

BrokerCheck Report

CAPITAL PORTFOLIO MANAGEMENT, INC.

CRD# 29302

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



CAPITAL PORTFOLIO MANAGEMENT, INC.

CRD# 29302

SEC# 8-44225

Main Office Location

9515 DEERECO ROAD
SUITE 1010
TIMONIUM, MD 21093
Regulated by FINRA Philadelphia Office

Mailing Address

9515 DEERECO ROAD
SUITE 1010
TIMONIUM, MD 21093

Business Telephone Number

410-667-4575

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 Maryland on 08/14/1991.

Its fiscal year ends in March.

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
- 16 U.S. states and territories

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

This firm conducts 10 types of businesses.

This firm is not affiliated with any 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



Firm Profile

This firm is classified as a corporation.

This firm was formed in Maryland on 08/14/1991.

Its fiscal year ends in March.

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.

CAPITAL PORTFOLIO MANAGEMENT, INC.

Doing business as CAPITAL PORTFOLIO MANAGEMENT, INC.

CRD# 29302

SEC# 8-44225

Main Office Location

9515 DEERECO ROAD
SUITE 1010
TIMONIUM, MD 21093

Regulated by FINRA Philadelphia Office

Mailing Address

9515 DEERECO ROAD
SUITE 1010
TIMONIUM, MD 21093

Business Telephone Number

410-667-4575



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):	DYER, PATRICK VINCENT 1668143
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT/COMMON STOCK SHAREHOLDER/CONTROL PERSON/CHIEF COMPLIANCE OFFICER
Position Start Date	03/1992
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	BATHURST, GERALD LEE 4765994
Is this a domestic or foreign entity or an individual?	Individual
Position	PREFERRED SHAREHOLDER - NON-VOTING
Position Start Date	10/2003
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	BURGSTINER, VIRGINIA L
Is this a domestic or foreign entity or an individual?	Individual
Position	PREFERRED SHAREHOLDER
Position Start Date	03/2012

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership 10% but less than 25%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): FRIES, LOUIS F.
5688603

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

Position PREFERRED SHAREHOLDER

Position Start Date 06/2009

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

Legal Name & CRD# (if any): MIDDLETON, STEVEN WEIHE
4367629

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

Position PREFERRED SHAREHOLDER

Position Start Date 03/2007

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

Legal Name & CRD# (if any): TAYLOR, LAVENA RUTH

Firm Profile



Direct Owners and Executive Officers (continued)

	2579245
Is this a domestic or foreign entity or an individual?	Individual
Position	PREFERRED SHAREHOLDER/NON-VOTING
Position Start Date	11/1994
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

Legal Name & CRD# (if any):	BATHURST, ROSEMARY ANNE 4765983
Is this a domestic or foreign entity or an individual?	Individual
Position	PREFERRED SHAREHOLDER - NON-VOTING
Position Start Date	10/2003
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):	EISWERT, MARY K
Is this a domestic or foreign entity or an individual?	Individual
Position	PREFERRED SHAREHOLDER
Position Start Date	03/2012
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): MIDDLETON, KRISTIN W
4664838

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

Position PREFERRED SHAREHOLDER - NON VOTING

Position Start Date 04/2003

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 currently registered with the SEC, 1 SRO and 16 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/23/1991

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	03/03/1992



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
California	Approved	01/15/2004
Colorado	Approved	06/27/2016
Delaware	Approved	02/12/2003
District of Columbia	Approved	09/10/2002
Florida	Approved	03/12/1992
Maryland	Approved	03/03/1992
New Jersey	Approved	09/20/2016
New Mexico	Termination Requested	12/31/2015
New York	Approved	05/31/2003
North Carolina	Approved	08/10/2006
Ohio	Approved	10/31/2000
Pennsylvania	Approved	03/13/1992
South Carolina	Approved	06/12/2017
Texas	Approved	06/12/2013
Virginia	Approved	01/24/1992
Washington	Approved	04/11/2002



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 10 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 broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Trading securities for own account

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:	NATIONAL FINANCIAL SERVICES LLC
CRD #:	13041
Business Address:	200 SEAPORT BLVD BOSTON, MA 02210
Effective Date:	03/09/2016
Description:	THE FIRM OPERATES A FULLY DISCLOSED CLEARING AGREEMENT WITH NFS

Firm Operations

Industry Arrangements



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

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM STREET SUITE 3500
DALLAS, TX 75270
Effective Date: 07/09/2018
Description: THE FIRM OPERATES A FULLY DISCLOSED CLEARING AGREEMENT
WITH HILLTOP SECURITIES, INC.

Name: NATIONAL FINANCIAL
Business Address: 200 SEAPORT BLVD
BOSTON, MA 02210
Effective Date: 03/09/2016
Description: THE FIRM OPERATES A FULLY DISCLOSED CLEARING AGREEMENT
WITH NFS

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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 200 SEAPORT BLVD
BOSTON, MA 02210
Effective Date: 03/09/2016
Description: THE FIRM OPERATES A FULLY DISCLOSED CLEARING AGREEMENT
WITH NFS

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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 200 SEAPORT BLVD
BOSTON, MA 02210
Effective Date: 03/09/2016
Description: THE FIRM OPERATES A FULLY DISCLOSED CLEARING AGREEMENT
WITH NFS

Firm Operations



Industry Arrangements (continued)

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	6	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:**
 - 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: Firm

Current Status: Final



Allegations: THE FIRM DID NOT FILE FORM CRS BY THE 06/31/2020 DEADLINE.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 02/21/2021

Docket/Case Number: 3-20437

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: CEASE AND DESIST

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/26/2021

Sanctions Ordered: Monetary/Fine \$25,000.00
Cease and Desist/Injunction
Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: FINE WAS PAID ON 7/26/2021

Disclosure 2 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST CAPITAL PORTFOLIO MANAGEMENT, INC. ("CAPITAL PORTFOLIO MANAGEMENT" OR "RESPONDENT").

THE COMMISSION FINDS THAT THIS MATTER INVOLVES CAPITAL PORTFOLIO MANAGEMENT'S FAILURE TO FILE WITH THE COMMISSION AND TO DELIVER TO RETAIL INVESTORS ITS FORM CRS. CAPITAL PORTFOLIO MANAGEMENT WAS REQUIRED TO FILE ITS INITIAL FORM CRS WITH THE COMMISSION AND TO BEGIN DELIVERING ITS FORM CRS TO PROSPECTIVE AND NEW RETAIL INVESTORS, AS APPLICABLE, BY JUNE 30, 2020. CAPITAL PORTFOLIO MANAGEMENT WAS FURTHER REQUIRED TO



DELIVER ITS FORM CRS TO EXISTING RETAIL INVESTOR CUSTOMERS BY JULY 30, 2020. THE FIRM FAILED TO FILE AND DELIVER FORM CRS BY THESE DEADLINES, NOT BECOMING COMPLIANT UNTIL FEBRUARY 25, 2021. AS A RESULT, CAPITAL PORTFOLIO MANAGEMENT VIOLATED EXCHANGE ACT SECTION 17(A)(1) AND RULE 17A-14 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 07/26/2021

Docket/Case Number: 3-20437

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 07/26/2021

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 \$25,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: CAPITAL PORTFOLIO MANAGEMENT IS CENSURED; ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF EXCHANGE ACT SECTION 17(A)(1) AND RULE 17A-14 THEREUNDER; AND SHALL PAY A CIVIL MONEY PENALTY OF \$25,000 TO THE COMMISSION.

Regulator Statement CAPITAL PORTFOLIO MANAGEMENT HAS SUBMITTED AN OFFER OF SETTLEMENT, WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. CAPITAL PORTFOLIO MANAGEMENT WILLFULLY VIOLATED EXCHANGE ACT SECTION 17(A)(1) AND RULE 17A-14 THEREUNDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT CAPITAL PORTFOLIO MANAGEMENT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF EXCHANGE ACT SECTION 17(A)(1) AND RULE 17A-



14 THEREUNDER; IS CENSURED; AND SHALL PAY A CIVIL MONEY PENALTY OF \$25,000 TO THE COMMISSION.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FIRM FAILED TO FILE FORM CRS BY 06/30/2020
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	02/21/2021
Docket/Case Number:	3-20437
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:	CENSURE/ CEASE AND DESIST
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	07/26/2021
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	FINE PAID 07/28/2021
Firm Statement	FIRM PAID A \$25000.00 FINE AND IS COMPLIANT AS OF 02/25/2021

Disclosure 3 of 6

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 ITS EMAILS WERE NOT KEPT IN THE FORMAT AND MEDIA REQUIRED UNDER PREVAILING RULES AND REGULATIONS, AND NO INDEPENDENT THIRD PARTY HAD THE NECESSARY ACCESS TO THESE RECORDS. THE FIRM ALSO HAD NOT COMPLIED WITH OTHER RULES AND REGULATIONS, OR



ITS OWN WRITTEN SUPERVISORY PROCEDURES, CONCERNING THE USAGE AND SUPERVISORY REVIEW OF ELECTRONIC STORAGE MEDIA. THE FINDINGS STATED THAT AS THE FIRM TRANSITIONED EMAIL ACCESS TO A THIRD-PARTY ELECTRONIC STORAGE MEDIA PROVIDER, THE FIRM LOST SEVERAL EMAILS TO AND FROM ITS PRESIDENT. (THE FIRM ALSO HAD NOT GIVEN FINRA ADVANCE NOTICE OF ITS USE OF ELECTRONIC STORAGE MEDIA, AND THE FIRM LACKED THE REQUIRED AUDIT SYSTEM PROVIDING FOR ACCOUNTABILITY.)

Initiated By: FINRA

Date Initiated: 12/09/2014

Docket/Case Number: 2013035121101

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/09/2014

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:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$15,000.

FINE PAID IN FULL ON JANUARY 7, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: DURING A TRANSITION TO A NEW E-MAIL SERVICE, SOME OF THE ELECTRONIC COMMUNICATIONS OF THE PRESIDENT WERE NOT



RETAINED.

Initiated By: FINRA

Date Initiated: 12/09/2014

Docket/Case Number: 2013035121101

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: 12/23/2014

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

Other Sanctions Ordered:

Sanction Details: A FINE OF \$15000.00

Firm Statement A ONE TIME FINE WAS AUTHORIZED AND PAID.

Disclosure 4 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 2440, 3010, INTERPRETATIVE MATERIAL-2440 - CAPITAL PORTFOLIO MANAGEMENT, INC. BOUGHT/SOLD SECURITIES FOR ITS OWN ACCOUNT FROM/TO ANOTHER BROKER-DEALER AND FAILED TO SELL/BUY SUCH SECURITY TO/FROM A FIRM CUSTOMER AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO SUCH SECURITY AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE REGARDING APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING FAIR PRICING AND MARKUPS.

Initiated By: NASD



Date Initiated: 12/18/2006

Docket/Case Number: 2005002230401

Principal Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/18/2006

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: Censure
Monetary/Fine \$24,000.00
Disgorgement/Restitution

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 \$24,000, REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING FAIR PRICING AND MARKUPS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THE AWC BY THE NAC, AND TO PAY \$2,134, PLUS INTEREST, IN RESTITUTION TO PUBLIC CUSTOMERS. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE PARTY LAST RESIDED.

Reporting Source: Firm

Current Status: Final



Allegations: IN SEVEN INSTANCES DURING THE TIME FRAME APRIL 1, 2005 THROUGH JUNE 30, 2005, CPMI BOUGHT/SOLD A SECURITY FOR ITS OWN ACCOUNT FROM/TO ANOTHER BROKER DEALER AND FAILED TO SELL/BUY SUCH SECURITY TO/FROM A CPMI CUSTOMER AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 05/01/2005

Docket/Case Number: 20050022304-01

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: RESTITUTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/18/2006

Sanctions Ordered: Censure
Monetary/Fine \$24,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: FINE TO BE PAID IN INSTALLMENTS. RESTITUTION AMOUNT OF \$2134.00 TO BE PAID TO CLIENTS WITHIN 120 DAYS OF ACCEPTANCE.

Firm Statement FINE TO BE PAID IN INSTALLMENTS. RESTITUTION TO CLIENTS WITHIN 120 DAYS AFTER ACCEPTANCE.

Disclosure 5 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: DEFENDANT BROKER-DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT FOR THE SECOND YEAR.

Initiated By: VIRGINIA - STATE CORPORATION COMMISSION
DIVISION OF SECURITIES

Date Initiated: 09/26/1995



Docket/Case Number: SEC950073

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: 09/26/1995

Sanctions Ordered: Monetary/Fine \$250.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: DEFENDANT BROKER-DEALER, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AGREED TO REFRAIN FROM ANY CONDUCT WHICH WOULD CONSTITUTE A VIOLATION OF SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT AS LONG AS IT IS REGISTERED AND PAY A PENALTY OF \$250.00.

Regulator Statement CONTACT: HALL JONES, BROKER-DEALER EXAMINER,
804-371-9016.

Reporting Source: Firm

Current Status: Final

Allegations: STATE OF VIRGINIA RECEIVED OUR FINANCIAL AUDIT REPORTS LATE.

Initiated By: STATE OF VIRGINIA

Date Initiated: 08/28/1995

Docket/Case Number: SEC-950073

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CHARGED A FINE BY THE STATE OF VIRGINIA OF \$250.00



Resolution: Other

Resolution Date: 09/19/1995

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: A FINE WAS IMPOSED AND PAID AS OF RESOLUTION DATE.
\$250.00 REQUIRED BY STATE NO LATER THAN 09/19/1995

Disclosure 6 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: BASED UPON INFORMATION SUBMITTED BY CAPITAL PORTFOLIO MANAGEMENT, INC., THE COMMISSIONER CONCLUDED THAT CAPITAL PORTFOLIO EFFECTED SECURITIES TRANSACTIONS THROUGH AN UNREGISTERED AGENT.

Initiated By: MARYLAND DIVISION OF SECURITIES +

Date Initiated: 07/03/1996

Docket/Case Number: BD-96-0191

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date:

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: IN SETTLEMENT OF THE REGISTRATION PROVISIONS OF THE MARYLAND SECURITIES ACT, THE COMMISSIONER ACCEPTED A FINE IN THE AMOUNT OF \$500.00 AND CAPITAL PORTFOLIO CONSENTED TO



COMPLY WITH THE REGISTRATION PROVISIONS OF THE ACT IN THE FUTURE.

Regulator Statement

CONTACT: ELLEN E. CHERRY, (410) 576-6494.

Reporting Source:

Firm

Current Status:

Final

Allegations:

ADMINISTRATIVE:

LAPSE IN REGISTRATION FOLLOWING TAT TRANSFER FOR A BROKER CRD#735757.

Initiated By:

STATE OF MARYLAND

Date Initiated:

05/24/1996

Docket/Case Number:

BD-96-0191

Principal Product Type:

Other

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

Other

Other Sanction(s)/Relief Sought:

FINE OF \$500.00 CHARGED

Resolution:

Other

Resolution Date:

07/03/1996

Sanctions Ordered:

Monetary/Fine \$500.00

Other Sanctions Ordered:**Sanction Details:**

A FINE WAS IMPOSED AND PAID BY RESOLUTION DATE.

\$500.00 TO BE RECEIVED BY STATE AS OF 07/03/1996.

End of Report



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