

BrokerCheck Report

HAYWOOD SECURITIES (USA) INC.

CRD# 42072

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



HAYWOOD SECURITIES (USA) INC.

CRD# 42072

SEC# 8-49696

Main Office Location

200 BARRARD ST
SUITE 700
VANCOUVER, BC, CANADA V6C 3L6
Regulated by FINRA Denver Office

Mailing Address

200 BARRARD ST
SUITE 700
VANCOUVER, BC, CANADA V6C 3L6

Business Telephone Number

604-697-7400

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.

Its fiscal year ends in September.

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
- 52 U.S. states and territories

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

This firm conducts 8 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have 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	3



Firm Profile

This firm is classified as a corporation.

Its fiscal year ends in September.

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.

HAYWOOD SECURITIES (USA) INC.

Doing business as HAYWOOD SECURITIES (USA) INC.

CRD# 42072

SEC# 8-49696

Main Office Location

200 BURRARD ST
SUITE 700
VANCOUVER, BC, CANADA V6C 3L6

Regulated by FINRA Denver Office

Mailing Address

200 BURRARD ST
SUITE 700
VANCOUVER, BC, CANADA V6C 3L6

Business Telephone Number

604-697-7400



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): HAYWOOD SECURITIES INC.

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

Position SHAREHOLDER

Position Start Date 09/1996

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): BANARES, BERNADETTE BAUTISTA
6928911

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

Position CHIEF FINANCIAL OFFICER

Position Start Date 08/2019

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): BLANCHARD, ROBERT CRAIG
2814206

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

Position PRESIDENT & CHIEF EXECUTIVE OFFICER

Position Start Date 03/2005

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? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): THOMPSON, STANLEY BRUCE
4936225

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

Position HEAD OF COMPLIANCE, CHIEF COMPLIANCE OFFICER

Position Start Date 01/2007

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): VIRVILIS, PETER
7991478

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

Position NON CONTROL DIRECTOR

Position Start Date 04/2017

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Firm Profile

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



Indirect Owners

Legal Name & CRD# (if any):	HAYWOOD CAPITAL CORPORATION
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	HAYWOOD SECURITIES INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	11/2002
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/28/1997

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	10/28/1997



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	04/09/2021
Alaska	Approved	02/25/2002
Arizona	Approved	05/04/1999
Arkansas	Approved	07/11/2019
California	Approved	12/08/1997
Colorado	Approved	04/19/1999
Connecticut	Approved	09/13/1999
Delaware	Approved	06/12/2008
District of Columbia	Approved	03/31/2006
Florida	Approved	05/11/1999
Georgia	Approved	01/28/2002
Hawaii	Approved	06/17/2002
Idaho	Approved	04/12/1999
Illinois	Approved	10/19/1999
Indiana	Approved	11/22/2004
Iowa	Approved	04/05/2002
Kansas	Approved	08/26/2011
Kentucky	Approved	04/08/2019
Louisiana	Approved	11/19/2004
Maine	Approved	09/11/2002
Maryland	Approved	06/23/1999
Massachusetts	Approved	06/02/1999
Michigan	Approved	09/11/2003
Minnesota	Approved	10/30/2007
Mississippi	Approved	08/30/2019
Missouri	Approved	07/09/2002
Montana	Approved	06/05/2002
Nebraska	Approved	12/04/2015
Nevada	Approved	05/06/1999
New Hampshire	Approved	10/28/2002
New Jersey	Approved	06/02/1999
New Mexico	Approved	02/08/2005
New York	Approved	09/02/1999

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	05/20/1999
North Dakota	Approved	06/13/2002
Ohio	Approved	05/01/2002
Oklahoma	Approved	06/25/1999
Oregon	Approved	07/26/1999
Pennsylvania	Approved	06/17/1999
Puerto Rico	Approved	06/21/2016
Rhode Island	Approved	02/24/2003
South Carolina	Approved	10/05/2004
South Dakota	Approved	10/31/2007
Tennessee	Approved	05/14/1999
Texas	Approved	06/22/1999
Utah	Approved	06/30/1999
Vermont	Approved	07/27/2005
Virginia	Approved	03/18/2004
Washington	Approved	10/28/1997
West Virginia	Approved	12/04/2001
Wisconsin	Approved	08/03/2000
Wyoming	Approved	06/18/2002



Firm Operations

Types of Business

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

This firm currently conducts 8 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
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
Other - UNDERWRITER IN PRIVATE EQUITY SECURITIES AND EQUITY SECURITIES THAT WILL TRADE ON THE OTC BULLETIN BOARD
BROKER OR DEALER RETAILING CORPORATE SECURITIES TO US INSTITUTIONAL AND MAJOR US INSTITUTIONAL INVESTORS ON A DVP/RVP BASIS.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

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 not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

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.**

HAYWOOD SECURITIES INC. controls the firm.

Business Address:	700 - 200 BURRARD STREET VANCOUVER, BC, CANADA V6C 3L6
Effective Date:	09/20/1996
Foreign Entity:	Yes
Country:	BC, CANADA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	HAYWOOD SECURITIES INC., 700 - 200 BURRARD STREET, VANCOUVER, BC, CANADA OWNS 100% OF THE ISSUED AND OUTSTANDING SHARES OF HAYWOOD (USA) SECURITIES INC. HAYWOOD SECURITIES INC. IS NOT REGISTERED THROUGH THE CRD SYSTEM.

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	3	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 3

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT RECOMMENDED SALES TOTALING ALMOST \$11 MILLION OF DIFFERENT PRIVATE PLACEMENTS TO U.S. CUSTOMERS WITHOUT CONDUCTING REASONABLE DUE DILIGENCE OF THE ISSUERS AND THE OFFERINGS. THE FINDINGS STATED THAT THE FIRM RECOMMENDED SALES OF A CERTAIN TYPE OF CANADIAN PRIVATE PLACEMENT OFFERING REFERRED TO AS "NON-BROKERED PRIVATE PLACEMENTS" (NBPPS), WHICH ARE OFFERINGS IN WHICH THE FIRM OR ITS PARENT DO NOT SERVE AS AGENT OF THE ISSUER BUT RATHER ACT AS A FINDER THAT INTRODUCES INVESTORS TO THE ISSUER. THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 2111 AND REG BI. THE FIRM GENERALLY DID NOT CONDUCT DUE DILIGENCE OF NBPPS BEYOND A SEARCH AND REVIEW OF THE ISSUER'S RECENT PUBLIC FILINGS. TO THE EXTENT THE FIRM OBTAINED ANY INFORMATION FROM THE ISSUER, IT GENERALLY SOUGHT MINIMAL INFORMATION AND RELIED MOSTLY ON THE ISSUER WITH LITTLE TO NO INDEPENDENT VERIFICATION. IN ADDITION, THE FIRM GENERALLY DID NOT CONDUCT ANY INDEPENDENT INVESTIGATION, SUCH AS INQUIRING ABOUT PAST OR PENDING LITIGATION OR DISCIPLINARY PROBLEMS, REVIEWING THE ISSUER'S KEY CONTRACTS, EXPLORING THE ISSUER'S BUSINESS PLAN, OR CONDUCTING A SITE VISIT. FURTHERMORE, THE FIRM DID NOT GENERALLY CONDUCT A SEARCH OF SUCH REGULATORY HISTORY, NOR DID IT GENERALLY MAINTAIN EVIDENCE OR DOCUMENTATION OF ITS DUE DILIGENCE FOR NBPPS, INCLUDING OF ANY SEARCHES OF PUBLIC FILINGS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO FILE FINRA RULE 5123 FILINGS IN CONNECTION WITH THE SALE OF CANADIAN NBPPS. THE FIRM'S POLICY WAS TO NOT MAKE SUCH FILINGS WHEN THE SALE TRANSACTIONS FOR AN OFFERING WERE UNSOLICITED AND THE FIRM DID NOT RECEIVE A FINDER'S FEE FROM THE ISSUER. HOWEVER, THE OFFERINGS DID NOT QUALIFY FOR ANY EXEMPTION UNDER FINRA RULE 5123(B).

Initiated By: FINRA

Date Initiated: 11/13/2023

Docket/Case Number: 2019061852801

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENTS

Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/13/2023
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 \$175,000.00
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE FIRM IS CENSURED, FINED \$175,000, AND REQUIRED TO REMEDIATE THE ISSUES IDENTIFIED IN THIS AWC AND IMPLEMENT A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGULATION BEST INTEREST (REG BI). FINE PAID IN FULL ON DECEMBER 1, 2023.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	COMSET FINRA NUMBER 2019061852801. FACTS AND VIOLATIVE CONDUCT: A. FAILED TO CONDUCT REASONABLE DUE DILIGENCE OF 53 CANADIAN PRIVATE PLACEMENT OFFERINGS: B. FAILED TO FILE OFFERING DOCUMENTS WITH FINRA.
Initiated By:	FINRA
Date Initiated:	06/30/2020
Docket/Case Number:	
Principal Product Type:	Investment Contract(s)
Other Product Type(s):	SPECIFICALLY CANADIAN PRIVATE PLACEMENT OFFERINGS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	: 2. A \$175,000 FINE: 3. A CERTIFICATION BY A MEMBER OF THE FIRM'S SENIOR MANAGEMENT, WHO IS A REGISTERED PRINCIPLE, THAT THE FIRM HAS REMEDIATED THE ISSUES AND IMPLEMENTED A SUPERVISORY, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE



COMPLIANCE WITH THE VIOLATIVE ISSUES IDENTIFIED IN THIS MATTER.

Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/13/2023
Sanctions Ordered:	Censure Monetary/Fine \$175,000.00
Other Sanctions Ordered:	A CERTIFICATION BY A MEMBER OF THE FIRM'S SENIOR MANAGEMENT, WHO IS A REGISTERED PRINCIPLE, THAT THE FIRM HAS REMEDIATED THE ISSUES AND IMPLEMENTED A SUPERVISORY, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE VIOLATIVE ISSUES IDENTIFIED IN THIS MATTER.
Sanction Details:	THE FIRM IS CENSURED AND FINED \$175,000
Firm Statement	FINRA HAS ISSUED A NOTICE OF ACCEPTANCE OF AWC EFFECTIVE NOVEMBER 13, 2024

Disclosure 2 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	HAYWOOD SECURITIES (USA) INC. EXECUTED SECURITIES TRANSACTIONS BEFORE BEING REGISTERED AS A BROKER DEALER IN ALABAMA.
Initiated By:	ALABAMA
Date Initiated:	04/05/2021
Docket/Case Number:	CO-2021-0004
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	04/15/2021



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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: CONSENT ORDER AND FINED: \$2,500.00 ADMINISTRATIVE ASSESSMENT AND \$2,500.00 INVESTIGATION COST. FINE PAID APRIL 9, 2021.

Regulator Statement FOR MORE INFORMATION, CONTACT THE ALABAMA SECURITIES COMMISSION AT 334-242-2984

Reporting Source: Firm

Current Status: Final

Allegations: EXECUTED SECURITIES TRANSACTIONS BEFORE BEING REGISTERED AS A BROKER-DEALER IN ALABAMA.

Initiated By: ALABAMA

Date Initiated: 04/05/2021

Docket/Case Number: CO-2021-0004

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:

Resolution: Order

Resolution Date: 04/15/2021

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: CONSENT ORDER AND FINED \$2500 ADMINISTRATIVE ASSESSMENT AND \$2500 INVESTIGATIVE COST. FINE PAID APRIL 9, 2021



Disclosure 3 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 2110 AND 3050(B): A REGISTERED REPRESENTATIVE OF ANOTHER NASD MEMBER FIRM, OPENED AN ACCOUNT WITH RESPONDENT MEMBER FIRM IN THE NAME OF A CORPORATION WHOLLY OWNED BY THE REGISTERED REPRESENTATIVE AND HIS WIFE. THE CLIENT ACCOUNT APPLICATION FORM FOR THE ACCOUNT AT THE MEMBER FIRM AND ACCOMPANYING DOCUMENTS DID NOT DISCLOSE THAT CUSTOMER WAS AN ASSOCIATED PERSON AT ANOTHER MEMBER FIRM AND FALSELY STATED THAT NO NASD RESTRICTED PERSON HAD AN INTEREST IN THE ACCOUNT. PRIOR TO EXECUTING TRANSACTIONS FOR THE CUSTOMER'S ACCOUNT, RESPONDENT MEMBER FIRM, ACTING THROUGH ITS REGISTERED REPRESENTATIVES, DID NOT NOTIFY CUSTOMER'S EMPLOYER MEMBER FIRM, IN WRITING OR OTHERWISE, OF ITS INTENTION TO OPEN THE ACCOUNT NOR DID IT NOTIFY CUSTOMER OF ITS INTENTION TO PROVIDE SUCH NOTICE TO HIS EMPLOYER MEMBER FIRM.
Initiated By:	NASD
Date Initiated:	11/22/2006
Docket/Case Number:	E3B2004021901
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/22/2006
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 \$50,000.00

**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$50,000, OF WHICH 40,000 IS JOINTLY AND SEVERALLY.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASD RULE 2110 AND 3050(B): A REGISTERED REPRESENTATIVE OF ANOTHER NASD MEMBER FIRM, OPENED AN ACCOUNT WITH RESPONDENT MEMBER FIRM IN THE NAME OF A CORPORATION WHOLLY OWNED BY THE REGISTERED REPRESENTATIVE AND HIS WIFE. THE CLIENT ACCOUNT APPLICATION FORM FOR THE ACCOUNT AT THE MEMBER FIRM AND ACCOMPANYING DOCUMENTS DID NOT DISCLOSE THAT CUSTOMER WAS AN ASSOCIATED PERSON AT ANOTHER MEMBER FIRM AND FALSELY STATED THAT NO NASD RESTRICTED PERSON HAD AN INTEREST IN THE ACCOUNT. PRIOR TO EXECUTING TRANSACTIONS FOR THE CUSTOMER'S ACCOUNT, RESPONDENT MEMBER FIRM, ACTING THROUGH ITS REGISTERED REPRESENTATIVES, DID NOT NOTIFY CUSTOMER'S EMPLOYER MEMBER FIRM, IN WRITING OR OTHERWISE, OF ITS INTENTION TO OPEN THE ACCOUNT NOR DID IT NOTIFY CUSTOMER OF ITS INTENTION TO PROVIDE SUCH NOTICE TO HIS EMPLOYER MEMBER FIRM.

Initiated By:

NASD

Date Initiated:

11/22/2006

Docket/Case Number:

E3B2004021101 / E3B2004021901

Principal Product Type:

Other

Other Product Type(s):

UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Censure

Other Sanction(s)/Relief Sought:

FINED \$50,000 OF WHICH \$40,000 IS JOINTLY AND SEVERALLY.

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

11/22/2006

Sanctions Ordered:

Censure
Monetary/Fine \$50,000.00



Other Sanctions Ordered:

Sanction Details:

WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$50,000, OF WHICH 40,000 IS JOINTLY AND SEVERALLY.

Firm Statement

THE NASD HAS ISSUED A NOTICE OF ACCEPTANCE OF AWC EFFECTIVE 11/22/2006.

End of Report



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