

BrokerCheck Report

SUTTER SECURITIES INCORPORATED

CRD# 30770

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 6
Firm History	7
Firm Operations	8 - 17
Disclosure Events	18



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)

SUTTER SECURITIES INCORPORATED

CRD# 30770

SEC# 8-45158

Main Office Location

6 VENTURE, SUITE 395
SUITE 395
IRVINE, CA 92618
Regulated by FINRA Los Angeles Office

Mailing Address

6 VENTURE, SUITE 395
SUITE 395
IRVINE, CA 92618

Business Telephone Number

415-352-6300

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 California on 07/22/1992.

Its fiscal year ends in June.

Firm History

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

Firm Operations

This firm is registered with:

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

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

This firm conducts 13 types of businesses.

This firm is affiliated with financial or investment institutions.

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



Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2
Bond	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 07/22/1992.

Its fiscal year ends in June.

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.

SUTTER SECURITIES INCORPORATED

Doing business as SUTTER SECURITIES INCORPORATED

CRD# 30770

SEC# 8-45158

Main Office Location

6 VENTURE, SUITE 395
SUITE 395
IRVINE, CA 92618

Regulated by FINRA Los Angeles Office

Mailing Address

6 VENTURE, SUITE 395
SUITE 395
IRVINE, CA 92618

Business Telephone Number

415-352-6300



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):	SUTTER SECURITIES GROUP INC (FORMERLY FINTECH GLOBAL MARKETS)
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SHAREHOLDER
Position Start Date	02/2019
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):	BULL, ROBERT LEE IV 1521134
Is this a domestic or foreign entity or an individual?	Individual
Position	FINOP
Position Start Date	08/2019
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):	CHOMATIL, NEHRU SUBRAMANIAN 2342004
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	09/2024



Firm Profile

Direct Owners and Executive Officers (continued)

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): MALEY, ROBERT ANDREW
2442794

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

Position EXECUTIVE VICE PRESIDENT

Position Start Date 06/2019

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): MATTHEWS, GILBERT ELLIOTT

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

Position SR. MANAGING DIRECTOR, DIRECTOR, CHAIRMAN

Position Start Date 12/1997

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): SMITH, LINCOLN JOSEPH JR
2501422

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, CEO
Position Start Date	01/2023
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	BOUSTEAD & COMPANY LIMITED
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	SUTTER SECURITIES GROUP INC.
Relationship to Direct Owner	OWNER
Relationship Established	03/2019
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

Firm History

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

No information reported.





Firm Operations

Registrations

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

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

Federal Regulator	Status	Date Effective
SEC	Approved	09/15/1992

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	12/07/1992
Nasdaq Stock Market	Approved	06/30/2025



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	02/24/2021	North Carolina	Approved	06/28/2011
Alaska	Approved	01/26/2021	Ohio	Approved	01/19/2021
Arizona	Approved	07/24/2003	Oklahoma	Approved	01/19/2021
Arkansas	Approved	01/26/2021	Oregon	Approved	02/03/2021
California	Approved	12/07/1992	Pennsylvania	Approved	10/08/1993
Colorado	Approved	05/04/1994	Puerto Rico	Approved	02/19/2021
Connecticut	Approved	01/27/2021	Rhode Island	Approved	01/14/2021
Delaware	Approved	11/02/2022	South Carolina	Approved	02/01/2021
District of Columbia	Approved	02/09/2021	Tennessee	Approved	03/02/2021
Florida	Approved	02/22/1993	Texas	Approved	11/04/1993
Georgia	Approved	02/12/2021	Utah	Approved	01/28/2021
Hawaii	Approved	01/26/2021	Vermont	Approved	01/27/2021
Idaho	Approved	10/01/2020	Virginia	Approved	08/09/1993
Illinois	Approved	06/23/1993	Washington	Approved	03/24/1995
Indiana	Approved	06/28/1994	West Virginia	Approved	02/03/2021
Iowa	Approved	01/19/2021	Wisconsin	Approved	01/26/2021
Kansas	Approved	01/25/2021	Wyoming	Approved	01/21/2021
Kentucky	Approved	05/09/2016			
Louisiana	Approved	01/19/2021			
Maine	Approved	02/11/2021			
Maryland	Approved	01/19/2021			
Massachusetts	Approved	06/09/1994			
Michigan	Approved	06/07/1995			
Minnesota	Approved	03/23/2021			
Mississippi	Approved	01/14/2021			
Missouri	Approved	03/17/2021			
Montana	Approved	11/09/2020			
Nebraska	Approved	01/29/2021			
Nevada	Approved	06/16/1994			
New Hampshire	Approved	02/24/2021			
New Jersey	Approved	09/24/2012			
New Mexico	Approved	01/27/2021			
New York	Approved	12/11/1992			



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 13 types of businesses.

Types of Business

Broker or dealer 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 broker
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)
Trading securities for own account
Private placements of securities
Other - PROVIDING MERGER & ACQUISITION AND CORPORATE FINANCE ADVISORY SERVICES. OFFERING OF REG CF, REG D & REG A+ PRIVATE PLACEMENTS ON WWW.FLASHFUNDERS.COM. FACILITATING THE SETTLEMENT OF CUSTOMER FUNDS IN CONNECTION WITH PRIVATE PLACEMENT TRANSACTIONS UTILIZING A SEPARATE BANK ACCOUNT PER 15C2-4. OPERATING PURSUANT TO THE FULL PROVISION OF SEC RULE 15C3-3 INCLUDING ESCROW SERVICES IN CONNECTION WITH S-1 AND F-1 REGISTERED OFFERINGS. INVESTMENT BANKING SERVICES TO CORPORATIONS

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: VALUATIONS AND EXPERT TESTIMONY.



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: TICKRS CLEARING
CRD #: 312531
Business Address: 100 SPECTRUM CENTER DRIVE, SUITE 750
 IRVINE, CA 92618
Effective Date: 05/01/2024
Description: SUTTER HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH TICKRS CLEARING, LLC.

Name: HEROLD & LANTERN INVESTMENTS, INC.
CRD #: 30996
Business Address: 35 PINELAWN RD.
 SUITE 101E
 MELVILLE, NY 11747
Effective Date: 01/16/2018
Description: THE FIRM INTRODUCES ITS CUSTOMER AND PROPRIETARY ACCOUNTS TO HEROLD & LANTERN INVESTMENTS INC. HEROLD & LANTERN RE-INTRODUCES THE FIRM'S CUSTOMER AND PROPRIETARY ACCOUNTS TO PERSHING TO OBTAIN SECURITIES CLEARING SERVICES FROM PERSHING WHO CARRIES SUCH ACCOUNTS ON A FULLY DISCLOSED BASIS.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
 JERSEY CITY, NJ 07399
Effective Date: 12/13/2005
Description: PERSHING LLC ACTS AS A CLEARING BROKER TO CLEAR AND CARRY ON A FULLY DISCLOSED BASIS ALL CUSTOMER CASH AND MARGIN ACCOUNTS AND FIRM PROPRIETARY ACCOUNTS. SUTTER SECURITIES DOES NOT HOLD CLIENT FUNDS OR SECURITIES.

Firm Operations

Industry Arrangements



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

Name: COMPLIANCE SCIENCE, INC.

Business Address: 136 MADISON AVENUE
8TH FLOOR
NEW YORK, NY 10016

Effective Date: 12/31/2023

Description: COMPLIANCE SCIENCE, INC. PROVIDES COMPLIANCE SOFTWARE THAT MANAGES THE CERTIFICATIONS AND OUTSIDE BROKERAGE ACCOUNT MAINTENANCE PROCESS.

Name: GLOBAL RELAY

Business Address: 220 CAMBIE STREET
2ND FLOOR
VANCOUVER, CANADA BC V6B 2M9

Effective Date: 06/01/2020

Description: GLOBAL RELAY ARCHIVE PROVIDES RECORDKEEPING, SUPERVISION, AND AUDIT TRAIL FOR ELECTRONIC COMMUNICATION SUBJECT TO THE COMPLIANCE REQUIREMENTS OF FINRA.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 12/13/2005

Description: PERSHING PROVIDES FULLY DISCLOSED CLEARING SERVICES

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

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 12/13/2005

Description: PERSHING PROVIDES FULLY DISCLOSED CLEARING SERVICES

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

Firm Operations



Industry Arrangements (continued)

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 12/13/2005
Description: PERSHING PROVIDES FULLY DISCLOSED CLEARING SERVICES

Control Persons/Financing

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

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



Firm Operations

Organization Affiliates

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

This firm is, directly or indirectly:

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

SUTTER CAPITAL PARTNERS is under common control with the firm.

CRD #:	312689
Business Address:	6 VENTURE SUITE 395 IRVINE, CA 92618
Effective Date:	04/01/2021
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	SUTTER CAPITAL PARTNERS, LLC AND THE BD ARE UNDER THE COMMON OWNERSHIP OF BOUSTEAD & COMPANY LIMITED

SUTTER SECURITIES CLEARING, LLC is under common control with the firm.

CRD #:	134742
Business Address:	6 VENTURE SUITE 395 IRVINE, CA 92618
Effective Date:	03/07/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No

Firm Operations



Organization Affiliates (continued)

Description: SUTTER SECURITIES CLEARING (FORMERLY FINTECH CLEARING, LLC), AND SUTTER SECURITIES, INC. THROUGH COMMON OWNERSHIP AND CONTROL BY ITS PARENT COMPANY, SUTTER SECURITIES GROUP INC ARE UNDER THE COMMON OWNERSHIP AND CONTROL OF BOUSTEAD & COMPANY LIMITED.

FLASHFUNDERS FUNDING PORTAL, LLC is under common control with the firm.

CRD #: 283102

Business Address: 6 VENTURE
SUITE 395
IRVINE, CA 92618

Effective Date: 03/07/2019

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: FLASHFUNDERS FUNDING PORTAL, LLC THROUGH COMMON OWNERSHIP AND CONTROL BY ITS PARENT COMPANY, SUTTER SECURITIES GROUP, INC AND SUTTER SECURITIES, INC.ARE UNDER THE COMMON OWNERSHIP AND CONTROL OF BOUSTEAD & COMPANY LIMITED.

BOUSTEAD SECURITIES, LLC is under common control with the firm.

CRD #: 141391

Business Address: 6 VENTURE
SUITE 395
IRVINE, CA 92618

Effective Date: 03/07/2019

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: SUTTER SECURITIES, INC., THROUGH OWNERSHIP AND CONTROL BY ITS PARENT COMPANY, SUTTER SECURITIES GROUP, INC, AND BOUSTEAD

Firm Operations



Organization Affiliates (continued)

SECURITIES, LLC ARE UNDER THE COMMON OWNERSHIP AND CONTROL
OF BOUSTEAD & COMPANY LIMITED

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	1	1	0
Bond	N/A	1	N/A

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final



Allegations: 08/17/00EC: MSRB RULE G-37 - RESPONDENT FIRM PARTICIPATED IN TEN NEGOTIATED UNDERWRITINGS AND FAILED TO FILE FORM G-37 WITH THE MSRB DISCLOSING THOSE UNDERWRITINGS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/10/2000

Docket/Case Number: C01970031

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: 08/10/2000

Sanctions Ordered: Censure
Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: NONE

Reporting Source: Firm

Current Status: Final

Allegations: DURING 1995 SUTTER SECURITIES PARTICIPATED IN SEVERAL MUNICIPAL UNDERWRITINGS FOR WHICH THE G-37'S (REQUIRED BY THE MSRB) WERE FILED SEVERAL MONTHS LATE.

Initiated By: NASD

Date Initiated: 07/30/1997

Docket/Case Number: C01970031

Principal Product Type: Other

Other Product Type(s): MUNICIPAL BONDS

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought: MONETARY FINE OF \$250

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/10/2000

Sanctions Ordered: Censure
Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: \$250 FINE PAID BY SUTTER SECURITIES INCORPORATED ON 8/30/00 BY CHECK # 8764

Firm Statement SUTTER SECURITIES SIGNED THE ACCEPTANCE, WAIVER & CONSENT AND PAID THE FINE OF \$250.00 SUTTER SECURITIES HAS ALSO CHANGED ITS SUPERVISORY PROCEDURES TO ENSURE THAT ALL G-37'S WILL BE FILED ON TIME.



Regulatory - Pending

This type of disclosure event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Pending

Allegations: THE FIRM, ANOTHER FIRM, AND ITS CEO WERE NAMED RESPONDENTS IN A FINRA COMPLAINT ALLEGING THAT THEY FAILED TO DEVELOP AND IMPLEMENT A REASONABLY DESIGNED AML PROGRAM. THE COMPLAINT ALLEGES THAT DESPITE BEING AWARE OF RED FLAGS RELATING TO THE FIRMS' UNDERWRITING AND SYNDICATION ACTIVITIES INVOLVING CUSTOMERS AND ISSUERS IN FOREIGN JURISDICTIONS, THE CEO FAILED TO IMPLEMENT A REASONABLE AML PROGRAM AT EITHER FIRM TO MONITOR FOR, DETECT, AND REPORT SUSPICIOUS TRANSACTIONS TO ACHIEVE COMPLIANCE WITH THE BSA AND ITS IMPLEMENTING REGULATIONS. IN ADDITION, THE FIRMS, UNDER THE CEO'S DIRECTION FAILED TO ESTABLISH OR IMPLEMENT AML POLICIES AND PROCEDURES, INCLUDING RISK BASED PROCEDURES TO CONDUCT ONGOING MONITORING AND DUE DILIGENCE, TO: (I) UNDERSTAND THE NATURE AND PURPOSE OF CUSTOMER RELATIONSHIPS FOR THE PURPOSE OF DEVELOPING A CUSTOMER RISK PROFILE; AND (II) TO IDENTIFY AND REPORT SUSPICIOUS TRANSACTIONS, WHICH RESULTED IN THE FIRMS FAILING TO REASONABLY DETECT AND INVESTIGATE RED FLAGS THAT THE INDIVIDUALS AND ENTITIES THE ISSUERS REFERRED TO THE FIRMS MAY BE ACTING AS NOMINEES AND/OR ENGAGING IN MANIPULATIVE ACTIVITY. THE COMPLAINT ALSO ALLEGES THAT THE FIRMS FAILED TO ESTABLISH OR MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO DETECT AND INVESTIGATE RED FLAGS OF FRAUD AND MANIPULATIVE ACTIVITY AND TO SUPERVISE THE FIRMS' UNDERWRITING AND SYNDICATION ACTIVITIES. THE OTHER FIRM FAILED TO ROUTINELY REVIEW EITHER TRADE BLOTTERS OR ORDER BLOTTERS FOR SUSPICIOUS ACTIVITY, AND SUTTER RELIED ON A CURSORY MANUAL REVIEW OF ITS TRADE BLOTTERS BY A REPRESENTATIVE WHO WAS NOT PROPERLY TRAINED FOR THE TASK. NEITHER FIRM CONDUCTED ORDER-LEVEL SURVEILLANCE OF TRADING ACTIVITY TO MONITOR FOR POTENTIAL MARKET MANIPULATION. IN ADDITION, BOTH FIRMS FAILED TO ESTABLISH SUPERVISORY SYSTEMS, INCLUDING WSPS, THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGULATION M, PROMULGATED BY THE EXCHANGE ACT. BOTH FIRMS' WSPS MERELY DESCRIBED THE REGULATION AND WHAT IT PROHIBITS WITHOUT SETTING FORTH REASONABLE PROCESSES, SYSTEMS, OR PRACTICES TO DETECT AND PREVENT VIOLATIONS OF REGULATION M. THESE DEFICIENCIES



PREVENTED THE FIRMS' SUPERVISORY SYSTEMS FROM PROPERLY MONITORING FOR, IDENTIFYING, OR PREVENTING SOLICITATION AND INDUCEMENT ACTIVITY THAT VIOLATED REGULATION M. THE COMPLAINT FURTHER ALLEGES THAT THE FIRM REPEATEDLY SOLD NEW ISSUE SECURITIES TO ACCOUNTS IN WHICH RESTRICTED PERSONS, I.E., IMMEDIATE FAMILY MEMBERS OF SUTTER REPRESENTATIVES, HELD A BENEFICIAL INTEREST. IN ADDITION, THE COMPLAINT ALLEGES THAT SUTTER FAILED TO ESTABLISH AND MAINTAIN A REASONABLE SUPERVISORY SYSTEM TO ACHIEVE COMPLIANCE WITH FINRA RULE 5130, PROHIBITING SALES OF NEW ISSUE TO RESTRICTED PERSONS. THE FIRM'S WSPS FAILED TO DEFINE WHAT A RESTRICTED PERSON WAS FOR PURPOSES OF COMPLYING WITH FINRA RULE 5130, AND THE FIRM DID NOT REASONABLY TRAIN ITS EMPLOYEES CONCERNING WHICH CUSTOMERS QUALIFIED AS RESTRICTED PERSONS. IN ADDITION, ALTHOUGH THE FIRM PURPORTEDLY REVIEWED ITS DAILY BLOTTERS FOR PROHIBITIVE SALES ACTIVITY, THE BLOTTERS WERE NOT A REASONABLE TOOL TO MONITOR FOR VIOLATIONS OF FINRA RULE 5130 BECAUSE THEY DID NOT IDENTIFY OR FLAG ACCOUNTS BENEFICIALLY OWNED BY RESTRICTED PERSONS. MOREOVER, THE FIRM PRINCIPAL WHO WAS RESPONSIBLE FOR MONITORING COMPLIANCE WITH THE RULE ALLOWED THE FIRM'S REPRESENTATIVES TO DETERMINE FOR THEMSELVES WHETHER A CUSTOMER WAS A RESTRICTED PERSON IN CONNECTION WITH A PARTICULAR NEW ISSUE.

Initiated By: FINRA
Date Initiated: 01/15/2026
Docket/Case Number: 2022075185901
Principal Product Type: Other
Other Product Type(s): UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: N/A

Reporting Source: Firm
Current Status: Pending
Allegations: FINRA ALLEGES THE FIRM VIOLATED RULES RELATED TO OFF CHANNEL COMMUNICATIONS, HAD INADEQUATE POLICIES AND PROCEDURES RELATED TO ANTI-MONEY LAUNDERING AND RULE 5130. THE FIRM DENIES THESE ALLEGATIONS.



Initiated By: FINRA
Date Initiated: 01/15/2026
Docket/Case Number: 2022075185901
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought:



Civil Bond

This type of disclosure event involves a civil bond for the brokerage firm that has been denied, paid, or revoked by a bonding company.

Disclosure 1 of 1

Reporting Source:	Firm
Policy Holder:	SUTTER SECURITIES INCORPORATED
Bonding Company Name:	GULF INSURANCE COMPANY
Disposition:	Payout
Disposition Date:	01/15/1998
Payout Details:	\$425,000, 01/21/1998
Firm Statement	SUTTER SECURITIES ALLEGED COVERAGE UNDER THE BLANKET BOND AS A RESULT OF A CUSTOMER COMPLAINT. BONDING COMPANY PAID \$425,000 IN SETTLEMENT OF CLAIM.

End of Report



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