

BrokerCheck Report

CARLIN EQUITIES, LLC

CRD# 31295

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Registration and Withdrawal	2
Firm Profile	3 - 9
Firm History	10
Firm Operations	11 - 19
Disclosure Events	20



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.

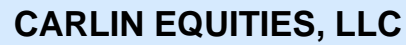
• **Thank you for using FINRA BrokerCheck.**



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.



SEC# 8-40963

666 THIRD AVENUE
8TH FLOOR
NEW YORK, NY 10017

666 THIRD AVENUE
8TH FLOOR
NEW YORK, NY 10017

212-905-5700

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

This firm is classified as a limited liability company.
This firm was formed in Delaware on 01/26/2005.
Its fiscal year ends in December.

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.

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

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.

The following types of disclosures have been reported:

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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.



Date firm ceased business: 07/11/2007

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



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 01/26/2005.

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.

CARLIN EQUITIES, LLC

Doing business as CARLIN EQUITIES, LLC

CRD# 31295

SEC# 8-40963

Main Office Location

666 THIRD AVENUE
8TH FLOOR
NEW YORK, NY 10017

Mailing Address

666 THIRD AVENUE
8TH FLOOR
NEW YORK, NY 10017

Business Telephone Number

212-905-5700



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):	CARLIN GROUP LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER OF CARLIN EQUITIES LLC
Position Start Date	01/2006
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):	BERNSTEIN, SAMUEL H 2183676
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF STRATEGIC OFFICER
Position Start Date	01/2005
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):	FEIG, ROBERT 871895
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT, SALES
Position Start Date	09/2005

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): FROMMER, JEREMY PHILLIP
2099159

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

Position PRESIDENT

Position Start Date 03/2006

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): FROMMER, JEREMY PHILLIP
2099159

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

Position CHIEF EXECUTIVE OFFICER

Position Start Date 07/2006

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): PORTNOI, ALAN SCOTT

Firm Profile



Direct Owners and Executive Officers (continued)

	1537825
Is this a domestic or foreign entity or an individual?	Individual
Position	MANAGING DIRECTOR, INSTITUTIONAL SALES
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):	SHAH, UPENDRA KANTILAL
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF INFORMATION OFFICER
Position Start Date	09/2005
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):	SHEAR, RONALD HENRY 420846
Is this a domestic or foreign entity or an individual?	Individual
Position	CHAIRMAN
Position Start Date	07/2006
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



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	CARLIN OWNERS CORP.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CARLIN GROUP LLC
Relationship to Direct Owner	MAJORITY UNIT HOLDER
Relationship Established	01/2006
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):	SHEAR, RONALD HENRY 420846
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	CARLIN OWNERS CORP.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	01/2006
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):	JSA, LLC
Is this a domestic or foreign	Domestic Entity

Firm Profile



Indirect Owners (continued)

entity or an individual?

Company through which indirect ownership is established	CARLIN GROUP LLC
Relationship to Direct Owner	UNIT HOLDER
Relationship Established	01/2006
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	NEXTGEN TRADING, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CARLIN GROUP LLC
Relationship to Direct Owner	UNIT HOLDER
Relationship Established	01/2006
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm History

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



This firm was previously:	CARLIN EQUITIES CORP.
Date of Succession:	01/19/2006
Predecessor CRD#:	31295
Predecessor SEC#:	8-040963
Description	SUCCESSOR HAS FINANCIALLY ASSUMED ASSETS AND LIABILITIES OF PREDECESSOR. THERE HAS BEEN NO CHANGE IN OWNERSHIP OR CONTROL OF THE FIRM.

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 07/09/1993 to 09/10/2007.





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 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)
U S. government securities broker
Municipal securities broker
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

This firm does 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: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 06/05/2005
Description: APPLICANT INTRODUCES CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS THROUGH PERSHING.

Name: GOLDMAN SACHS EXECUTION & CLEARING, L.P.
CRD #: 3466
Business Address: 120 BROADWAY
NEW YORK, NY 10271
Effective Date: 08/25/1997
Description: APPLICANT INTRODUCES CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS THROUGH SLK.

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: 06/05/2005
Description: APPLICANT INTRODUCES CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS THROUGH PERSHING.

Name: GOLDMAN SACHS EXECUTION & CLEARING, L.P.
CRD #: 3466
Business Address: 120 BROADWAY
NEW YORK, NY 10271
Effective Date: 08/25/1987
Description: APPLICANT INTRODUCES CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS TO SLK.



Firm Operations

Industry Arrangements (continued)

This firm does have customer 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: 06/05/2005
Description: APPLICANT INTRODUCES CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS THROUGH PERSHING.

Name: GOLDMAN SACHS EXECUTION & CLEARING, L.P.
CRD #: 3466
Business Address: 120 BROADWAY
NEW YORK, NY 10271
Effective Date: 08/25/1997
Description: APPLICANT INTRODUCES CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS THROUGH SLK.

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.

SHEAR TRADING PARTNERS, LLC is under common control with the firm.

Business Address:	666 THIRD AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	07/01/2006
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	CARLIN GROUP LLC OWNS 100% OF SHEAR TRADING PARTNERS, LLC.

CARLIN ASSET MANAGEMENT, LLC is under common control with the firm.

CRD #:	138902
Business Address:	666 THIRD AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	12/20/2005
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	CARLIN GROUP LLC OWNS 100%.

US TRADING LLC is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

CRD #:	37426
Business Address:	666 THIRD AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	05/30/2001
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	CARLIN GROUP LLC OWNS 100%

CARLIN FUTURES, LLC is under common control with the firm.

Business Address:	666 THIRD AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	11/28/2000
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	CARLIN GROUP LLC OWNS 100% OF THE COMPANY.

GTP FUTURES, LLC is under common control with the firm.

Business Address:	666 THIRD AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	11/28/2000
Foreign Entity:	No
Country:	
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: CARLIN GROUP LLC OWNS 100% OF COMPANY.

GENERIC TRADING OF PHILADELPHIA, LLC is under common control with the firm.

CRD #: 44018

Business Address: 666 THIRD AVENUE
8TH FLOOR
NEW YORK, NY 10017

Effective Date: 08/25/1997

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: CARLIN GROUPS LLC OWNS 100% OF SHEAR TRADING PARTNERS. SHEAR TRADING PARTNERS LLC IS THE MANAGING MEMBER OF GENERIC TRADING OF PHILADELPHIA, LLC.

CARLIN GROUP LLC is under common control with the firm.

Business Address: 666 THIRD AVENUE
8TH FLOOR
NEW YORK, NY 10017

Effective Date: 01/03/2000

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: CARLIN GROUP LLC SERVES AS AN "UMBRELLA" ORGANIZATION FOR THE ENTITIES UNDER COMMON CONTROL FOR ADVERTISEMENT PURPOSES ONLY. CARLIN GROUP LLC IS OWNED BY CARLIN OWNERS CORP.; JSA, LLC; AND NEXTGEN TRADING, LLC.

Firm Operations



Organization Affiliates (continued)

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	8	0
Arbitration	N/A	4	N/A



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - 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 8

Reporting Source: Regulator

Current Status: Final



Allegations: SEC RULES 10B-10, 17A-3, 17A-4, 202, 202T, 203(B), 605, NASD RULES 2110, 2320, 3010, 3110, 3350, 3370, 4632, 6130(D), 6620, 6620(B), 6955(A) - CARLIN EQUITIES LLC ACCEPTED CUSTOMER SHORT SALE ORDERS IN CERTAIN SECURITIES AND, FOR EACH ORDER, FAILED TO MAKE/ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM WOULD RECEIVE DELIVERY OF THE SECURITIES ON BEHALF OF THE CUSTOMER OR THAT THE FIRM COULD BORROW THE SECURITIES ON BEHALF OF THE CUSTOMER FOR DELIVERY BY SETTLEMENT DATE; REPORTED THROUGH THE NASDAQ MARKET CENTER OR TRACS LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET AND OTC EQUITY SECURITIES IT WAS NOT REQUIRED TO REPORT; FAILED TO REPORT THROUGH THE NASDAQ MARKET CENTER OR TRACS LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ SECURITIES; INCORRECTLY DESIGNATED AS ".PRP" THROUGH THE NASDAQ MARKET CENTER OR TRACS A LAST SALE REPORT OF A TRANSACTION IN A NASDAQ SECURITY; FAILED TO REPORT TO THE NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING WHETHER A TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR A TRANSACTION IN AN ELIGIBLE SECURITY; REPORTED THROUGH THE NASDAQ MARKET CENTER LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND A NATIONAL MARKET SECURITY IT WAS NOT REQUIRED TO REPORT; FAILED TO REPORT THROUGH THE NASDAQ MARKET CENTER LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY AND NASDAQ SECURITIES; FAILED TO MAKE AVAILABLE REPORTS ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES 1021, 1031, 2320, 3110, 3370, 4632, 6130, 6541, 6955, SEC RULES 17A-3, 17A-4, 200, 605 AND CHINESE WALLS AND FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING SEC RULES 202, 202T, NASD RULES 2320, 3350, 3370, 6955; [CONTINUED IN COMMENTS]

Initiated By: NASD

Date Initiated: 02/09/2007

Docket/Case Number: [2004200024801](#)

Principal Product Type: Equity - OTC

Other Product Type(s): NASDAQ SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/09/2007
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 \$77,000.00
Other Sanctions Ordered:	UNDERTAKING
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 \$77,000 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING NASD RULES 1021, 1031, 2320, 3110, 3370, 4632, 6130, 6541, 6955, SEC RULES 17A-3, 17A-4, 200 605 AND CHINESE WALLS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
Regulator Statement	<p>FAILED TO REPORT TO THE NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN ELIGIBLE SECURITIES IN A PRINCIPAL OR AGENCY CAPACITY; FAILED TO SUBMIT REQUIRED INFORMATION TO OATS; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT TRANSACTIONS WERE EXECUTED AT AN AVERAGE PRICE, THE CORRECT CAPACITY IN THE TRANSACTIONS AND THAT IT WAS A MARKET MAKER IN EACH SECURITY; FAILED TO SHOW THE TIME OF EXECUTION ON BROKERAGE ORDER MEMORANDA AND FAILED TO DOCUMENT THE CUSTOMER NAME OR ACCOUNT NUMBER OF THE MEMORANDA OF BROKERAGE ORDERS; FAILED TO PRESERVE FOR NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, ONE BROKERAGE ORDER MEMORANDUM; TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; SUBMITTED TO OATS REPORTS RE: EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE. THE REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEBSITE BUT THE FIRM DID NOT CORRECT OR REPLACE MANY OF THE REPORTS.</p>

Reporting Source: Firm



Current Status:	Final
Allegations:	SEC RULES 10B-10, 17A-3, 17A-4, 202, 202T, 203(B), 605, NASD RULES 2110, 2320, 3010, 3110, 3350, 3370, 4632, 6130(D), 6620, 6620(B), 6955(A) - CARLIN EQUITIES LLC ACCEPTED CUSTOMER SHORT SALE ORDERS IN CERTAIN SECURITIES AND, FOR EACH ORDER, FAILED TO MAKE/ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM WOULD RECEIVE DELIVERY OF THE SECURITIES ON BEHALF OF THE CUSTOMER OR THAT THE FIRM COULD BORROW THE SECURITIES ON BEHALF OF THE CUSTOMER FOR DELIVERY BY SETTLEMENT DATE; REPORTED THROUGH THE NASDAQ MARKET CENTER OR TRACS LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET AND OTC EQUITY SECURITIES IT WAS NOT REQUIRED TO REPORT; FAILED TO REPORT THROUGH THE NASDAQ MARKET CENTER OR TRACS LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ SECURITIES; INCORRECTLY DESIGNATED AS ".PRP" THROUGH THE NASDAQ MARKET CENTER OR TRACS A LAST SALE REPORT OF A TRANSACTION IN A NASDAQ SECURITY; FAILED TO REPORT TO THE NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING WHETHER A TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR A TRANSACTION IN AN ELIGIBLE SECURITY; REPORTED THROUGH THE NASDAQ MARKET CENTER LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND A NATIONAL MARKET SECURITY IT WAS NOT REQUIRED TO REPORT; FAILED TO REPORT THROUGH THE NASDAQ MARKET CENTER LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY AND NASDAQ SECURITIES; FAILED TO MAKE AVAILABLE REPORTS ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES 1021, 1031, 2320, 3110, 3370, 4632, 6130, 6541, 6955, SEC RULES 17A-3, 17A-4, 200, 605 AND CHINESE WALLS AND FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING SEC RULES 202, 202T, NASD RULES 2320, 3350, 3370, 6955; [CONTINUED IN SECTION 13]
Initiated By:	NASD
Date Initiated:	02/09/2007
Docket/Case Number:	20042000248-01
Principal Product Type:	Other
Other Product Type(s):	VARIOUS PRODUCT TYPES
Principal Sanction(s)/Relief Sought:	Censure



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/09/2007

Sanctions Ordered: Censure
Monetary/Fine \$77,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SACNTIONS AND THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$77,000.00 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING NASD RULES 1021,1031,2320,3110,3370,6130,6541,6955. SEC RULES 17A-3, 17A-4200, 605 AND CHINESE WALLS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Firm Statement

FAILED TO REPORT TO THE NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN ELIGIBLE SECURITIES IN A PRINCIPAL OR AGENCY CAPACITY; FAILED TO SUBMIT REQUIRED INFORMATION TO OATS; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THAT TRANSACTIONS WERE EXECUTED AT AN AVERAGE PRICE, THE CORRECT CAPACITY IN THE TRANSACTIONS AND THAT IT WAS A MARKET MAKER IN EACH SECURITY; FAILED TO SHOW THE TIME OF EXECUTION ON BROKERAGE ORDER MEMORANDA AND FAILED TO DOCUMENT THE CUSTOMER NAME OR ACCOUNT NUMBER OF THE MEMORANDA OF BROKERAGE ORDERS; FAILED TO PRESERVE FOR NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, ONE BROKERAGE ORDER MEMORANDUM; TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; SUBMITTED TO OATS REPORTS RE: EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE. THE REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEBSITE BUT THE FIRM DID NOT CORRECT OR REPLACE MANY OF THE REPORTS.

Disclosure 2 of 8

Reporting Source: Regulator

Current Status: Final



Allegations: SEC RULE 11AC1-4 - MEMBER FIRM FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH FIRM'S BID OR OFFER IN EACH SUCH SECURITY.

Initiated By: NASD

Date Initiated: 07/06/2005

Docket/Case Number: [CLG050090](#)

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: 07/06/2005

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 \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CARLIN EQUITIES CORP., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATION OF SEC RULE 11AC1-4. THE FIRM FAILED TO DISPLAY



IMMEDIATELY 90 CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN THE DE MINIMUS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY.

Initiated By: NASD

Date Initiated: 12/26/2003

Docket/Case Number: [CLG050090](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/05/2005

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: \$10,000 FINE PAID IN FULL BY FIRM CHECK ON 05/05/05.

Firm Statement VIOLATION OF SEC RULE 11AC1-4. RESOLVED BY AWC. CENSURE AND FINE OF \$10,000. PAID IN FULL ON 5/5/05 BY FIRM CHECK.

Disclosure 3 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULES 2110 AND 3010 AND NASD MARKETPLACE RULE 6955(A) - RESPONDENT MEMBER FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS; SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE; TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMEATED



DATA; AND, FAILED TO REASONABLY AND PROPERLY ENFORCE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES SO AS TO DETECT AND PREVENT VIOLATIONS WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING OATS.

Initiated By: NASD

Date Initiated: 09/20/2004

Docket/Case Number: CMS040149

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/20/2004

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

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$35,000.

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATION OF NASD MARKET RULE 6955(A) AND NASD CONDUCT RULES 2110 AND 3010. FIRM FAILED TO TIMELY REPORT TO OATS ROES, SUBMITTED REPORTS TO OATS IN THE INCORRECT FORMAT AND DID NOT CORRECT THE FORMAT WHEN THE REPORTS WERE REJECTED, TRANSMITTED OATS REPORTS WITH INACCURATE MARKET PARTICIPANT IDENTIFIERS AND ACCOUNT TYPE CODES, AND FAILED TO ENFORCE THE



FIRMS WSPS CONCERNING OATS.

Initiated By: NASD

Date Initiated: 09/20/2004

Docket/Case Number: CMS040149

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/20/2004

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$35,000

Disclosure 4 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULE 2110 AND NASD MARKETPLACE RULES 6130(B) AND 6620(A) - RESPONDENT MEMBER FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE; AND, FAILED TO ACCEPT OR DECLINE IN ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION.

Initiated By: NASD

Date Initiated: 04/23/2004

Docket/Case Number: CMS040056

Principal Product Type: Equity - OTC



Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/23/2004

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

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD CONDUCT RULE 2110 AND NASD MARKETPLACE RULES 6130(B) AND 6620(A)-RESPONDENT MEMBER FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE; AND FAILED TO ACCEPT OR DECLINE IN ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION.

Initiated By: NASD

Date Initiated: 04/23/2004

Docket/Case Number: CMS040056

Principal Product Type: Equity - OTC

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/23/2004

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

Disclosure 5 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULES 2110 AND 3010, AND NASD MARKETPLACE RULE 6955(A) - RESPONDENT MEMBER ("FIRM") SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET (THE "SUBJECT REPORTS") THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD. THE SUBJECT REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEBSITE. THE FIRM DID NOT CORRECT OR REPLACE THE SUBJECT REPORTS. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING OATS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR (I) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE APPLICABLE RULES; (II) A STATEMENT OF THE STEP(S) THAT SUCH PERSON(S) SHOULD TAKE TO ENSURE COMPLIANCE THEREWITH; (III) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (IV) HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AS THE FIRM.

Initiated By: NASD

Date Initiated: 08/27/2003



Docket/Case Number:	CMS030185
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/27/2003
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD CONDUCT RULES 2110 AND 3010, AND NASD MARKETPLACE RULE 6955(A) - RESPONDENT MEMBER ("FIRM") SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET (THE "SUBJECT REPORTS") THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD. THE FIRM HAS ADDRESSED THE NASD CONCERNS.
Initiated By:	NASD
Date Initiated:	08/27/2003
Docket/Case Number:	CMS030185
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/27/2003

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

Disclosure 6 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULES 2110, 3010, AND 3350 - RESPONDENT MEMBER ("FIRM") EXECUTED SHORT SALE TRANSACTIONS IN CERTAIN SECURITIES, ALL OF WHICH WERE NASDAQ NATIONAL MARKET SECURITIES, AT OR BELOW THE CURRENT INSIDE BID WHEN THE CURRENT INSIDE BID WAS BELOW THE PRECEDING INSIDE BID IN THE SECURITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING THE BID-TEST RULE. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR (I) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE APPLICABLE RULES; (II) A STATEMENT OF THE STEP(S) THAT SUCH PERSON(S) SHOULD TAKE TO ENSURE COMPLIANCE THEREWITH; (III) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (IV) A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AS THE FIRM.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/28/2003

Docket/Case Number: CMS030074

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:** 03/28/2003**Sanctions Ordered:** Censure
Monetary/Fine \$10,000.00**Other Sanctions Ordered:** UNDERTAKING.**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$10,000, AND REQUIRED TO UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING THE BID-TEST RULE WITHIN 30 BUSINESS DAYS.**Reporting Source:** Firm**Current Status:** Final**Allegations:** NASD CONDUCT RULES 2110, 3010, AND 3350 - RESPONDENT MEMBER ("FIRM") EXECUTED SHORT SALE TRANSACTIONS IN CERTAIN SECURITIES AT OR BELOW THE CURRENT INSIDE BID WHEN THE CURRENT INSIDE BID WAS BELOW THE PRECEDING INSIDE BID IN THE SECURITY.**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**Date Initiated:** 03/28/2003**Docket/Case Number:** CMS030074**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:** 03/28/2003**Sanctions Ordered:** Censure
Monetary/Fine \$10,000.00



Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

Disclosure 7 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 3370, 2110 AND 3010 - RESPONDENT FIRM EXECUTED CUSTOMER SHORT SALE ORDERS IN CERTAIN SECURITIES AND FAILED TO MAKE AND ANNOTATE AN AFFIRMATIVE DETERMINATION FOR EACH OF THE ORDERS; FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SHORT SALE RULES OF THE ASSOCIATION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/02/2000

Docket/Case Number: CMS000180

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/02/2000

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 \$10,000.00

Other Sanctions Ordered:



Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: FAILED TO ANNOTATE AN AFFIRMATIVE DETERMINATION IN EACH ORDER - NASD RULE 3370 IN CONJUNCTION WITH NASD 3010 & 2110; FAILED TO ESTABLISH, MAINTAIN & ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SHORT SALE RULES

Initiated By: NASD

Date Initiated: 02/24/2000

Docket/Case Number: CMS000180AWC

Principal Product Type: Equity - OTC

Other Product Type(s): EQUITY LISTED (COMMON & PREFERRED)

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED \$10,000.00

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/23/2000

Sanctions Ordered: Censure

Other Sanctions Ordered:

Sanction Details: APPLICANT PAID \$10,000.00 FINE IN FULL ON 8/23/2000.

Disclosure 8 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENT MEMBER: FAILED TO TIMELY TRANSMIT THROUGH THE APPROPRIATE MEDIUM, LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES, NASDAQ SMALLCAP MARKET SECURITIES, OTC BULLETIN BOARD SECURITIES, AND OTC EQUITY



SECURITIES. (RULES 4632, 4642, 6550, AND 6620.)

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/19/1999

Docket/Case Number: C06990013

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE OF \$2,000.00

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/19/1999

Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered: NONE

Sanction Details: FINE OF \$2,000.00

Regulator Statement 01-12-00, \$2,000 PAID ON 9/9/99, INVOICE #99-06-740

Reporting Source: Firm

Current Status: Final

Allegations: FAILED TO TIMELY TRANSMIT THROUGH THE APPROPRIATE MEDIUM, LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES, NASDAQ SMALLCAP MARKET SECURITIES, OTC BULLETIN BOARD SECURITIES, AND OTC EQUITY SECURITIES. (RULES 4632, 4642, 6550 AND 6620)

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 08/19/1999

Docket/Case Number: C06990013

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:	FINE OF \$2,000.00
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/19/1999
Sanctions Ordered:	Monetary/Fine \$2,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINE OF \$2,000.00
Firm Statement	\$2,000.00 PAID ON 09-09-99, INVOICE #99-06-740



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	09/05/2003
Case Number:	03-05739
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$11,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/26/2004
Sum of All Relief Awarded:	\$4,675.00

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

Disclosure 2 of 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	02/10/2005
Case Number:	05-00737



Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$4,700,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/13/2006

Sum of All Relief Awarded: \$3,000,000.64

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

Disclosure 3 of 4

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 03/24/2006

Case Number: [06-01482](#)

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$249,222.95

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/13/2007

Sum of All Relief Awarded: \$228,224.18

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

Disclosure 4 of 4

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD



Case Initiated: 10/02/1996

Case Number: [96-04314](#)

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; LIMITED PARTNERSHIPS

Sum of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/30/1997

Sum of All Relief Awarded: \$1,030.00

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

End of Report



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