

BrokerCheck Report

FMN CAPITAL CORPORATION

CRD# 38105

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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.

• **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.



FMN CAPITAL CORPORATION

CRD# 38105

SEC# 8-48082

Main Office Location

26041 ACERO
MISSION VIEJO, CA 92691
Regulated by FINRA Los Angeles Office

Mailing Address

26041 ACERO
MISSION VIEJO, CA 92691

Business Telephone Number

949-455-0300

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 01/31/1995.

Its fiscal year ends in December.

Firm History

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

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 51 U.S. states and territories

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

This firm conducts 6 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	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 01/31/1995.

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.

FMN CAPITAL CORPORATION

Doing business as FMN CAPITAL CORPORATION

CRD# 38105

SEC# 8-48082

Main Office Location

26041 ACERO
MISSION VIEJO, CA 92691

Regulated by FINRA Los Angeles Office

Mailing Address

26041 ACERO
MISSION VIEJO, CA 92691

Business Telephone Number

949-455-0300



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):	JEFFREY G. MERWIN IRREVOCABLE TRUST DATED 12.29.2021
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	12/2021
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):	MATTHEW M. MERWIN IRREVOCABLE TRUST DATED 12.28.2021
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	12/2021
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):	JOHN J. MERWIN IRREVOCABLE TRUST DATED 12.28.2021
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	12/2021
Percentage of Ownership	10% but less than 25%



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): MERWIN, JOHN J
6249352

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

Position TRUSTEE

Position Start Date 12/2021

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): MERWIN, MATTHEW SCOTT
1142898

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

Position FOUNDER/OWNER

Position Start Date 01/1995

Percentage of Ownership 10% but less than 25%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MERWIN, JEFFREY GEORGE
5165996

Firm Profile



Direct Owners and Executive Officers (continued)

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

Legal Name & CRD# (if any): MERWIN, MATTHEW MICHAEL
5930281

Is this a domestic or foreign entity or an individual?	Individual
Position	FINOP, PFO, POO/TRUSTEE
Position Start Date	04/2017
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): TICKEL, GARY ARNOLD
1100279

Is this a domestic or foreign entity or an individual?	Individual
Position	ALTERNATE FINOP
Position Start Date	12/2014
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

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 51 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	06/08/1995

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

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	06/08/1995



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/20/2015
Alaska	Approved	02/25/1999
Arizona	Approved	03/25/1996
Arkansas	Approved	11/06/2003
California	Approved	06/14/1995
Colorado	Approved	09/22/1995
Connecticut	Approved	09/10/1996
Delaware	Approved	01/17/2013
District of Columbia	Approved	05/25/2023
Florida	Approved	03/18/1998
Georgia	Approved	07/17/2003
Hawaii	Approved	01/04/1999
Idaho	Approved	04/08/2005
Illinois	Approved	08/25/1998
Indiana	Approved	02/07/2006
Iowa	Approved	07/29/1998
Kansas	Approved	04/17/2000
Kentucky	Approved	02/23/2015
Louisiana	Approved	04/18/2016
Maine	Approved	01/13/2012
Maryland	Approved	11/19/2001
Massachusetts	Approved	07/01/2008
Michigan	Approved	06/03/2004
Minnesota	Approved	10/17/2005
Mississippi	Approved	06/04/2003
Missouri	Approved	07/22/1998
Montana	Approved	02/18/2016
Nebraska	Approved	02/15/2019
Nevada	Approved	06/18/1998
New Hampshire	Approved	11/25/2013
New Jersey	Approved	03/01/1999
New Mexico	Approved	01/11/2006
New York	Approved	04/30/1996

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	04/04/2000
North Dakota	Approved	04/07/2009
Ohio	Approved	02/20/1997
Oklahoma	Approved	07/02/2003
Oregon	Approved	10/05/1995
Pennsylvania	Approved	07/03/2008
Rhode Island	Approved	08/12/2022
South Carolina	Approved	07/07/2008
South Dakota	Approved	01/15/2008
Tennessee	Approved	11/03/2014
Texas	Approved	02/08/2016
Utah	Approved	01/03/1996
Vermont	Approved	09/12/2022
Virginia	Approved	11/05/1996
Washington	Approved	09/18/1995
West Virginia	Approved	06/22/2016
Wisconsin	Approved	10/06/2005
Wyoming	Approved	08/22/2022



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 6 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
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Broker or dealer selling tax shelters or limited partnerships in primary distributions

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:	82 DEVONSHIRE STREET BOSTON, MA 02109-3614
Effective Date:	08/01/2002
Description:	NFS,LLC IS APPLICANT'S CLEARING FIRM.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 82 DEVNSHIRE STREET
BOSTON, MA 02109-3614
Effective Date: 08/01/2002
Description: NFS, LLC IS THE APPLICANT'S CLEARING FIRM.

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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 82 DEVONSHIRE STREET
BOSTON, MA 02109-3614
Effective Date: 08/01/2003
Description: NFS, LLC IS THE APPLICANT'S CLEARING FIRM.

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.**

FINANCIAL MANAGEMENT NETWORK INC is under common control with the firm.

CRD #:	110454
Business Address:	24411 RIDGE ROUTE DRIVE, #220 LAGUNA HILLS, CA 92653-1698
Effective Date:	11/17/1990
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	THE APPLICANT IS UNDER COMMON CONTROL WITH FINANCIAL MANAGEMENT NETWORK, INC., A REGISTERED INVESTMENT ADVISER. MERWIN FAMILY TRUST IS 100% OWNER OF BOTH APPLICANT AND FINANCIAL MANAGEMENT NETWORK, INC.

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	1	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 1

Reporting Source: Regulator

Current Status: Final



Allegations:	THE DIVISION ALLEGED THAT FMN CAPITAL CORPORATION SUBMITTED UNAUTHORIZED PROXY VOTES ON BEHALF OF ITS CLIENTS.
Initiated By:	MASSACHUSETTS SECURITIES DIVISION
Date Initiated:	06/22/2016
Docket/Case Number:	E-2016-0020
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CENSURE, ADMINISTRATIVE FINE, REVIEW OF WRITTEN SUPERVISORY POLICIES AND PROCEDURES WITH RESPECT TO PROXY VOTING
Resolution:	Order
Resolution Date:	06/22/2016
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 \$23,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	FMN CAPITAL CORPORATION WILL REVIEW ITS WRITTEN SUPERVISORY POLICIES AND PROCEDURES WITH RESPECT TO PROXY VOTING.
Sanction Details:	\$23,000.00 ADMINISTRATIVE FINE
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	FMN BROKER-DEALER AGENT VOTED CLIENT PROXIES WITHOUT PROPER AUTHORIZATION. ON SEPTEMBER 25, 2015, FMN REPRESENTATIVE SUBMITTED SIGNED LETTER TO AN RCS CONTRACTED PROXY SOLICITATION FIRM REGARDING THE SPECIAL MEETING. FMN REPRESENTATIVE STATED IN AUTHORIZATION LETTER THAT HE HAD AUTHORITY TO VOTE CLIENT SHARES. HOWEVER, IN LETTER SUBMITTED TO ENFORCEMENT SECTION BY FMN IN RESPONSE TO SUBPOENA ISSUED



BY DIVISION, FMN STATED THAT ITS PROCEDURES DO NOT ALLOW BD AGENTS TO OBTAIN AUTHORITY TO VOTE SHAREHOLDER PROXIES ON BEHALF OF CLIENTS.

Initiated By: COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE SECRETARY OF THE COMMONWEALTH SECURITIES DIVISION

Date Initiated: 04/14/2016

Docket/Case Number: E-2016-0020

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: CEASE AND DESIST, CENSURED BY DISVISION AND FINED \$23,000

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 06/20/2016

Sanctions Ordered: Censure
Monetary/Fine \$23,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: CEASE AND DESIST, CENSURE AND FINE, REVIEW WSPS.

Sanction Details: FINE-\$23,000 PAID TO COMMONWEALTH OF MASSACHUSETTS ON 06/20/2016

Firm Statement FMN AGREES TO PERMANENTLY CEASE AND DESIST FROM CONDUCT IN VIOLATION OF THE ACT; AGREES TO BE CENSURED BY THE DIVISION, AGREES TO PAY FINE, AGREES TO REVIEW WRITTEN SUPERVISORY POLICIES AND PROCEDURES

End of Report



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