORGE MCKELVEY CO., INC. AND ROBERT A. GIUNCO, SR., THE FIRMS FINANCIAL AND OPERATIONS PRINCIPAL, FAILED TO ADJUST THE FIRM'S NET CAPITAL, AS REQUIRED BY SEC RULE 15C3-1, PROPERLY TO TAKE INTO ACCOUNT CERTAIN FUNDS THAT THE FIRM HAD RECEIVED FROM ITS MAJORITY SHAREHOLDER AND PRESIDENT IN CONNECTION WITH ITS PARTICIPATION IN AN UNDERWRITING. THE FIRM RECORDED THESE FUNDS AS CAPITAL BUT, ACCORDING TO NASD REGULATION, SHOULD HAVE CHARACTERIZED THE FUNDS AS A LOAN. NASD REGULATION ALSO ALLEGED THAT THE FIRM AND MR. GIUNCO FAILED TO ADOPT, MAINTAIN AND ENFORCE SUPERVISORY PROCEDURES IN THE AREA OF NET CAPITAL COMPLIANCE AS REQUIRED BY NASD RULES 3010 AND 2110. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GEORGE MCKELVEY CO., INC. AND ROBERT A



GIUNCO SR. CONSENTED TO A CENSURE AND A \$5,000 FINE, JOINTLY AND SEVERALLY.

Initiated By: NASDR
Date Initiated: 06/17/1999
Docket/Case Number: C10990086
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/17/1999
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: \$5,000 FINE TO BE PAID.

Disclosure 6 of 7

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 07/01/1998
Docket/Case Number: C10980016
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/01/1998

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON JULY 1, 1998, DISTRICT NO. 10 NOTIFIED RESPONDENTS GEORGE MCKELVEY CO., INC. AND ROBERT A. GIUNCO THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10980016 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$1,000, JOINTLY AND SEVERALLY - (NASD RULE 2110 - RESPONDENT MEMBER, THROUGH RESPONDENT GIUNCO, FAILED TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT PURSUANT TO SEC RULE 15c3-1).

***** \$1,000 PAID J&S ON 8/3/98, INVOICE NO. 98-10-598 ***

Reporting Source: Firm

Current Status: Final

Allegations: AS OF OCTOBER 31, 1996, THE COMPANY COMPUTED NET CAPITAL TO BE \$174,112.07 WITH AN EXCESS OF \$124,112.07 BASED ON A MINIMUM NET CAPITAL REQUIREMENT OF \$50,000. THE NASD CALCULATED NET CAPITAL TO BE \$167,203.30 WITH A DEFICIENCY OF \$82,796.70 BASED ON A MINIMUM NET CAPITAL REQUIREMENT OF \$250,000. THE NASD BASED ITS MINIMUM NET CAPITAL REQUIREMENT ON \$250,000 BECAUSE THE FIRM WAS RECEIVING CUSTOMER FUNDS, THEREBY SUBJECTING ITSELF TO THE HIGHER REQUIREMENT SPECIFIED IN PARA. (A)(2)(I) OF SEC RULE 15C3-1.

Initiated By: NASDR

Date Initiated: 11/01/1996

Docket/Case Number: C109800106

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:	07/01/1998
Sanctions Ordered:	Censure Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS FINED \$1,000.00, WHICH THE FIRM PAID.
Firm Statement	AS A SELF-CLEARING FIRM FOR 31 YEARS, GEORGE MCKELVEY CO., INC. HAD ROUTINELY RECEIVED CHECKS MADE PAYABLE TO THE FIRM AND THE FIRM'S CUSTOMERS WERE ACCUSTOMED TO MAKING CHECKS THAT WAY. THE CAPITAL REQUIREMENT FOR THE FIRM WAS \$50,000. IN 1992, THE FIRM CHANGED FROM A SELF-CLEARING BROKER- DEALER TO AN INTRODUCING BROKER WITH ALL CLIENT ASSETS DEPOSITED WITH AN INDEPENDENT AND INSURED CUSTODIAN. THE FIRM FORWARDED ALL CHECKS (WHETHER MADE PAYABLE TO THE FIRM OR THE CUSTODIAL FIRM) TO THAT CUSTODIAN WITHIN 24 HOURS OF RECEIPT. THE FIRM WAS NOT AWARE THAT THE CONTINUED RECEIPT OF CHECKS MADE PAYABLE TO GEORGE MCKELVEY CO. WOULD RESULT IN THE FIRM BEING RECLASSIFIED WITH A FIVE-FOLD INCREASE IN ITS CAPITAL REQUIREMENT TO \$250,000. THE FIRM ALREADY HAD NET CAPITAL OF \$174,112 IN PLACE AND WHEN IT WAS MADE AWARE OF THIS SHORTFALL IN NOVEMBER 1996, THE FIRM IMMEDIATELY TOOK STEPS TO BRING NET CAPITAL INTO FULL COMPLIANCE BY MOVING A SMALL PART OF THE ESTIMATED \$800,000 SURPLUS IN SUBORDINATED LOAN ACCOUNTS ALREADY IN THE FIRM TO THE REGULAR CAPITAL ACCOUNT.

Disclosure 7 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	TRANSACTIONING BUSINESS AS AN UNREGISTERED BROKER-DEALER IN VIOLATION OF 9 VSA SEC. 4213 OF THE VERMONT SECURITIES ACT.
Initiated By:	VERMONT SECURITIES DIVISION
Date Initiated:	10/07/1997
Docket/Case Number:	97-048-S
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/07/1997

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: RESPONDENT ENTERED INTO A CONSENT ORDER WHEREIN IT NEITHER ADMITTED NOR DENIED THE DIVISION'S ALLEGATIONS. RESPONDENT AGREED TO PAY A \$6,256.00 ADMINISTRATIVE SETTLEMENT PAYMENT. RESPONDENT IS NOW REGISTERED.

Regulator Statement CONTACT: ENFORCEMENT 802-828-3420

Reporting Source: Firm

Current Status: Final

Allegations: REGISTRANT (ACTING AS A BROKER DEALER) HAD FOUR UNSOLICITED CLIENTS IN THE STATE OF VERMONT. REGISTRANT ASSUMED IT WAS NOT REQUIRED TO REGISTER WITH LESS THAN 5 CLIENTS (DE MINIMUS EXEMPTION) UNTIL ADVISED BY ITS COUNSEL. ON ITS OWN INITIATIVE AND VOLUNTARILY, IT APPROACHED THE STATE AUTHORITIES TO REGISTER.

Initiated By: STATE OF VERMONT

Date Initiated: 10/01/1997

Docket/Case Number: 97-048-5

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/07/1997



Sanctions Ordered: Monetary/Fine \$6,526.00

Other Sanctions Ordered:

Sanction Details: A CONSENT ORDER WAS ENTERED PRIOR TO FORMAL ADJUDICATION AND WITHOUT THE ENTRY OF FINDINGS OF FACT OR CONCLUSIONS OF LAW AS TO ANY VIOLATIONS. ON OR ABOUT 10/02/1997, THE COMPANY WAS REQUIRED TO MAKE AN ADMINISTRATIVE SETTLEMENT PAYMENT OF \$6,526, THE APPROXIMATE AMOUNT OF FEES OR COMMISSIONS EARNED BEFORE REGISTRATION; VIOLATION OF 9 VSA SEC. 4213 OF THE VERMONT SECURITIES ACT.

Firm Statement SEE ABOVE DETAILS.

End of Report



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