

BrokerCheck Report

MCL FINANCIAL GROUP, INC.

CRD# 41180

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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.



MCL FINANCIAL GROUP, INC.

CRD# 41180

SEC# 8-49325

Main Office Location

1851 EAST FIRST STREET
SUITE 150
SANTA ANA, CA 92705

Mailing Address

1851 EAST FIRST STREET
SUITE 150
SANTA ANA, CA 92705

Business Telephone Number

714-836-5571

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 Colorado on 03/01/1996.
Its fiscal year ends in December.

Firm History

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

Firm Operations

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

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	4
Arbitration	2

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: 06/14/2011

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in Colorado on 03/01/1996.

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.

MCL FINANCIAL GROUP, INC.

Doing business as MCL FINANCIAL GROUP, INC.

CRD# 41180

SEC# 8-49325

Main Office Location

1851 EAST FIRST STREET
SUITE 150
SANTA ANA, CA 92705

Mailing Address

1851 EAST FIRST STREET
SUITE 150
SANTA ANA, CA 92705

Business Telephone Number

714-836-5571



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): MCL HOLDING, INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position OWNER

Position Start Date 01/2001

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): SINGLETON, LAWRENCE JOSEPH III
4037738

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 06/2011

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): SINGLETON, LAWRENCE JOSEPH III
4037738

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

Position PRESIDENT; CHIEF EXECUTIVE OFFICER

Position Start Date 04/2007

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership	Less than 5%
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Does this owner direct the management or policies of the firm?	Yes
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Is this a public reporting company?	No
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Firm Profile

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



Indirect Owners

Legal Name & CRD# (if any):	SINGLETON, LAWRENCE JOSEPH III 4037738
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	MCL HOLDING, INC.
Relationship to Direct Owner	COMMON SHAREHOLDER
Relationship Established	05/2007
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 no longer registered.

The firm's registration was from 09/16/1996 to 07/18/2011.



Firm Operations

Types of Business

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

This firm currently conducts 10 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Broker or dealer selling oil and gas interests
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Private placements of securities

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: MCL FINANCIAL GROUP, INC. HOLDS AN INSURANCE LICENSE AND SELLS INSURANCE. IN CALIFORNIA, THE FIRM DOES BUSINESS AS MCL INSURANCE GROUP OF CALIFORNIA, INC. AND MCL FINANCIAL AND INSURANCE SERVICES.

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	LEGENT CLEARING
CRD #:	117176
Business Address:	9300 UNDERWOOD AVENUE SUITE 400 OMAHA, NE 68114
Effective Date:	11/17/2003
Description:	MCL FINANCIAL GROUP, INC. INTRODUCES ITS CLIENTS ON A FULLY DISCLOSED BASIS TO LEGENT CLEARING CORPORATION.

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: LEGENT CLEARING

CRD #: 117176

Business Address: 9300 UNDERWOOD AVENUE
SUITE 400
OMAHA, NE 68114

Effective Date: 11/17/2003

Description: MCL FINANCIAL GROUP, INC. (MCL) MAINTAINS A FULLY DISCLOSED INTRODUCING BROKER CLEARING ARRANGEMENT WITH LEGENT CLEARING CORPORATION, WHICH REQUIRES MCL TO MAINTAIN A PAIB CLEARING DEPOSIT AND DESIGNATED INDUSTRY STANDARD BACKOFFICE OPERATIONS ACCOUNTS (E.G. ERROR ACCOUNT).

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

Name: LEGENT CLEARING

CRD #: 117176

Business Address: 9300 UNDERWOOD AVENUE
SUITE 400
OMAHA, NE 68114

Effective Date: 11/17/2003

Description: LEGENT CLEARING CORPORATION HOLDS CUSTOMER TRADING ACCOUNTS FOR MCL FINANCIAL GROUP, INC. ON A FULLY DISCLOSED BASIS.

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.**

BALANCED FUND MANAGER is under common control with the firm.

CRD #:	132100
Business Address:	1851 EAST FIRST STREET SUITE 150 SANTA ANA, CA 92705
Effective Date:	03/01/2004
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	LAWRENCE SINGLETON IS THE MANAGING MEMBER OF BALANCE FUND MANAGER, LLC.

VC/RE FUND MANAGER, LLC is under common control with the firm.

CRD #:	122741
Business Address:	1851 EAST FIRST STREET SUITE 150 SANTA ANA, CA 92705
Effective Date:	07/01/2006
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Description: LAWRENCE SINGLETON IS THE MANAGING MEMBER OF VC/RE FUND
MANAGER, LLC.

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	4	0
Arbitration	N/A	2	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 4

Reporting Source: Regulator

Current Status: Final



Allegations:	RESPONDENT MCL FINANCIAL GROUP, INC FAILED TO PAY CRD RELATED, MEMBERSHIP REGULATION AND ARBITRATION FEES TOTALING \$15,112.12.
Initiated By:	FINRA
Date Initiated:	06/24/2011
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	CANCELLATION
Resolution:	Other
Resolution Date:	07/18/2011
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:	
Other Sanctions Ordered:	CANCELLATION
Sanction Details:	PURSUANT TO FINRA RULE 9553, MCL FINANCIAL GROUP'S MEMBERSHIP WITH FINRA IS CANCELED AS OF JULY 18, 2011 FOR FAILURE TO PAY OUTSTANDING FEES.

Disclosure 2 of 4

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT MCL FINANCIAL GROUP, INC. FAILED TO PAY ARBITRATION FEES ASSESSED IN FINRA ARBITRATION CASE 10-04294.
Initiated By:	FINRA
Date Initiated:	06/16/2011
Docket/Case Number:	10-04294



Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 07/08/2011

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: Suspension

Other Sanctions Ordered:

Sanction Details: PURSUANT TO FINRA RULE 9553, RESPONDENT MCL FINANCIAL GROUP'S FINRA MEMBERSHIP IS SUSPENDED AS OF JULY 8, 2011 FOR FAILURE TO PAY ARBITRATION FEES.

Disclosure 3 of 4

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMINISTRATIVE RELEASE 34-56579, SEPTEMBER 28, 2007: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") FILED PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ALLEGES THAT RESPONDENTS FAILED REASONABLY TO SUPERVISE AN INDIVIDUAL WITH A VIEW TO DETECTING AND/OR PREVENTING HIS VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT AND SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER. MCL WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER. DURING THE RELEVANT PERIOD, RESPONDENTS HAD ESTABLISHED A WRITTEN SUPERVISORY PROCEDURE THAT REQUIRED AN INDIVIDUAL RESPONDENT TO REVIEW AND APPROVE ANY SALES MATERIALS OR CORRESPONDENCE TO MORE THAN 25 ADDRESSEES BEFORE THE SALES MATERIALS WERE USED OR THE CORRESPONDENCE WAS SENT TO



INVESTORS. RESPONDENTS, HOWEVER, HAD NOT ESTABLISHED A REASONABLE SYSTEM TO IMPLEMENT THIS PROCEDURE. MOREOVER, DESPITE KNOWING THAT AN INDIVIDUAL HAD BEEN PREVIOUSLY SANCTIONED FOR SENDING FALSE AND MISLEADING SALES MATERIALS THAT HAD NOT BEEN APPROVED BY A SUPERVISOR, RESPONDENTS DID NOT ESTABLISH SPECIAL SUPERVISORY PROCEDURES AND SYSTEMS TO MONITOR HIS PREPARATION AND DISTRIBUTION OF SALES MATERIALS AND CORRESPONDENCE. MCL'S POLICY REQUIRES THAT IT MAINTAIN COPIES OF INTER-OFFICE COMMUNICATIONS, INCLUDING E-MAILS, FOR A PERIOD OF THREE YEARS. UNTIL AUGUST 2004, MCL DID NOT MAINTAIN COPIES OF THE MAJORITY OF ITS E-MAILS RELATED TO ITS BUSINESS AS SUCH FOR THE COLORADO OFFICES.

Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/28/2007
Docket/Case Number:	3-12860
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	09/28/2007
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 \$60,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE ENTRY OF THIS ORDER; ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS ORDERED THAT:



MCL IS CENSURED; WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$60,000; AND SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER.

MCL SHALL RETAIN, WITHIN 30 DAYS OF THE DATE OF ENTRY OF THIS ORDER, AT ITS EXPENSE, THE SERVICES OF AN INDEPENDENT CONSULTANT NOT UNACCEPTABLE TO THE STAFF OF THE COMMISSION TO CONDUCT A REVIEW OF MCL'S SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT VIOLATIONS OF THE FEDERAL SECURITIES LAWS RELATED TO (1) SALES MATERIAL; (2) CORRESPONDENCE TO CUSTOMERS; (3) PAYMENTS OF UNDISCLOSED COMPENSATION TO REGISTERED REPRESENTATIVES; AND (4) PRESERVATION OF E-MAIL. MCL SHALL COOPERATE FULLY WITH THE INDEPENDENT CONSULTANT AND SHALL PROVIDE THE INDEPENDENT CONSULTANT ACCESS TO ITS FILES, BOOKS, RECORDS, AND PERSONNEL AS REASONABLY REQUESTED FOR REVIEW.

Reporting Source:

Firm

Current Status:

Final

Allegations:

SEC ADMINISTRATIVE RELEASE 34-56579, SEPTEMBER 28, 2007: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") FILED PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ALLEGES THAT RESPONDENTS FAILED REASONABLY TO SUPERVISE AN INDIVIDUAL WITH A VIEW TO DETECTING AND/OR PREVENTING HIS VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT AND SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER. MCL WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER. DURING THE RELEVANT PERIOD, RESPONDENTS HAD ESTABLISHED A WRITTEN SUPERVISORY PROCEDURE THAT REQUIRED AN INDIVIDUAL RESPONDENT TO REVIEW AND APPROVE ANY SALES MATERIALS OR CORRESPONDENCE TO MORE THAN 25 ADDRESSEES BEFORE THE SALES MATERIALS WERE USED OR THE CORRESPONDENCE WAS SENT TO INVESTORS. RESPONDENTS, HOWEVER, HAD NOT ESTABLISHED A REASONABLE SYSTEM TO IMPLEMENT THIS PROCEDURE. MOREOVER, DESPITE KNOWING THAT AN INDIVIDUAL HAD BEEN PREVIOUSLY SANCTIONED FOR SENDING FALSE AND MISLEADING SALES MATERIALS THAT HAD NOT BEEN APPROVED BY A SUPERVISOR, RESPONDENTS DID NOT ESTABLISH SPECIAL SUPERVISORY PROCEDURES AND SYSTEMS TO MONITOR HIS PREPARATION AND DISTRIBUTION OF SALES MATERIALS AND CORRESPONDENCE. MCL'S POLICY REQUIRES THAT IT MAINTAIN COPIES OF INTER-OFFICE



COMMUNICATIONS, INCLUDING E-MAILS, FOR A PERIOD OF THREE YEARS. UNTIL AUGUST 2004, MCL DID NOT MAINTAIN COPIES OF THE MAJORITY OF ITS E-MAILS RELATED TO ITS BUSINESS AS SUCH FOR THE COLORADO OFFICES.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/28/2007

Docket/Case Number: 3-12860

Principal Product Type: Other

Other Product Type(s): NO PRODUCT

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/28/2007

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE ENTRY OF THIS ORDER; ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS ORDERED THAT: MCL IS CENSURED; WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$60,000; AND SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(B)(4) THEREUNDER. MCL SHALL RETAIN, WITHIN 30 DAYS OF THE DATE OF ENTRY OF THIS ORDER, AT ITS EXPENSE, THE SERVICES OF AN INDEPENDENT CONSULTANT NOT UNACCEPTABLE TO THE STAFF OF THE COMMISSION TO CONDUCT A REVIEW OF MCL'S SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT VIOLATIONS OF THE FEDERAL SECURITIES LAWS RELATED TO (1) SALES MATERIAL; (2) CORRESPONDENCE TO CUSTOMERS; (3) PAYMENTS OF UNDISCLOSED COMPENSATION TO REGISTERED REPRESENTATIVES; AND (4) PRESERVATION OF E-MAIL. MCL SHALL COOPERATE FULLY WITH THE INDEPENDENT CONSULTANT AND SHALL PROVIDE THE INDEPENDENT CONSULTANT ACCESS TO ITS FILES, BOOKS, RECORDS, AND PERSONNEL



AS REASONABLY REQUESTED FOR REVIEW.

Disclosure 4 of 4

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 15C3-1, NASD RULES 1017, 2110 - RESPONDENT MEMBER ACTING THROUGH AN EMPLOYEE, UTILIZED THE INSTRUMENTALITIES OF INTERSTATE COMMERCE TO ENGAGE IN SECURITIES BUSINESS WHILE FAILING TO MAINTAIN REQUIRED MINIMUM NET CAPITAL. THE FINDINGS STATED THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, FAILED TO TIMELY NOTIFY NASD REGARDING A 50% CHANGE IN THE OWNERSHIP OF THE FIRM.
Initiated By:	NASD
Date Initiated:	08/14/2006
Docket/Case Number:	E3A2005004701
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/14/2006
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, MCL FINANCIAL GROUP, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$12,500 JOINTLY AND SEVERALLY.



Reporting Source:	Firm
Current Status:	Final
Allegations:	ACCEPTANCE, WAIVER AND CONSENT TO VIOLATION OF RULE 2110 - OVERSTATED ALLOWED NET CAPITAL; VIOLATION OF RULE 1017 - FAILURE TO TIMELY REPORT 50% CHANGE IN INDIRECT OWNERSHIP.
Initiated By:	NASD
Date Initiated:	08/01/2006
Docket/Case Number:	E3A2005004701
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	\$12500 FINE.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/01/2006
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	APPLICANT AND FLATER AS FINOP FINED JOINTLY AND SEVERALLY AMOUNT OF \$12500.00
Firm Statement	APPLICANT FAILED TO PROPERLY ACCOUNT FOR COMMISSIONS RECEIVABLE. APPLICANT FAILED TO TIMELY NOTIFY NASD OF NEW STOCKHOLDER IN HOLDING COMPANY.



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 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	EMPLOYMENT-BREACH OF CONTRACT; EMPLOYMENT-COMPENSATION; EMPLOYMENT-LIBEL OR SLANDER ON FORM U-5
Arbitration Forum:	NASD
Case Initiated:	04/07/2005
Case Number:	05-01153
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	Unspecified Damages
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/24/2007
Sum of All Relief Awarded:	\$138,622.18

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 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY- MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	02/28/2011



Case Number: [11-00396](#)

Disputed Product Type: OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$3,960,019.60

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/18/2013

Sum of All Relief Awarded: \$850,004.91

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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