

BrokerCheck Report

J.P. TURNER & COMPANY, L.L.C.

CRD# 43177

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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:
 - o 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
 - o 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.](http://www.finra.org)

J.P. TURNER & COMPANY, L.L.C.

CRD# 43177

SEC# 8-50156

Main Office Location

ONE BUCKHEAD PLAZA
3060 PEACHTREE RD NW, 11TH FLOOR
ATLANTA, GA 30305

Mailing Address

ONE BUCKHEAD PLAZA
3060 PEACHTREE RD NW, 11TH FLOOR
ATLANTA, GA 30305

Business Telephone Number

404-479-8300

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 limited liability company.

This firm was formed in Georgia on 04/11/1997.

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	30
Arbitration	12

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.



**This firm terminated or
withdrew registration on:** 02/04/2016

**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 Georgia on 04/11/1997.

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.

J.P. TURNER & COMPANY, L.L.C.

Doing business as J.P. TURNER & COMPANY, L.L.C.

CRD# 43177

SEC# 8-50156

Main Office Location

ONE BUCKHEAD PLAZA
3060 PEACHTREE RD NW, 11TH FLOOR
ATLANTA, GA 30305

Mailing Address

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3060 PEACHTREE RD NW, 11TH FLOOR
ATLANTA, GA 30305

Business Telephone Number

404-479-8300



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): BRAVES AQUISITION LLC

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

Position MEMBER

Position Start Date 06/2014

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): SHELSON, MARK PAUL
1819252

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

Position CORPORATE TREASURER

Position Start Date 12/2014

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): WOLL, EDWARD BARNETT
1096606

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 10/2011

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



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	RCS CAPITAL CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	RCS CAPITAL HOLDINGS, LLC
Relationship to Direct Owner	MEMBER
Relationship Established	06/2014
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	RCS CAPITAL HOLDINGS, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	BRAVES AQUISITION, LLC
Relationship to Direct Owner	MEMBER
Relationship Established	06/2014
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 07/21/1997 to 04/04/2016.



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 15 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)
Mutual fund retailer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Broker or dealer selling tax shelters or limited partnerships in primary distributions
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 refer or introduce customers to other brokers and dealers.

Name: APEX CLEARING CORPORATION

CRD #: 13071

Business Address: 1700 PACIFIC AVENUE
SUITE#1400
DALLAS, TX 75201

Effective Date: 02/07/2006

Description: THE APPLICANT WILL INTRODUCE SOME SECURITIES BUSINESS ON A FULLY DISCLOSED BASIS THROUGH APEX CLEARING CORPORATION, INC., 1700 PACIFIC AVE., SUITE# 1400, DALLAS, TX 75201. CONTACT 888-268-6220.

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 have individuals who control its management or policies through agreement.

Name: RCS CAPITAL CORPORATION
Business Address: 405 PARK AVENUE 15TH FLOOR
 NEW YORK, NY 10022
Effective Date: 06/14/2014
Description: RCS CAPITAL CORPORATION IS A MEMBER OF RCS CAPITAL HOLDINGS WHICH IS A MEMBER OF BRAVES ACQUISITION LLC WHICH DIRECTLY OWNS THE MEMBER

Name: RCS CAPITAL HOLDINGS
Business Address: 405 PARK AVENUE 15TH FLOOR
 NEW YORK, NY 10022
Effective Date: 06/14/2014
Description: RCS CAPITAL HOLDINGS IS A MEMBER OF BRAVES ACQUISITION LLC WHICH DIRECTLY OWNS THE MEMBER.

This firm does have individuals who wholly or partly finance the firm's business.

Name: RCS CAPITAL CORPORATION
Business Address: 405 PARK AVENUE 15TH FLOOR
 NEW YORK, NY 10022
Effective Date: 06/14/2014
Description: RCS CAPITAL CORPORATION IS A MEMBER OF RCS CAPITAL HOLDINGS WHICH IS A MEMBER OF BRAVES ACQUISITION LLC WHICH DIRECTLY OWNS THE MEMBER AND MAY, FROM TIME TO TIME, FINANCE THE BUSINESS OF THE MEMBER

Name: RCS CAPITAL HOLDINGS
Business Address: 405 PARK AVENUE 15TH FLOOR
 NEW YORK, NY 10022

Firm Operations



Industry Arrangements (continued)

Effective Date: 06/14/2014

Description: RCS CAPITAL HOLDINGS IS A MEMBER OF BRAVES ACQUISITION LLC WHICH DIRECTLY OWNS THE MEMBER AND MAY, FROM TIME TO TIME, FINANCE THE BUSINESS OF THE MEMBER



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.

GIRARD SECURITIES, INC. is under common control with the firm.

CRD #:	18697
Business Address:	9560 WAPLES STREET SUITE B SAN DIEGO, CA 92121
Effective Date:	03/19/2015
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

VSR FINANCIAL SERVICES, INC. is under common control with the firm.

CRD #:	14503
Business Address:	8620 W. 110TH STREET OVERLAND PARK, KS 66210-9651
Effective Date:	03/11/2015
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS

Firm Operations**Organization Affiliates (continued)**

CAPITAL CORPORATION

SC DISTRIBUTORS, LLC is under common control with the firm.

CRD #: 151152

Business Address: 610 NEWPORT CENTER DRIVE
SUITE 350
NEWPORT BEACH, CA 92660

Effective Date: 08/29/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

HATTERAS FUNDS, LLC is under common control with the firm.

CRD #: 170628

Business Address: 8450 COLONNADE CENTER DRIVE #401
RALEIGH, NC 27615

Effective Date: 06/30/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

HATTERAS CAPITAL is under common control with the firm.

CRD #: 143365

Business Address: 8540 COLONNADE CENTER DRIVE #401
RALEIGH, NC 27615

Effective Date: 06/30/2014

Firm Operations**Organization Affiliates (continued)**

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

ADVISOR DIRECT is under common control with the firm.

CRD #: 141363

Business Address: 6 KIMBALL LANE
LYNNFIELD, MA 01940

Effective Date: 07/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

INVESTORS CAPITAL CORP. is under common control with the firm.

CRD #: 30613

Business Address: 6 KIMBALL LANE
LYNNFIELD, MA 01940-2320

Effective Date: 07/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS

Firm Operations**Organization Affiliates (continued)**

CAPITAL CORPORATION

CETERA ADVISORS LLC is under common control with the firm.

CRD #: 10299

Business Address: 4600 SOUTH SYRACUSE
SUITE 600
DENVER, CO 80237

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

SUMMIT FINANCIAL GROUP INC is under common control with the firm.

CRD #: 109485

Business Address: 980 NORTH FEDERAL HIGHWAY SUITE 310
BOCA RATON, FL 33432

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

SUMMIT BROKERAGE SERVICES, INC. is under common control with the firm.

CRD #: 34643

Business Address: 595 SOUTH FEDERAL HIGHWAY
BOCA RATON, FL 33432

Effective Date: 06/14/2014

Firm Operations**Organization Affiliates (continued)**

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

LEGEND ADVISORY CORP is under common control with the firm.

CRD #: 104761

Business Address: 4600 EAST PARK DRIVE SUITE 300
PALM BEACH GARDENS, FL 33410

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

LEGEND EQUITIES CORPORATION is under common control with the firm.

CRD #: 30999

Business Address: 4600 EAST PARK DRIVE SUITE 300
PALM BEACH GARDENS, FL 33410

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS

Firm Operations**Organization Affiliates (continued)**

CAPITAL CORPORATION

FIRST ALLIED ADVISORY SERVICES, INC. is under common control with the firm.

CRD #: 137888

Business Address: 15455 CONWAY ROAD
CHESTERFIELD, MO 63017

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

REALTY CAPITAL SECURITIES, LLC is under common control with the firm.

CRD #: 145454

Business Address: THREE COPLEY PLACE
SUITE 3300
BOSTON, MA 02116

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

FIRST ALLIED SECURITIES, INC. is under common control with the firm.

CRD #: 32444

Business Address: 655 W. BROADWAY
SAN DIEGO, CA 92101

Effective Date: 06/14/2014

Firm Operations**Organization Affiliates (continued)**

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA INVESTMENT SERVICES LLC is under common control with the firm.

CRD #: 15340

Business Address: 400 FIRST STREET SOUTH
SUITE 300
ST. CLOUD, MN 56301

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA ADVISOR NETWORKS LLC is under common control with the firm.

CRD #: 13572

Business Address: 200 N SEPULVEDA BOULEVARD
EL SEGUNDO, CA 90245

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Firm Operations**Organization Affiliates (continued)**

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA FINANCIAL SPECIALISTS LLC is under common control with the firm.

CRD #: 10358

Business Address: 200 N. MARTINGDALE ROAD
SCHAUMBURG, IL 60173

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA INVESTMENT ADVISERS LLC is under common control with the firm.

CRD #: 105644

Business Address: 200 N. MARTINGDALE ROAD
SCHAUMBURG, IL 60173

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA INVESTMENT MANAGEMENT LLC is under common control with the firm.

CRD #: 165436

Business Address: 200 N SEPULVEDA BOULEVARD
EL SEGUNDO, CA 90245

Firm Operations**Organization Affiliates (continued)**

Effective Date: 06/14/2014
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

J P TURNER & COMPANY CAPITAL MANAGEMENT, LLC is under common control with the firm.

CRD #: 124446
Business Address: ONE BUCKHEAD PLAZA
 3060 PEACHTREE ROAD 11TH FLOOR
 ATLANTA, GA 30305
Effective Date: 06/27/2007
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: COMPANY IS UNDER COMMON OWNERSHIP WITH J.P. TURNER & COMPANY, 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	30	0
Arbitration	N/A	12	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:**
 - o 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:**
 - o 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:**
 - o 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.
 - o 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 30

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 DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT NOTWITHSTANDING THE AVAILABILITY OF THE WAIVERS, THE FIRM FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THESE ELIGIBLE CUSTOMERS CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING THE CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO SUPERVISE THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. FOR INSTANCE, THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES TO IDENTIFY APPLICABLE SALES CHARGE WAIVERS IN FUND PROSPECTUSES FOR ELIGIBLE CUSTOMERS. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. BECAUSE OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT IT OVERCHARGED ELIGIBLE CUSTOMERS BY APPROXIMATELY \$176,147 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.

Initiated By: FINRA
Date Initiated: 12/07/2017
Docket/Case Number: [2016050260101](#)
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/07/2017
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
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	THE FIRM WAS CENSURED AND REQUIRED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, ESTIMATED TO TOTAL APPROXIMATELY \$213,137 (THE AMOUNT IT OVERCHARGED ELIGIBLE CUSTOMERS, INCLUSIVE OF INTEREST).

Disclosure 2 of 30

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 IN TRANSACTIONS, THE FIRM BOUGHT AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM AND/OR TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-UP OR MARK-DOWN) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE FINDINGS STATED THAT IN TRANSACTIONS, THE FIRM SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-UP OR MARK-DOWN) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES



DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE FINDINGS ALSO STATED THAT 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 MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULES, CONCERNING FAIR PRICING OF MUNICIPAL SECURITIES.

Initiated By: FINRA

Date Initiated: 11/30/2015

Docket/Case Number: [2013035877801](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/30/2015

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 \$140,000.00
Disgorgement/Restitution

Other Sanctions Ordered: INTEREST

Sanction Details: THE FIRM WAS CENSURED, FINED \$140,000 AND ORDERED TO PAY \$76,743.68, PLUS INTEREST, IN RESTITUTION. FINE PAID IN FULL ON DECEMBER 16, 2015.

Reporting Source: Firm



Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IN TRANSACTIONS, THE FIRM BOUGHT AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM AND/OR TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-UP OR MARK-DOWN) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE FINDINGS STATED THAT IN TRANSACTIONS, THE FIRM SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-UP OR MARK-DOWN) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE FINDINGS ALSO STATED THAT 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 MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULES, CONCERNING FAIR PRICING OF MUNICIPAL SECURITIES.</p>
Initiated By:	FINRA
Date Initiated:	11/30/2015
Docket/Case Number:	2013035877801
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE AND RESTITUTION



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/30/2015

Sanctions Ordered: Censure
Monetary/Fine \$140,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: FINE OF \$140,000.00 AND RESTITUTION IN THE AMOUNT OF \$76,743.68 PLUS INTEREST.

Disclosure 3 of 30

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 DID NOT PREVENT REGISTERED REPRESENTATIVES FROM MAKING MULTIPLE TELEPHONE SOLICITATIONS TO NUMBERS ON THE FIRM'S DO-NOT-CALL REGISTRY AND ON THE NATIONAL DO-NOT-CALL REGISTRY AND FURTHER FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM, AS REQUIRED UNDER FINRA RULE 3230, TO ENSURE THAT ITS REGISTERED REPRESENTATIVES DID NOT CONTACT INDIVIDUALS THAT WERE LISTED ON THE FIRM'S DO-NOT-CALL REGISTRY AND THE NATIONAL DO-NOT-CALL REGISTRY. THE FINDINGS STATED THAT THE FIRM REQUIRED BRANCH OFFICES THAT ENGAGED IN TELEMARKETING TO USE A THIRD-PARTY SYSTEM THAT WAS INTEGRATED INTO ITS PHONE SYSTEM TO SCREEN CALLS AGAINST THE NATIONAL DO-NOT-CALL REGISTRY AND THE FIRM'S DO-NOT-CALL. THE FIRM'S TECHNOLOGY DEPARTMENT WOULD FORWARD THE FIRM'S DO-NOT-CALL REGISTRY TO THE THIRD-PARTY PROVIDER FOR INCLUSION IN ITS DATABASE. HOWEVER, WHEN THE FIRM CEASED USING A THIRD-PARTY PROVIDER ON A COMPANY-WIDE BASIS, ONE OF ITS OFFICES, WAS AUTHORIZED TO CONTINUE TO UTILIZE THE THIRD-PARTY SYSTEM. YET WHEN THE FIRM CEASED USING THE THIRD-PARTY PROVIDER, ITS TECHNOLOGY DEPARTMENT STOPPED PROVIDING THE THIRD-PARTY PROVIDER WITH THE FIRM'S DO-NOT-CALL REGISTRY. AS A RESULT, THE BRANCH OFFICE STILL USING THE THIRD-PARTY SYSTEM WAS NOT SCREENING ITS CALLS AGAINST THE FIRM'S DO-NOT-CALL REGISTRY. THE FINDINGS ALSO STATED THAT IT FAILED TO DELIVER OFFICIAL STATEMENTS TO CUSTOMERS IN CONNECTION WITH SALES OF MUNICIPAL SECURITIES, AS REQUIRED BY MSRB RULE G-32, AND FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES. SPECIFICALLY, THE FIRM EXECUTED SALES OF OFFERED MUNICIPAL SECURITIES IN THE SECONDARY MARKET WITHIN THE PRIMARY



OFFERING DISCLOSURE PERIOD. THE FIRM DID NOT DELIVER AN OFFICIAL STATEMENT IN CONNECTION WITH THESE SALES. INSTEAD, THE FIRM INCLUDED A STATEMENT IN THE TRADE CONFIRMATIONS ADVISING CUSTOMERS THAT "COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST." THE CONFIRMATION STATEMENTS, HOWEVER, DID NOT INCLUDE THE REQUIRED NOTIFICATION ADVISING CUSTOMERS OF THE AVAILABILITY OF THE OFFICIAL STATEMENT ON THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) SYSTEM AND HOW TO OBTAIN IT.

Initiated By: FINRA

Date Initiated: 11/18/2015

Docket/Case Number: [2014039275901](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/18/2015

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 \$75,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$75,000.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM DID NOT PREVENT REGISTERED REPRESENTATIVES FROM MAKING CERTAIN TELEPHONE SOLICITATIONS TO NUMBERS ON THE FIRMS DO-NOT-CALL REGISTRY AND ON THE NATIONAL DO-NOT-CALL REGISTRY AND ALLEGED FAILURE TO ESTABLISH,



MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM, AS REQUIRED UNDER FINRA RULE 3230, TO ENSURE THAT ITS REGISTERED REPRESENTATIVES DID NOT CONTACT INDIVIDUALS THAT WERE LISTED ON THE FIRM'S DO-NOT-CALL REGISTRY AND THE NATIONAL DO-NOT-CALL REGISTRY. THE FINDINGS STATED THAT THE FIRM REQUIRED BRANCH OFFICES THAT ENGAGED IN TELEMARKETING TO USE A THIRD-PARTY SYSTEM THAT WAS INTEGRATED INTO ITS PHONE SYSTEM TO SCREEN CALLS AGAINST THE NATIONAL DO-NOT-CALL REGISTRY AND THE FIRM'S DO-NOT-CALL. THE FIRM'S TECHNOLOGY DEPARTMENT WOULD FORWARD THE FIRM'S DO-NOT-CALL REGISTRY TO THE THIRD-PARTY PROVIDER FOR INCLUSION IN ITS DATABASE. HOWEVER, WHEN THE FIRM CEASED USING A THIRD-PARTY PROVIDER ON A COMPANY-WIDE BASIS, ONE OF ITS OFFICES, WAS AUTHORIZED TO CONTINUE TO UTILIZE THE THIRD-PARTY SYSTEM. YET WHEN THE FIRM CEASED USING THE THIRD-PARTY PROVIDER, ITS TECHNOLOGY DEPARTMENT STOPPED PROVIDING THE THIRD-PARTY PROVIDER WITH THE FIRM'S DO-NOT-CALL REGISTRY. AS A RESULT, THE BRANCH OFFICE STILL USING THE THIRD-PARTY SYSTEM WAS NOT SCREENING ITS CALLS AGAINST THE FIRM'S DO-NOT-CALL REGISTRY. THE FINDINGS ALSO STATED THAT IT FAILED TO DELIVER OFFICIAL STATEMENTS TO CUSTOMERS IN CONNECTION WITH SALES OF MUNICIPAL SECURITIES, AS REQUIRED BY MSRB RULE G-32, AND FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES. SPECIFICALLY, THE FIRM EXECUTED SALES OF OFFERED MUNICIPAL SECURITIES IN THE SECONDARY MARKET WITHIN THE PRIMARY OFFERING DISCLOSURE PERIOD. THE FIRM DID NOT DELIVER AN OFFICIAL STATEMENT IN CONNECTION WITH THESE SALES. INSTEAD, THE FIRM INCLUDED A STATEMENT IN THE TRADE CONFIRMATIONS ADVISING CUSTOMERS THAT "COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST." THE CONFIRMATION STATEMENTS, HOWEVER, DID NOT INCLUDE THE REQUIRED NOTIFICATION ADVISING CUSTOMERS OF THE AVAILABILITY OF THE OFFICIAL STATEMENT ON THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) SYSTEM AND HOW TO OBTAIN IT.

Initiated By:	FINRA
Date Initiated:	11/18/2015
Docket/Case Number:	2014039275901
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/18/2015

Sanctions Ordered: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered:

Sanction Details: FINE PAID UPON RECEIPT.

Disclosure 4 of 30

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 FAILED TO IDENTIFY AND APPLY VOLUME DISCOUNTS TO CERTAIN CUSTOMERS' ELIGIBLE PURCHASES OF NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND BUSINESS DEVELOPMENT COMPANIES (BDCS), RESULTING IN CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF \$21,230. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) WITH RESPECT TO THE SALE OF NON-TRADED REITS AND BDCS. THE FIRM DID NOT HAVE PROCEDURES IN PLACE REASONABLY DESIGNED TO IDENTIFY ACCOUNTS THAT WOULD BE ELIGIBLE FOR VOLUME DISCOUNTS. THE FIRM RELIED ON ITS ASSOCIATED PERSONS TO ENSURE ITS CUSTOMERS RECEIVED THE VOLUME DISCOUNTS TO WHICH THEY WERE ENTITLED, BUT FAILED TO PROVIDE ADEQUATE GUIDELINES, INSTRUCTIONS OR POLICIES FOR ITS ASSOCIATED PERSONS AND SUPERVISORS TO FOLLOW TO DETERMINE WHETHER A CUSTOMER'S PURCHASE QUALIFIED FOR A VOLUME DISCOUNT AND TO ENSURE THAT THE CUSTOMER WAS MADE AWARE OF THE AVAILABLE DISCOUNT.

Initiated By: FINRA

Date Initiated: 08/25/2015

Docket/Case Number: [2014042566601](#)

Principal Product Type: Other

Other Product Type(s): NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND BUSINESS DEVELOPMENT COMPANIES (BDCS)

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/25/2015

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 \$45,000.00
Disgorgement/Restitution

Other Sanctions Ordered: PLUS INTEREST ON THE RESTITUTION AND UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$45,000, ORDERED TO PAY \$21,230, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS AND REQUIRED TO CERTIFY THAT IT HAS CORRECTED ITS SYSTEMS AND PROCEDURES WITH RESPECT TO THE SALE OF NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND BUSINESS DEVELOPMENT COMPANIES (BDCS). FINE PAID IN FULL ON SEPTEMBER 1, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO APPLY VOLUME DISCOUNTS TO CERTAIN CUSTOMERS' ELIGIBLE PURCHASES OF NON-TRADED REAL ESTATE INVESTMENT TRUSTS(REIT'S) AND BUSINESS DEVELOPMENT COMPANIES (BDC'S)IN VIOLATION OF FINRA RULE 2010 AND THAT THE FIRM FAILED TO HAVE IN PLACE AN EFFECTIVE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS CUSTOMERS RECEIVED APPROPRIATE VOLUME DISCOUNTS ON ELIGIBLE PURCHASES OF NON-TRADED REIT'S AND BDC'S IN VIOLATION OF NASD CONDUCT RULE 3010(A) AND 3010(B) AND FINRA RULE 2010.

Initiated By: FINRA

Date Initiated: 08/25/2015

Docket/Case Number: [2014042566601](#)

Principal Product Type: Other



Other Product Type(s):	REAL ESTATE INVESTMENT TRUSTS(REIT'S) AND BUSINESS DEVELOPMENT COMPANIES (BDC'S)
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE, RESTITUTION, AND CERTIFICATION. DETAILS BELOW.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/25/2015
Sanctions Ordered:	Censure Monetary/Fine \$45,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	CERTIFICATION THAT THE FIRM HAS CORRECTED ITS SYSTEMS AND PROCEDURES WITH RESPECT TO THE SALE OF NON-TRADED REIT'S AND BDC'S.
Sanction Details:	RESTITUTION OF \$21,230.00 PAID TO CUSTOMERS ON 8/12/2015. FINE OF \$45,000.00 PAID UPON RECEIPT.

Disclosure 5 of 30

Reporting Source:	Regulator
Current Status:	Final
Allegations:	N/A
Initiated By:	FLORIDA OFFICE OF FINANCIAL REGULATION
Date Initiated:	06/04/2015
Docket/Case Number:	0757-S-12/13
URL for Regulatory Action:	
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:	06/05/2015



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 \$15,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: N/A

Sanction Details: 06/04/2015 - \$15,000 ADMINISTRATIVE FINE PAID IN FULL.

Regulator Statement ON JUNE 4, 2015, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER AGAINST J.P. TURNER & COMPANY, LLC, FOR ENGAGING IN PROHIBITED BUSINESS PRACTICES BY FAILING TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES TO PROPERLY REVIEW AND SUPERVISE THE ACTIVITIES OF AN ASSOCIATED PERSON'S MUTUAL FUND TRADING ACTIVITIES. J.P. TURNER & COMPANY, LLC AGREED TO PAY A \$15,000 ADMINISTRATIVE FINE.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED FAILURE TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES TO PROPERLY REVIEW AND SUPERVISE THE MUTUAL FUND TRADING ACTIVITY OF ONE REGISTERED REPRESENTATIVE.

Initiated By: STATE OF FLORIDA

Date Initiated: 06/04/2015

Docket/Case Number: 0757-S-12/13

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 06/04/2015

Sanctions Ordered: Monetary/Fine \$15,000.00



Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

FINE PAID 5/15/2015.

Firm Statement

THE FIRM'S SELF REPORTING OF THIS ISSUE BROUGHT THIS MATTER TO THE ATTENTION OF THE OFFICE OF FINANCIAL REGULATION OF THE STATE OF FLORIDA.

Disclosure 6 of 30

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 FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTIONS REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-14 RTRS PROCEDURES AND THE RTRS USER MANUAL. SPECIFICALLY, THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL. THE FINDINGS STATED THAT THE FIRM FAILED TO ACCURATELY REPORT THE CORRECT TIME OF TRADE TO THE RTRS IN TRANSACTIONS OF CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT INFORMATION REGARDING CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES TO THE RTRS IN THE MANNER PRESCRIBED BY MSRB RULE G-14 RTRS PROCEDURES AND THE RTRS USER MANUAL. SPECIFICALLY, THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL.

Initiated By:

FINRA

Date Initiated:

07/28/2015

Docket/Case Number:

[2014040171801](#)

Principal Product Type:

Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/28/2015

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 \$22,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$22,500.

FINE PAID IN FULL ON AUGUST 3, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTIONS REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-14 RTRS PROCEDURES AND THE RTRS USER MANUAL. SPECIFICALLY, THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL. THE FINDINGS STATED THAT THE FIRM FAILED TO ACCURATELY REPORT THE CORRECT TIME OF TRADE TO THE RTRS IN TRANSACTIONS OF CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES.

Initiated By: FINRA

Date Initiated: 07/28/2015

Docket/Case Number: [2014040171801](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)


Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/28/2015

Sanctions Ordered: Censure
Monetary/Fine \$22,500.00

Other Sanctions Ordered:
Sanction Details: FIRM WAS CENSURED AND FINE WAS PAID ON 08/03/2015.

Disclosure 7 of 30
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 FAILED TO HAVE IN PLACE AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, RELATING TO THE USE, REVIEW, AND DISSEMINATION OF CONSOLIDATED REPORTS PREPARED BY REGISTERED REPRESENTATIVES FOR CUSTOMERS. THE FINDINGS STATED THAT SPECIFICALLY, FOR A LITTLE OVER TWO YEARS, THE FIRM HAD NO SUPERVISORY PROCEDURES ADDRESSING THE USE AND SUPERVISION OF CONSOLIDATED REPORTS. ALTHOUGH THE FIRM HAD PROCEDURES RELATING TO SUPERVISION OF CORRESPONDENCE IN GENERAL, HOWEVER, THOSE PROCEDURES WERE INADEQUATE TO ADDRESS MATTERS OF CONCERN SPECIFIC TO CONSOLIDATED REPORTS, SUCH AS VERIFICATION OF ACCURACY OF ANY VALUATION INFORMATION PROVIDED BY THE RESPONSIBLE REGISTERED REPRESENTATIVE, OR ENSURING FULL AND ACCURATE DISCLOSURE TO THE CUSTOMER OF THE SOURCE AND ACCURACY OF ANY SUCH VALUATION INFORMATION PROVIDED. DUE TO THE LACK OF SUCH PROCEDURES, THE FIRM FAILED TO IDENTIFY OR PREVENT APPROXIMATELY 50 INSTANCES OF CONSOLIDATED REPORTS DISSEMINATED WITHOUT ADEQUATE DISCLOSURES.

Initiated By: FINRA

Date Initiated: 03/27/2015

Docket/Case Number: [2013036404301](#)
Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES



Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/27/2015
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 \$100,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$100,000. 4/14/2015 FINE PAID IN FULL.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT THE FIRM FAILED TO HAVE AN ADEQUATE SUPERVISORY SYSTEM , INCLUDING WRITTEN PROCEDURES, RELATED TO THE USE, REVIEW, AND DISEMMINATION OF CONSOLIDATED REPORTS PREPARED BY REGISTERED REPRESENTATIVES FOR CUSTOMERS.THE FINDINGS STATED THAT SPECIFICALLY, FOR A LITTLE OVER TWO YEARS, THE FIRM HAD NO SUPERVISORY PROCEDURES ADDRESSING THE USE AND SUPERVISION OF CONSOLIDATED REPORTS. ALTHOUGH THE FIRM HAD PROCEDURES RELATING TO SUPERVISION OF CORRESPONDENCE IN GENERAL, HOWEVER, THOSE PROCEDURES WERE INADEQUATE TO ADDRESS MATTERS OF CONCERN SPECIFIC TO CONSOLIDATED REPORTS, SUCH AS VERIFICATION OF ACCURACY OF ANY VALUATION INFORMATION PROVIDED BY THE RESPONSIBLE REGISTERED REPRESENTATIVE, OR ENSURING FULL AND ACCURATE DISCLOSURE TO THE CUSTOMER OF THE SOURCE AND ACCURACY OF ANY SUCH VALUATION INFORMATION PROVIDED. DUE TO THE LACK OF SUCH PROCEDURES, THE FIRM FAILED TO IDENTIFY OR PREVENT APPROXIMATELY 50 INSTANCES OF CONSOLIDATED REPORTS DISSEMINATED WITHOUT ADEQUATE DISCLOSURES.
Initiated By:	FINRA



Date Initiated: 03/27/2015
Docket/Case Number: [2013036404301](#)
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: CENSURE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/27/2015
Sanctions Ordered: Censure
 Monetary/Fine \$100,000.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$100,000.00. FINE PAID UPON RECEIPT.

Disclosure 8 of 30

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 SOLD (BOUGHT) CORPORATE BONDS TO (FROM) CUSTOMERS AND FAILED TO SELL (BUY) SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.
Initiated By: FINRA
Date Initiated: 05/13/2014
Docket/Case Number: [2010023377201](#)
Principal Product Type: Debt - Corporate
Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/13/2014

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: SEE ABOVE - FINE PAID IN FULL ON MAY 28, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM SOLD (BOUGHT) CORPORATE BONDS TO (FROM) CUSTOMERS AND FAILED TO SELL (BUY) SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.

Initiated By: FINRA

Date Initiated: 05/13/2014

Docket/Case Number: [2010023377201](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE.



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/13/2014

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

Other Sanctions Ordered:

Sanction Details: FINE PAID UPON RECEIPT.

Disclosure 9 of 30

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 FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, INCLUDING LAWS AND REGULATIONS PROHIBITING INSIDER TRADING AND NASD RULE 3050 WHICH REQUIRES REGISTERED REPRESENTATIVES TO HAVE DUPLICATE COPIES OF ACCOUNT STATEMENTS FOR PERSONAL BROKERAGE ACCOUNTS SENT TO THEIR EMPLOYER MEMBER FIRMS. THE FINDINGS STATED THAT TWO REGISTERED REPRESENTATIVES DISCLOSED OUTSIDE BROKERAGE ACCOUNTS, BUT THE FIRM FAILED TO MONITOR THE TRANSACTIONS IN THOSE ACCOUNTS. IN BOTH INSTANCES, THE FIRM FAILED TO RECEIVE ANY CONFIRMATION OR ACCOUNT STATEMENTS RELATED TO THE OUTSIDE BROKERAGE ACCOUNTS. THE FIRM HAD NO PROCEDURES IN PLACE TO TRACK WHETHER IT WAS RECEIVING STATEMENTS FOR DISCLOSED ACCOUNTS AND REMAINED UNAWARE OF THE MISSING STATEMENTS. THE FINDINGS ALSO STATED THAT THE FIRM SERVED AS THE PLACEMENT AGENT FOR A \$3.9 MILLION CONTINGENCY OFFERING. DESPITE THE FACT THAT THE OFFERING HAD NOT RECEIVED THE \$3.9 MILLION IN BONA FIDE INVESTMENTS REQUIRED TO CLOSE, THE FIRM CLOSED THE OFFERING AND CAUSED THE TITLE COMPANY TO RELEASE THE DEPOSITED FUNDS TO THE ISSUER. THE FIRM SERVED AS THE PLACEMENT AGENT FOR ANOTHER OFFERING. DESPITE THE FACT THAT THE REQUISITE \$2.5 MILLION HAD NOT BEEN COLLECTED, THE FIRM CAUSED THE ESCROW AGENT TO PREMATURELY DISBURSE FUNDS FROM THE ESCROW ACCOUNT. AS A RESULT, THE FIRM WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SEC RULE 10B-9. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT DELIVER AN OFFICIAL STATEMENT (OS) IN CONNECTION WITH THE SALES OF MUNICIPAL SECURITIES. INSTEAD, THE FIRM INCLUDED A STATEMENT IN THE TRADE CONFIRMATIONS IT ISSUED ADVISING THE CUSTOMERS



THAT, "COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST."
SUCH NOTICE DOES NOT SATISFY THE REQUIREMENTS OF MSRB RULE G-32(A)(III)(B).

Initiated By: FINRA

Date Initiated: 04/21/2014

Docket/Case Number: [2011025756301](#)

Principal Product Type: Other

Other Product Type(s): MUNICIPAL SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/21/2014

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

Other Sanctions Ordered: THE FIRM UNDERSTANDS THAT THIS SETTLEMENT INCLUDES A FINDING THAT IT WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SEC RULE 10B-9 AND UNDER ARTICLE III, SECTION 4 OF FINRA'S BY-LAWS, THIS MAKES THE FIRM SUBJECT TO A STATUTORY DISQUALIFICATION WITH RESPECT TO MEMBERSHIP.

Sanction Details: SEE ABOVE

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED FAILURE TO ESTABLISH, MAINTAIN, AND ENFORCE REASONABLE SUPERVISORY PROCEDURES REGARDING THE MONITORING OF OUTSIDE BROKERAGE ACCOUNTS OF TWO REGISTERED REPRESENTATIVES IN VIOLATION OF NASD RULES 3010(A) AND (B) AND FINRA RULE 2010. ALLEGED FAILURE TO ESTABLISH AN ESCROW ACCOUNT ON ONE



CONTINGENCY OFFERING AND BROKE ESCROW ON THE SAME OFFERING AND A FOLLOW ON CONTINGENCY OFFERING WITHOUT RAISING THE REQUIRED MINIMUM IN VIOLATION OF SECTIONS 10(B) AND 15(C) (2) OF THE S.E.C. ACT OF 1934, S.E.C. RULES 10B-9 AND 15C2-4, AND FINRA RULE 2010. AND ALLEGED FAILURE, IN CONNECTION WITH 65 SALES OF MUNICIPAL SECURITIES, FAILED TO DELIVER AN OFFICIAL STATEMENT ("OS") AS REQUIRED BY MSRB RULE G-32.

Initiated By: FINRA

Date Initiated: 04/21/2014

Docket/Case Number: [2011025756301](#)

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: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/21/2014

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

Other Sanctions Ordered:

Sanction Details: FINE PAID ON 4/22/2014.

Disclosure 10 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 2010; NASD RULES 2110, 2310, 3010; INTERPRETATIVE MATERIAL 2310-2:

J.P. TURNER FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO MONITOR TRANSACTIONS IN LEVERAGED, INVERSE, AND INVERSE-LEVERAGED EXCHANGE-TRADED FUNDS (NON-TRADITIONAL ETFS). NON-TRADITIONAL ETFS HAVE CERTAIN RISKS THAT INCREASE OVER TIME AND IN VOLATILE MARKETS, SUCH AS THOSE ASSOCIATED WITH A DAILY RESET, LEVERAGE AND COMPOUNDING. J.P. TURNER FAILED TO



ESTABLISH A REASONABLE SUPERVISORY SYSTEM AND WRITTEN PROCEDURES TO MONITOR TRANSACTIONS IN NON-TRADITIONAL ETFS AND FAILED TO ESTABLISH AN ADEQUATE FORMAL TRAINING REGARDING NON-TRADITIONAL ETFS.

THE FIRM SUPERVISED NON-TRADITIONAL ETFS THE SAME WAY IT SUPERVISED TRADITIONAL ETFS AND RELIED ON ITS GENERAL SUPERVISORY PROCEDURES TO SUPERVISE TRANSACTIONS IN NON-TRADITIONAL ETFS. HOWEVER, THE GENERAL SUPERVISORY SYSTEM THE FIRM HAD IN PLACE DURING THE ETF RELEVANT PERIOD WAS NOT SUFFICIENTLY TAILORED TO ADDRESS THE UNIQUE FEATURES AND RISKS INVOLVED WITH THESE PRODUCTS, SUCH AS THE RISKS ASSOCIATED WITH LONGER-TERM HOLDING PERIODS IN NON-TRADITIONAL ETFS.

CERTAIN J.P. TURNER REGISTERED REPRESENTATIVES DID NOT HAVE AN ADEQUATE UNDERSTANDING OF NON-TRADITIONAL ETFS BEFORE RECOMMENDING THESE PRODUCTS TO RETAIL BROKERAGE CUSTOMERS. J.P. TURNER FAILED TO FULFILL ITS REASONABLE-BASIS SUITABILITY OBLIGATION REQUIRING A BROKER-DEALER AND ITS REGISTERED REPRESENTATIVES TO, AMONG OTHER THINGS, PERFORM REASONABLE DILIGENCE TO UNDERSTAND THE NATURE OF A RECOMMENDED SECURITY, AS WELL AS THE POTENTIAL RISKS AND REWARDS. J.P. TURNER ALLOWED ITS REGISTERED REPRESENTATIVES TO RECOMMEND NON-TRADITIONAL ETFS WITHOUT PERFORMING REASONABLE DILIGENCE TO UNDERSTAND THE RISKS AND FEATURES ASSOCIATED WITH THE PRODUCTS. J.P. TURNER ALSO FAILED TO FULFILL ITS CUSTOMER-SPECIFIC SUITABILITY OBLIGATION. J.P. TURNER FAILED TO DETERMINE THAT NON-TRADITIONAL ETFS WERE SUITABLE FOR AT LEAST 27 CUSTOMERS WHO PURCHASED THE PRODUCTS. AS A RESULT, THESE CUSTOMERS SUSTAINED COLLECTIVE NET LOSSES OF OVER \$200,000.

ADDITIONALLY, J.P. TURNER, THROUGH CERTAIN REGISTERED REPRESENTATIVES, ENGAGED IN A PATTERN OF UNSUITABLE MUTUAL FUND SWITCHING. FURTHER, J.P. TURNER FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO PREVENT UNSUITABLE MUTUAL FUND SWITCHING AND FAILED TO ADEQUATELY SUPERVISE ITS REGISTERED REPRESENTATIVES IN THE CONTEXT OF MUTUAL FUND SWITCH TRANSACTIONS. AS A RESULT, 66 CUSTOMERS PAID COMMISSIONS IN THE AMOUNT OF \$445,291 AND SALES CHARGES IN THE AMOUNT OF \$57,363 IN CONNECTION WITH THE UNSUITABLE MUTUAL FUND SWITCHES.

Initiated By: FINRA

Date Initiated: 12/04/2013



Docket/Case Number: [2011026098501](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s): NON-TRADITIONAL ETFs

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/04/2013

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
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, J.P. TURNER & COMPANY, L.L.C. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$707,559.53.

A REGISTERED PRINCIPAL ON BEHALF OF J.P. TURNER SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION.

IN THE INTERESTS OF PROVIDING FULL RESTITUTION TO CUSTOMERS, FINRA IMPOSED NO FINE AFTER CONSIDERING, AMONG OTHER THINGS, THE FIRM'S REVENUE AND FINANCIAL RESOURCES.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED VIOLATIONS OF FINRA RULE 2010; NASD RULES 2110,2310,3010,INTERPRETIVE MATERIAL 2310-2. ALLEGED THAT THE FIRM FAILED TO MAINTAIN AN ADEQUATE SYSTEM, INCLUDING WRITTEN



PROCEDURES REASONABLY DESIGNED TO MONITOR TRANSACTIONS IN NON-TRADITIONAL ETFS, ALLEGED FAILURE TO ESTABLISH AN ADEQUATE FORMAL TRAINING PROGRAM, AND ALLEGED FAILURE TO PERFORM REASONABLE BASIS AND CUSTOMER SPECIFIC SUITABILITY IN CERTAIN INSTANCES FOR NON-TRADITIONAL ETFS. ALSO ALLEGED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES, REASONABLY DESIGNED TO PREVENT UNSUITABLE MUTUAL FUND SWITCHING AND AS A RESULT, FAILED TO ADEQUATELY SUPERVISE CERTAIN REGISTERED REPRESENTATIVES IN THE CONTEXT OF MUTUAL FUND SWITCH TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 12/04/2013

Docket/Case Number: [2011026098501](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s): NON-TRADITIONAL ETFS

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/04/2013

Sanctions Ordered: Censure
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND ENTRY OF FINDINGS, WAS CENSURED, AND AGREED TO PAY RESTITUTION TO CUSTOMERS TOTALING \$707,559.53. RESTITUTION WAS PAID ON 12/6/2013. A REGISTERED PRINCIPAL ON BEHALF OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR DEMONSTRATE REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION.

Disclosure 11 of 30

Reporting Source: Regulator

Current Status: Final

**Allegations:**

SEC RULE 606 OF REGULATION NMS, FINRA RULES 2010, 6730, NASD RULES 2320, 2440, 3010, INTERPRETATIVE MATERIAL 2440, MSRB RULES G-17, G-30(A) - J.P. TURNER & COMPANY, L.L.C. SOLD (BOUGHT) CORPORATE BONDS TO (FROM) CUSTOMERS AND FAILED TO SELL (BUY) SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND/OR FINRA RULES AND THE SEC. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR MINIMAL REQUIREMENTS IN SUPERVISORY SYSTEM, PROCEDURES & QUALIFICATIONS, ORDER HANDLING, BEST EXECUTION, TRADE REPORTING, SALE TRANSACTIONS, OTHER TRADING RULES, ORDER AUDIT TRAIL SYSTEM (OATS), OTHER RULES, AND USE OF MULTIPLE MARKET PARTICIPANT IDS (MPIDS). THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE SHOWING THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS IN SEC RULE 611 OF REGULATION NMS. THE FIRM FAILED TO MAKE PUBLICLY AVAILABLE FOR A MONTH, A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES DURING THAT QUARTER RELATED TO EXCHANGE-LISTED OPTIONS. IN TRANSACTIONS FOR OR WITH A CUSTOMER, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM CUSTOMERS AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO CUSTOMERS AT AN AGGREGATE PRICE (INCLUDING ANY MARKDOWN OR MARKUP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT TRADE EXECUTION TIME FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.

Initiated By:

FINRA



Date Initiated: 07/18/2013

Docket/Case Number: [2009020765501](#)

Principal Product Type: Debt - Corporate

Other Product Type(s): EXCHANGE-LISTED OPTIONS, MUNICIPAL SECURITIES, TRACE-ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/18/2013

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 \$37,500.00
Disgorgement/Restitution

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 \$37,500, \$5,000 OF WHICH WAS FOR MSRB RULE VIOLATIONS, ORDERED TO PAY \$11,116.31, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS, AND REQUIRED TO REVISE ITS WSPS REGARDING SUPERVISORY SYSTEM, PROCEDURES & QUALIFICATIONS, ORDER HANDLING, BEST EXECUTION, TRADE REPORTING, SALE TRANSACTIONS, OTHER TRADING RULES, ORDER AUDIT TRAIL SYSTEM (OATS), OTHER RULES, USE OF MULTIPLE MARKET PARTICIPANT IDS (MPIDS), SEC RULE 611 OF REGULATION NMS, AND EXCHANGE-LISTED OPTIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION, TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOM



LAST RESIDED. FINE PAID ON AUGUST 20, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO APPLY PRICING AND/OR COMMISSION/MARKUP THAT WAS FAIR, TAKING INTO CONSIDERATION OF ALL RELEVANT CIRCUMSTANCES WITH RESPECT TO CERTAIN MUNICIPAL AND CORPORATE BOND TRANSACTIONS. ALLEGED THAT THE FIRMS SUPERVISORY SYSTEMS AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE REGARDING THE PURCHASE AND SALE OF CERTAIN FIXED INCOME SECURITIES AND DID NOT PROVIDE EVIDENCE OF CERTAIN SUPERVISORY REVIEW AS REQUIRED BY THE PROCEDURES. AND, ALLEGED THAT THE FIRM WAS LATE FOR A MONTH ON A REPORT ON EXCHANGE LISTED OPTIONS AND FAILED TO REPORT CERTAIN TRACE-ELIGIBLE SECURITIES WITHIN THE 15 MINUTE TIME LIMIT.

Initiated By: FINRA

Date Initiated: 07/18/2013

Docket/Case Number: [2009020765501](#)

Principal Product Type: Debt - Corporate

Other Product Type(s): EXCHANGE-LISTED OPTIONS, MUNICIPAL SECURITIES, TRACE-ELIGIBLE SECURITIES.

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/18/2013

Sanctions Ordered: Censure
Monetary/Fine \$37,500.00
Disgorgement/Restitution

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 \$37,500, \$5,000 OF WHICH WAS FOR MSRB RULE VIOLATIONS, ORDERED TO PAY \$11,116.31, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS, AND REQUIRED TO REVISE



ITS WSPS REGARDING SUPERVISORY SYSTEM, PROCEDURES & QUALIFICATIONS, ORDER HANDLING, BEST EXECUTION, TRADE REPORTING, SALE TRANSACTIONS, OTHER TRADING RULES, ORDER AUDIT TRAIL SYSTEM (OATS), OTHER RULES, USE OF MULTIPLE MARKET PARTICIPANT IDS (MPIDS), SEC RULE 611 OF REGULATION NMS, AND EXCHANGE-LISTED OPTIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. FINE PAID ON 7/25/2013 AND RESTITUTION MADE PRIOR TO THIS DATE.

Disclosure 12 of 30

Reporting Source:

Regulator

Current Status:

Final

Allegations:

SEC ADMIN RELEASE 34-67808, IA RELEASE 3460, SEPTEMBER 10, 2012: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST JP TURNER & COMPANY, LLC ("JP TURNER").

THE COMMISSION FOUND THAT: THE PROCEEDINGS AROSE OUT OF FAILURE REASONABLY TO SUPERVISE THREE REGISTERED REPRESENTATIVES (THE "REGISTERED REPRESENTATIVES") WITH A VIEW TO PREVENTING AND DETECTING THEIR VIOLATIONS OF FEDERAL SECURITIES LAWS BY JP TURNER AND ITS THEN PRESIDENT OF THE FIRM. BETWEEN JANUARY 1, 2008 AND DECEMBER 31, 2009 (THE "RELEVANT PERIOD"), FOR THE PURPOSE OF GENERATING COMMISSION BUSINESS, THESE REGISTERED REPRESENTATIVES "CHURNED" THE ACCOUNTS OF SEVEN CUSTOMERS (COLLECTIVELY, THE "AFFECTED CUSTOMERS") BY ENGAGING IN EXCESSIVE TRADING IN DISREGARD OF THE CUSTOMERS' INVESTMENT OBJECTIVES AND FINANCIAL NEEDS. CONSEQUENTLY, THESE CUSTOMERS PAID APPROXIMATELY \$845,000 IN COMMISSIONS, FEES AND MARGIN INTEREST TO JP TURNER. DURING THE RELEVANT PERIOD, THE PRESIDENT OF JP TURNER WAS ULTIMATELY RESPONSIBLE FOR ESTABLISHING JP TURNER'S SUPERVISORY POLICIES AND PROCEDURES, AND A SYSTEM TO IMPLEMENT THESE POLICIES AND PROCEDURES DESIGNED TO PREVENT AND DETECT VIOLATIONS BY THE FIRM'S REGISTERED REPRESENTATIVES OF THE SECURITIES LAWS, RULES AND REGULATIONS. JP TURNER AND ITS PRESIDENT FAILED TO ESTABLISH PROCEDURES AND SYSTEMS REASONABLY DESIGNED TO PREVENT AND DETECT THE CHURNING OF CUSTOMER ACCOUNTS. ALTHOUGH JP TURNER HAD A MONITORING SYSTEM TO IDENTIFY ACTIVELY TRADED ACCOUNTS BASED PRIMARILY ON "RETURN ON INVESTMENT" ("ROI") LEVELS, I.E., THE LEVEL OF FEES AND COMMISSIONS



AS A PERCENTAGE OF ACCOUNT EQUITY, THE SYSTEM IMPOSED FEW REQUIREMENTS ON, AND NO MEANINGFUL GUIDANCE FOR SUPERVISORS IN TERMS OF REVIEWING THESE ACCOUNTS AND TAKING MEANINGFUL ACTION TO INVESTIGATE THE TRADING ACTIVITY.

AS A RESULT OF THE CONDUCT, JP TURNER FAILED REASONABLY TO SUPERVISE THE REGISTERED REPRESENTATIVES WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT WITH A VIEW TO PREVENTING AND DETECTING THESE REGISTERED REPRESENTATIVES' VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/10/2012

Docket/Case Number: 3-15014

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/10/2012

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Censure
Monetary/Fine \$200,000.00
Disgorgement/Restitution

Other Sanctions Ordered: PREJUDGMENT INTEREST; COMPLIANCE WITH THE UNDERTAKINGS TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW ITS WRITTEN SUPERVISORY POLICIES AND PROCEDURES.

Sanction Details: THE COMMISSION DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN JP TURNER'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT AND SECTION 203(F) OF THE ADVISERS ACT, IT IS HEREBY ORDERED



THAT JP TURNER IS CENSURED. JP TURNER SHALL, WITHIN 30 DAYS OF THE ENTRY OF THE ORDER, PAY DISGORGEMENT OF \$200,000, PREJUDGMENT INTEREST OF \$16,051, AND A CIVIL MONEY PENALTY IN THE AMOUNT OF \$200,000.

Regulator Statement

IN ANTICIPATION OF THE INSTITUTION OF THE PROCEEDINGS, JP TURNER SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THE PROCEEDINGS, WHICH ARE ADMITTED, JP TURNER CONSENTED TO THE ENTRY OF THE ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS ("ORDER").

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE PROCEEDINGS AROSE OUT OF ALLEGED FAILURE TO SUPERVISE THREE REGISTERED REPRESENTATIVES BY THE FIRM AND ITS THEN PRESIDENT. AS A RESULT OF THE CONDUCT, IT WAS ALLEGED THAT THE FIRM FAILED REASONABLY TO SUPERVISE THE REGISTERED REPRESENTATIVES WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT WITH A VIEW TO PREVENTING THESE REGISTERED REPRESENTATIVES' VIOLATIONS OF SECTION 17(A) UNDER THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER.

Initiated By:

SECURITIES EXCHANGE COMMISSION

Date Initiated:

09/10/2012

Docket/Case Number:

3-15014

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other

Other Sanction(s)/Relief Sought:



Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	09/10/2012
Sanctions Ordered:	Censure Monetary/Fine \$200,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	PREJUDGMENT INTEREST; COMPLIANCE WITH THE UNDERTAKINGS TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW ITS WRITTEN SUPERVISORY POLICIES AND PROCEDURES.
Sanction Details:	FIRM PAID FINE OF \$200,000, DISGORGEMENT OF \$200,000, AND PREJUDGEMENT INTEREST OF \$16,051 ON 9/19/2012.
Firm Statement	<p>WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS,THE FIRM HAS AGREED TO SETTLE THIS PROCEEDING.THE SETTLEMENT IS PRINCIPALLY RELATED TO THE ACTIONS OF THREE FORMER REGISTERED REPRESENTATIVES AND SEVEN CUSTOMER ACCOUNTS IN 2008 AND 2009. THE FIRM DECIDED TO SETTLE THIS ACTION WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS SET FORTH.</p> <p>THE FIRM HAS MADE SIGNIFICANT IMPROVEMENTS TO OUR SYSTEMS AND PROCEDURES SINCE THE RELATED ACTIVITY TOOK PLACE YEARS AGO AND THE SEC NOTED THE FIRM'S PROMPT REMEDIAL ACTS IN ITS ORDER.</p>

Disclosure 13 of 30

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010: THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) IN CONNECTION WITH A CUSTOMER'S ACCOUNT. THE FIRM FAILED TO ENFORCE PROCEDURES THAT REQUIRED IT TO OBTAIN A SIGNED AND COMPLETE "NEW ACCOUNT APPLICATION" AND TO RESTRICT AN ACCOUNT FOR FURTHER ACTIVITY IF IT FAILED TO OBTAIN A SIGNED AND COMPLETED APPLICATION WITHIN 30 DAYS OF THE ACCOUNT BEING OPENED. THE FIRM ALLOWED A CUSTOMER TO OPEN AN ACCOUNT AND TRADE WITHOUT LIMITATION FOR APPROXIMATELY FIVE MONTHS BEFORE IT PLACED A RESTRICTION ON THE CUSTOMER'S ACCOUNT FOR NOT RETURNING A SIGNED AND COMPLETED NEW ACCOUNT APPLICATION. THE FIRM ALSO FAILED TO ENFORCE ITS WSPS REGARDING THE REVIEW OF "ACTIVE ACCOUNTS," ACCOUNTS THAT IT DEFINED AS HAVING A TURNOVER RATIO OF FIVE OR GREATER. THE FIRM IDENTIFIED SUCH ACCOUNTS ON "ACTIVE ACCOUNT REPORTS" THAT WERE REVIEWED BY THE COMPLIANCE DEPARTMENT



AND BRANCH MANAGERS. THE CUSTOMER'S ACCOUNT WAS AN ACTIVE ACCOUNT UNDER THE FIRM'S STANDARDS, AS THE TURNOVER RATIO IN THE ACCOUNT DURING EACH OF THE FIVE QUARTERS IT WAS OPEN WAS GREATER THAN FIVE. THE FIRM'S WSPS SPECIFIED THAT THE COMPLIANCE DEPARTMENT PERFORM A REVIEW OF THE TRADING ACTIVITY OF ALL ACTIVE ACCOUNTS ON A QUARTERLY BASIS. THE WSPS ALSO REQUIRED THAT THE FIRM'S COMPLIANCE DEPARTMENT CONTACT THE REGISTERED REPRESENTATIVE AND DESIGNATED SUPERVISOR FOR THE ACTIVE ACCOUNT TO DETERMINE ADDITIONAL INFORMATION REGARDING THE CUSTOMER AND TRADING ACTIVITY. THE FIRM, HOWEVER, DID NOT PERFORM A QUARTERLY REVIEW OF THE CUSTOMER'S ACCOUNT AS REQUIRED BY ITS PROCEDURES. THE FIRM FAILED TO ENFORCE ITS PROCEDURES THAT STATED IF THE ACTIVE ACCOUNT CUSTOMER CONTINUED "THIS PATTERN [TURNOVER OF FIVE OR MORE] FOR A 90[-] DAY PERIOD," THE FIRM WOULD SEND AN ACTIVE ACCOUNT QUESTIONNAIRE TO THAT CUSTOMER. UNDER THE FIRM'S WSPS, THE FIRM'S COMPLIANCE DEPARTMENT WOULD THEN HAVE TO "QUALIFY" THE CUSTOMER FOR CONTINUED ACTIVE TRADING BASED ON A REVIEW OF THE ACTIVE ACCOUNT QUESTIONNAIRE. AGAIN, THE FIRM FAILED TO ENFORCE THESE PROCEDURES REGARDING THE CUSTOMER'S ACCOUNT. THE REGISTERED REPRESENTATIVE'S ACTIVE TRADING IN THE ACCOUNT RESULTED IN TURNOVER RATIOS IN EXCESS OF FIVE DURING ALL FIVE QUARTERS THAT THE ACCOUNT WAS OPENED, BUT THE FIRM DID NOT SEND AN ACTIVE ACCOUNT QUESTIONNAIRE TO THE CUSTOMER UNTIL ALMOST A YEAR AFTER THE ACCOUNT HAD OPENED. BY THAT TIME, THE CUSTOMER HAD SUFFERED SIGNIFICANT LOSSES DUE TO THE UNPROFITABLE SHORT-TERM TRADING AND COMMISSION AND MARGIN CHARGES ASSOCIATED WITH THE REGISTERED REPRESENTATIVE'S TRADING. THE FIRM'S COMPLIANCE DEPARTMENT SENT SEVERAL EMAILS TO THE REGISTERED REPRESENTATIVE'S SUPERVISOR NOTIFYING HIM, AMONG OTHER THINGS, THAT AN ACTIVE ACCOUNT QUESTIONNAIRE NEEDED TO BE MAILED OUT FOR THE CUSTOMER'S ACCOUNT, AND FURTHER, THAT THE ACCOUNT WOULD BE RESTRICTED IF THE ACTIVE ACCOUNT QUESTIONNAIRE WAS NOT RETURNED WITHIN 20 DAYS. THE SUPERVISOR, HOWEVER, DID NOT SEND OUT THE ACTIVE ACCOUNT QUESTIONNAIRE. THE CUSTOMER DID NOT RETURN THE ACTIVE ACCOUNT QUESTIONNAIRE UNTIL OVER A MONTH AFTER THE FIRM SENT IT TO THE CUSTOMER. IN ADDITION TO FAILING TO TIMELY SEND THE ACTIVE ACCOUNT QUESTIONNAIRE TO THE CUSTOMER, THE FIRM ALSO FAILED TO TIMELY "QUALIFY" THE CUSTOMER'S ACCOUNT FOR ACTIVE TRADING AS REQUIRED BY ITS PROCEDURES. A NECESSARY PRECURSOR FOR THIS DETERMINATION IS THE RECEIPT OF AN ACTIVE ACCOUNT QUESTIONNAIRE FROM THE CUSTOMER. THE FIRM DID NOT PERFORM THIS QUALIFICATION REVIEW OF THE CUSTOMER'S ACCOUNT UNTIL OVER A YEAR AFTER THE CUSTOMER OPENED THE ACCOUNT, AT WHICH TIME IT



RESTRICTED THE ACCOUNT FROM FURTHER TRADING.

Initiated By: FINRA

Date Initiated: 01/28/2011

Docket/Case Number: [2009016612701](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/14/2011

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: Censure
Monetary/Fine \$20,000.00

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 IT IS CENSURED AND FINED \$20,000.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO ENFORCE WRITTEN SUPERVISORY PROCEDURES RELATED TO ONE CUSTOMER ACCOUNT BY NOT OBTAINING SIGNED NEW ACCOUNT APPLICATION WITHIN 30 DAYS OF ACCOUNT OPENING AND NOT TIMELY PERFORMING CERTAIN ACTIONS REGARDING ACCOUNT ACTIVITY AS REQUIRED BY ITS PROCEDURES. ALLEGED VIOLATIONS OF RULE 3010 AND RULE 2110.

Initiated By: FINRA

Date Initiated: 01/28/2011



Docket/Case Number: [2009016612701](#)

Principal Product Type: Other

Other Product Type(s): EQUITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: CIVIL AND ADMINISTRATIVE PENALTIES/FINES

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/14/2011

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: MONETARY FINE OF \$20,000 WHICH WAS PAID ON 09/19/2011.

Firm Statement ALLEGATIONS ARE RELATED TO ONE CUSTOMER ACCOUNT THAT FINRA FOUND THE FIRM FAILED TO ENFORCE WRITTEN SUPERVISORY PROCEDURES (NASD CONDUCT RULES 3010 AND 2110) IN CONNECTION WITH THAT ACCOUNT. THE FIRM WAS FINED \$20,000.

Disclosure 14 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 605 OF REGULATION NMS - J.P. TURNER & COMPANY, L.L.C. MADE AVAILABLE REPORTS ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES IT RECEIVED FOR EXECUTION FROM ANY PERSON AND THE REPORTS INCLUDED INCORRECT ORDER EXECUTION INFORMATION.

Initiated By: FINRA

Date Initiated: 03/18/2011

Docket/Case Number: [2009017323301](#)

Principal Product Type: Other

Other Product Type(s): NATIONAL MARKET SYSTEM SECURITIES

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/18/2011

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: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

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 AND FINED \$15,000.

Reporting Source: Firm

Current Status: Final

Allegations: RELATED TO COMPLIANCE WITH SEC REGULATION NMS RULE 605.

Initiated By: FINRA

Date Initiated: 10/15/2009

Docket/Case Number: #2009017323301

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE.

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/24/2011

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

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

MONETARY FINE OF \$15000.00 WHICH WAS PAID ON 04/01/2011.

Firm Statement

ALLEGATIONS ARE RELATED TO TRADE INFORMATION REPORTED BY A THIRD PARTY VENDOR(BRASS) HIRED BY THE FIRM. THERE WAS A PROGRAMMING ERROR BY THE VENDOR THAT RESULTED IN THE VENDOR SUPPLYING INACCURATE DATA.THE FIRM HAS TAKEN STEPS WITH THE VENDOR TO ENSURE THERE IS NO REOCCURRENCE OF THEIR ERROR.

Disclosure 15 of 30**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

SEC ADMIN RELEASE 34-60325, JULY 17, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST J.P. TURNER & COMPANY, L.L.C. ("RESPONDENT" OR "J.P. TURNER"). IN THE ORDER, THE DIVISION OF ENFORCEMENT ALLEGES THAT BETWEEN JULY 1, 2001 AND APPROXIMATELY MID-SEPTEMBER 2006, J.P. TURNER FAILED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES DESIGNED REASONABLY TO SAFEGUARD CUSTOMER RECORDS AND INFORMATION AS REQUIRED BY RULE 30(A) OF REGULATION S-P (THE SAFEGUARD RULE). BECAUSE IT ALLEGEDLY NEVER COMPLIED WITH THE SAFEGUARD RULE, J.P. TURNER, AMONG OTHER THINGS, NEVER GAVE ITS NUMEROUS BRANCH MANAGERS OR REGISTERED REPRESENTATIVES GUIDANCE ON HOW TO PROTECT CUSTOMER RECORDS OR HOW TO DISPOSE PROPERLY OF SUCH RECORDS WHEN THEY WERE NO LONGER NEEDED. ACCORDING TO THE DIVISION, THIS LACK OF GUIDANCE BECAME APPARENT IN SEPTEMBER 2006 WHEN THE ACCOUNT RECORDS OF OVER 5,000 BROKERAGE CUSTOMERS OF J.P. TURNER WERE LEFT ABANDONED FOR SEVERAL WEEKS AT CURBSIDE OUTSIDE OF THE FORMER HOME OF A J.P. TURNER REGISTERED REPRESENTATIVE IN ALPHARETTA, GEORGIA. BASED ON THE ABOVE, THE DIVISION IS SEEKING AGAINST J.P. TURNER REMEDIAL ACTION INCLUDING, BUT NOT LIMITED TO, DISGORGEMENT, CIVIL PENALTIES, AND A CEASE-AND-DESIST ORDER.

AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, J.P. TURNER WILLFULLY VIOLATED SECTION 30(A) OF REGULATION S-P BY FAILING TO HAVE WRITTEN POLICIES AND PROCEDURES THAT ADDRESS ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS FOR THE PROTECTION OF CUSTOMER RECORDS AND INFORMATION AND THAT



WERE REASONABLY DESIGNED TO: (1) INSURE THE SECURITY AND CONFIDENTIALITY OF CUSTOMER RECORDS AND INFORMATION; (2) PROTECT AGAINST ANY ANTICIPATED THREATS OR HAZARDS TO THE SECURITY OR INTEGRITY OF CUSTOMER RECORDS AND INFORMATION; AND (3) PROTECT AGAINST UNAUTHORIZED ACCESS TO OR USE OF CUSTOMER RECORDS OR INFORMATION THAT COULD RESULT IN SUBSTANTIAL HARM OR INCONVENIENCE TO ANY CUSTOMER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 07/17/2009

Docket/Case Number: 3-13550

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: 06/17/2010

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 \$65,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: SEC INITIAL DECISION RELEASE 395, MAY 19, 2010: THE SEC FOUND THAT J.P. TURNER WILLFULLY VIOLATED SECTION 30(A) OF REGULATION S-P. IT IS ORDERED, PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, THAT J.P. TURNER & COMPANY, LLC, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS OR FUTURE VIOLATIONS OF RULE 30(A) OF REGULATION S-P, 17 C.F.R. § 248.30(A); AND IT IS FURTHER ORDERED, PURSUANT TO SECTION 21B OF THE SECURITIES EXCHANGE ACT OF 1934, THAT J.P. TURNER & COMPANY, LLC, SHALL PAY A CIVIL MONEY PENALTY OF \$65,000. PAYMENT OF THE CIVIL MONEY PENALTY SHALL BE MADE ON THE FIRST DAY FOLLOWING THE DAY THIS INITIAL DECISION BECOMES FINAL. SEC ADMIN RELEASE 34-



62313, JUNE 17, 2010: PURSUANT TO RULE 360(D) OF THE COMMISSION'S RULES OF PRACTICE, THAT THE INITIAL DECISION OF THE ADMINISTRATIVE LAW JUDGE HAS BECOME THE FINAL DECISION OF THE COMMISSION WITH RESPECT TO J.P. TURNER & COMPANY, LLC. THE ORDERS CONTAINED IN THAT DECISION ARE HEREBY DECLARED EFFECTIVE. THE INITIAL DECISION ORDERED THAT, PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, THAT J.P. TURNER & COMPANY, LLC, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS OR FUTURE VIOLATIONS OF RULE 30(A) OF REGULATION S-P, 17 C.F.R. §248.30(A); AND IT FURTHER ORDERED THAT, PURSUANT TO SECTION 21B OF THE SECURITIES EXCHANGE ACT OF 1934, THAT J.P. TURNER & COMPANY, LLC, SHALL PAY A CIVIL MONEY PENALTY OF \$65,000.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO ADOPT AND IMPLEMENT POLICIES DESIGNED REASONABLY TO SAFEGUARD CUSTOMER RECORDS AND INFORMATION AS REQUIRED BY RULE 30(A) OF REGULATION S-P (THE SAFEGUARD RULE). BECAUSE IT ALLEGEDLY NEVER COMPLIED WITH THE SAFEGUARD RULE, IT IS ALLEGED THAT J.P. TURNER, AMONG OTHER THINGS, NEVER GAVE ITS NUMEROUS BRANCH MANAGERS OR REGISTERED REPRESENTATIVES GUIDANCE ON HOW TO PROTECT CUSTOMER RECORDS OR HOW TO DISPOSE PROPERLY OF SUCH RECORDS WHEN THEY WERE NO LONGER NEEDED. ACCORDING TO THE DIVISION, THIS LACK OF GUIDANCE BECAME APPARENT IN SEPTEMBER 2006 WHEN THE ACCOUNT RECORDS OF OVER 5,000 BROKERAGE CUSTOMERS OF J.P. TURNER WERE LEFT ABANDONED FOR SEVERAL WEEKS AT CURBSIDE OUTSIDE OF THE FORMER HOME OF A J.P. TURNER REGISTERED REPRESENTATIVE IN ALPHARETTA, GEORGIA. BASED ON THE ABOVE, THE DIVISION IS SEEKING AGAINST J.P. TURNER REMEDIAL ACTION INCLUDING, BUT NOT LIMITED TO, DISGORGEMENT, CIVIL PENALTIES, AND A CEASE-AND-DESIST ORDER.

Initiated By: SECURITIES EXCHANGE COMMISSION.

Date Initiated: 07/17/2009

Docket/Case Number: 3-13550

Principal Product Type: No Product

Other Product Type(s):

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



Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 06/17/2010

Sanctions Ordered: Monetary/Fine \$65,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: \$65,000.00 PAID JUNE 23, 2010.

Firm Statement

IN 2006, A FORMER REGISTERED REPRESENTATIVE OF THE FIRM LEFT ACCOUNT RECORDS UNSECURED AT THE CURBSIDE OF HIS HOME FOR REMOVAL BY A CONTRACTOR. THIS LED TO A REVIEW OF THE FIRMS POLICIES AND PROCEDURES REGARDING REG S-P. A FINAL DECISION WAS REACHED ON JUNE 19, 2010 FINDING THAT THE FIRM VIOLATED SECTION 30(A) OF REG S-P AND SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS OR FUTURE VIOLATIONS OF RULE 30(A) OF REG S-P, 17 C.F.R. 248.30(A) AND THAT THE FIRM WILL PAY A CIVIL MONEY PENALTY OF \$65,000. THE JUDGE REJECTED THE COMMISSIONS REQUEST FOR DISGORGEMENT, AND ALSO REJECTED THE COMMISSION'S ALLEGATION THAT THE FIRM LACKED ADEQUATE PROCEDURES FROM 2001-JULY 2006.

Disclosure 16 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 17A-3, 17A-3(A)(18)(I), ARTICLE V, SECTION 2 OF FINRA'S BY-LAWS, NASD RULES 2110, 2212(A), 2212(D), 2310, 2420, 3010, 3010(A), 3011(A), 3070(B), 3070(C), 3110, 3110(D), MSRB RULES G-39, G-41 - J.P. TURNER & COMPANY, L.L.C., ACTING THROUGH ITS ANTI-MONEY LAUNDERING (AML) COMPLIANCE OFFICER, FAILED TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS UNDER 31 USC 5318(G) AND THE IMPLEMENTING REGULATIONS THEREUNDER; THE FIRM FAILED TO DETECT, INVESTIGATE, CONDUCT DUE DILIGENCE AND/OR FILE SUSPICIOUS ACTIVITY REPORTS (SARS) ON NUMEROUS OCCASIONS WHEN RED FLAGS ASSOCIATED WITH CUSTOMER ACTIVITY AND/OR TRANSACTIONS RELATED TO THE ACTIVITIES OF A FORMER FIRM REGISTERED PRINCIPAL WERE PRESENT. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WERE DEFICIENT AND THE FIRM FAILED TO FOLLOW THE PROCEDURES IT HAD IN PLACE; AND

THE AML TESTS CONDUCTED BY AN INDEPENDENT CONSULTING FIRM HIRED BY THE FIRM WERE INADEQUATE IN THAT, AMONG OTHER THINGS, IT FAILED TO ADEQUATELY ADDRESS THE FIRM'S MONITORING FOR SUSPICIOUS TRANSACTIONS. THE FIRM FAILED TO REPORT CUSTOMER GRIEVANCES PURSUANT TO NASD RULE 3070(C); FILED ADDITIONAL CUSTOMER GRIEVANCES LATE; SUBSEQUENT FILINGS CONTAINED INCORRECT RECEIPT DATES; REPORTED CUSTOMER GRIEVANCES CONTAINED ADDITIONAL CORRESPONDENCE WITH UNREPORTED ALLEGATIONS; AND REPORTED GRIEVANCES DID NOT PROPERLY EVIDENCE THE RECEIPT DATE. THE FIRM FAILED TO FILE REPORTABLE EVENTS; FILED REPORTABLE EVENTS LATE; AND FAILED TO MAINTAIN A RECORD OF CUSTOMER GRIEVANCES. THE FIRM FAILED TO AMEND, OR AMENDED LATE FORMS U4 AND U5 TO REPORT DISCLOSABLE EVENTS. THE FIRM FAILED TO OBTAIN REQUIRED CUSTOMER INFORMATION SUCH AS TAX STATUS, INVESTMENT OBJECTS, ANNUAL INCOME, TAX IDENTIFICATION OR SOCIAL SECURITY NUMBERS. THE FIRM FAILED TO PLACE THE NAMES AND TELEPHONE NUMBERS OF INDIVIDUALS AND CORPORATIONS ON ITS FIRM-SPECIFIC DO NOT CALL (DNC) LIST AFTER BEING REQUESTED TO DO SO; FAILED TO REGISTERED INDIVIDUALS ON ITS FIRM-SPECIFIC DNC LIST IN A TIMELY MANNER; FAILED TO INCLUDE THE NAMES OF INDIVIDUALS WHEN PLACING THEIR PHONE NUMBERS ON THE FIRM-SPECIFIC DNC LIST; AND PERMITTED BROKERS TO CALL INDIVIDUALS AND CORPORATIONS AFTER THEY HAD BEEN PLACED ON THE DNC LIST. THE FIRM PERMITTED BROKERS TO MAKE SOLICITATION CALLS TO TELEPHONE NUMBER ON A DNC LIST AND COULD NOT DOCUMENT EXEMPTIONS FOR OTHER CALLS FROM A SINGLE BRANCH OFFICE, NOW CLOSED. THE FIRM PAID \$22,500 IN TRANSACTION-BASED REFERRAL FEES TO AN UNREGISTERED INDIVIDUAL IN RETURN FOR ASSISTANCE IN OBTAINING LARGE EXCHANGE-LISTED ORDERS FROM AN INSTITUTIONAL ACCOUNT. THE FIRM, ACTING THROUGH ITS CHIEF COMPLIANCE OFFICER AND A BRANCH OFFICE MANAGER, FAILED TO ADEQUATELY MONITOR AND ENFORCE A SPECIAL SUPERVISORY AGREEMENT BETWEEN THE FIRM AND THE BRANCH OFFICE REQUIRING INDEPENDENT VERIFICATION OF ALL INITIAL ORDERS FOR NEW CUSTOMER ACCOUNTS DUE TO THE HIGH NUMBER OF TRADE CANCELLATIONS IN THE BRANCH OFFICE. THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM WITH RESPECT TO REVIEW AND MONITORING OF CUSTOMER TRADE CANCELLATIONS FOR POSSIBLE RULE VIOLATIONS. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING REVIEW OF CUSTOMER COMPLAINTS AND THE IMPOSITION OF SPECIAL SUPERVISION; THE FIRM FAILED TO REVIEW AND IMPOSE SPECIAL SUPERVISION ON REGISTERED REPRESENTATIVES WHO EXCEEDED THE NUMBER OF CUSTOMER COMPLAINTS REQUIRED FOR CONSIDERATION OF SPECIAL SUPERVISION UNDER ITS PROCEDURES.



Initiated By: FINRA
Date Initiated: 06/04/2009
Docket/Case Number: [2007007138003](#)
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: 06/04/2009
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 \$525,000.00
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 FINED \$525,000, \$30,000 OF WHICH IS JOINTLY AND SEVERALLY. FOR EIGHTEEN MONTHS FOLLOWING THE DATE OF ACCEPTANCE OF THIS AWC, THE CHIEF COMPLIANCE OFFICER SHALL REVIEW ALL PURCHASES AND SALES OF SECURITIES DEFINED IN SECTION 3(A)(51) OF THE SECURITIES EXCHANGE ACT AND RULE 3A51-1 THEREUNDER FOR SUSPICIOUS ACTIVITIES ON A DAILY BASIS THAT ARE EFFECTED BY OR THROUGH THE FIRM. FOR EIGHTEEN MONTHS FOLLOWING THE DATE OF ACCEPTANCE OF THIS AWC, THE CHIEF COMPLIANCE OFFICER SHALL SUBMIT TO FINRA, ON A QUARTERLY BASIS, A CERTIFICATION THAT HE OR SHE HAS COMPLIED WITH THE ABOVE REQUIREMENTS.

Reporting Source: Firm
Current Status: Final
Allegations: ALLEGED VIOLATIONS RESULTING FROM NASD/FINRA EXAMINATIONS IN



2005,2006,2007, AND 2008. RULES CITED IN THE ALLEGATIONS ARE SEC RULES 17A-3, 17A-3(A)(18)(I), ARTICLE V, SECTION 2 OF FINRA'S BY-LAWS, NASD RULES 2110, 2212(A), 2212(D), 2310, 2420, 3010, 3010(A), 3011(A), 3070(B), 3070(C),3110, 3110(D), MSRB RULES G-39, G-41 -ALLEGED THAT THE FIRM, ACTING THROUGH ITS FORMER ANTI-MONEY LAUNDERING (AML) COMPLIANCE OFFICER, FAILED TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS ACTIVITY AS IT RELATED TO THE ACTIVITIES OF ONE FORMER REGISTERED REPRESENTATIVE; AND THE AML TESTS CONDUCTED BY AN INDEPENDENT CONSULTING FIRM WERE INADEQUATE IN THAT THE INDEPENDENT TESTS FAILED TO ADDRESS THE FIRM'S MONITORING FOR SUSPICIOUS TRANSACTIONS; THE FIRM FAILED, IN INSTANCES, TO REPORT, REPORT TIMELY, OR REPORT ACCURATELY CUSTOMER GRIEVANCES; THE FIRM AND/OR ITS REPRESENTATIVES FAILED TO AMEND, OR TIMELY AMEND CERTAIN FORMS U4 AND U5; THE FIRM, IN SOME CASES, FAILED TO OBTAIN REQUIRED CUSTOMER INFORMATION ; THE FIRM FAILED OR FAILED TIMELY TO PLACE ALL OF THE NAMES AND TELEPHONE NUMBERS OF INDIVIDUALS AND CORPORATIONS ON ITS FIRM-SPECIFIC DO NOT CALL (DNC) LIST; THE FIRM PAID TRANSACTION-BASED REFERRAL FEES TO AN UNREGISTERED INDIVIDUAL; THE FIRM, ACTING THROUGH ITS FORMER CHIEF COMPLIANCE OFFICER AND A FORMER BRANCH OFFICE MANAGER, FAILED TO ADEQUATELY ENFORCE ONE SPECIAL SUPERVISORY AGREEMENT BETWEEN THE FIRM AND THE BRANCH OFFICE; THE FIRM'S SYSTEM WITH RESPECT TO REVIEW AND MONITORING OF CUSTOMER TRADE CANCELLATIONS WAS INADEQUATE; THE FIRM FAILED TO ADEQUATELY ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING THE IMPOSITION OF SPECIAL SUPERVISION IN CERTAIN INSTANCES.

Initiated By: FINRA

Date Initiated: 06/04/2009

Docket/Case Number: [2007007138003](#)

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/04/2009



Sanctions Ordered: Monetary/Fine \$525,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: FINE IS \$525,000, \$30,000 OF WHICH IS JOINT AND SEVERAL WITH THE OTHER RESPONDENTS. FOR EIGHTEEN MONTHS FOLLOWING THE DATE OF ACCEPTANCE OF THIS AWC, THE CHIEF COMPLIANCE OFFICER SHALL REVIEW ALL PURCHASES AND SALES OF SECURITIES DEFINED IN SECTION 3(A)(51) OF THE SECURITIES EXCHANGE ACT AND RULE 3A51-1 FOR SUSPICIOUS ACTIVITIES THAT ARE EFFECTED BY OR THROUGH THE FIRM AND SHALL SUBMIT TO FINRA, ON A QUARTERLY BASIS, A CERTIFICATION OF COMPLIANCE. FINE WAS PAID ON 6/10/09.

Disclosure 17 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: FIRM FAILED TO REASONABLY SUPERVISE THE ACTIVITIES OF CERTAIN AGENTS WHO ENGAGED IN DISHONEST OR UNETHICAL CONDUCT.

Initiated By: NEW JERSEY BUREAU OF SECURITIES

Date Initiated: 02/19/2003

Docket/Case Number: 2003-071

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s): SALES PRACTICE VIOLATIONS

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/17/2006

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: Monetary/Fine \$195,000.00
Cease and Desist/Injunction



Other Sanctions Ordered: J.P. TURNER SHALL PROHIBIT THE NEW YORK AND FLORIDA OFFICES FROM SOLICITING OR OTHERWISE OBTAINING NEW ACCOUNTS OF NEW JERSEY RESIDENTS FOR A PERIOD OF NO LESS THAN 2 YEARS. J.P. TURNER SHALL RETAIN A COMPLIANCE PRINCIPAL TO BE EMPLOYED ON SITE IN THE NEW YORK OFFICE AND RETAIN AN INDEPENDENT CONSULTANT TO REVIEW THE FIRM'S BUSINESS PRACTICES AND PROCEDURES FOR BRANCH OFFICE SUPERVISION, SUITABILITY STANDARDS AND MONITORING AGENT SALES ACTIVITY. PROGRESS REPORTS ARE DUE TO THE BUREAU TIMELY.

Sanction Details: JP TURNER FAILED TO SUPERVISE THE AGENTS OF THEIR NEW YORK AND FLORIDA OFFICES WHO ENGAGED IN HIGH PRESSURE SALES TACTICS USING UNAPPROVED SALES SCRIPTS AND ROLE PLAYING TO PRACTICE UNAPPROVED SALES TECHNIQUES. CERTAIN AGENTS OPENED ACCOUNTS WITHOUT CLIENT CONSENT, CONDUCTED UNAUTHORIZED TRANSACTIONS IN CLIENT ACCOUNTS, OVERTRADED CLIENTS ACCOUNTS, ENGAGED IN UNSUITABLE TRADING AND MISREPRESENTED AND/OR FAILED TO DISCLOSE VARIOUS RISKS TO CLIENTS IN CONNECTION WITH THE BUYING AND/OR SELLING OF SECURITIES, ALL OF WHICH CONSTITUTES DISHONEST OR UNETHICAL CONDUCT.

Reporting Source: Firm

Current Status: Final

Allegations: ALL OF THE ALLEGATIONS IN THE CONSENT ORDER ARE DERIVED FROM TWO INDEPENDENTLY OPERATED OFFICES OWNED BY THE SAME INDIVIDUAL. THE BUREAU ALLEGED THAT PAYMENT OF COMMISSION TO ASSOCIATED PERSONS BY A CORPORATION OWNED BY THIS INDIVIDUAL ON HIS BEHALF CONSTITUTED HIS CORPORATION ACTING AS AN UNREGISTERED BROKER-DEALER. THE BUREAU ALLEGED THAT IN ITS FEBRUARY 2003 EXAMINATION IT FOUND NON FIRM APPROVED SALES SCRIPTS IN THE NEW YORK OFFICE AND THAT CERTAIN AGENTS IN BOTH OFFICES WERE TRAINED ON HOW TO SELL SECURITIES USING NON FIRM APPROVED SALES TECHNIQUES. THE BUREAU ALLEGED DISHONEST OR UNETHICAL CONDUCT IN THESE TWO OFFICES OF UNAUTHORIZED TRADING/ACCOUNT OPENING, OVERTRADING, UNSUITABLE TRADING, AND MISREPRESENTATION AND/OR FAILURE TO DISCLOSE VARIOUS RISKS. THE BUREAU ALLEGED THAT THE FIRM FAILED TO ENSURE THAT THE OWNER/SUPERVISOR IN HIS NEW YORK OFFICE REASONABLY SUPERVISED THE ACTIVITIES OF AGENTS AND THE FIRM FAILED TO REASONABLY SUPERVISE AND ESTABLISH AND ENFORCE PROCEDURES NECESSARY TO DETECT AND PREVENT SUCH CONDUCT.

Initiated By: NEW JERSEY BUREAU OF SECURITIES



Date Initiated:	10/17/2006
Docket/Case Number:	2003-071
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:	Consent
Resolution Date:	10/17/2006
Sanctions Ordered:	Monetary/Fine \$195,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	THE TWO OFFICES ARE PROHIBITED FROM SOLICITING OR OTHERWISE OBTAINING NEW ACCOUNTS OF NEW JERSEY RESIDENTS FOR A PERIOD OF NO LESS THAN TWO YEARS. FIRM SHALL RETAIN A COMPLIANCE PRINCIPAL TO BE EMPLOYED ON-SITE IN THE NEW YORK OFFICE, WITH REGULARLY SCHEDULED VISITS TO THE FLORIDA OFFICE, FOR A PERIOD OF NO LESS THAN TWO YEARS. FIRM MUST RETAIN AN INDEPENDENT CONSULTANT, NOT OBJECTIONABLE TO THE BUREAU, TO REVIEW THE FIRMS BUSINESS PRACTICES AND PROCEDURES FOR BRANCH OFFICE SUPERVISION, SUITABILITY STANDARDS, AND MONITORING OF AGENT SALES ACTIVITIES. FIRM SHALL REQUIRE THE INDEPENDENT CONSULTANT TO FURNISH A REORT TO THE FIRM, WHICH SHALL BE REVIEWABLE BY THE BUREAU AND, AT A MINIMUM, ADDRESS THE SCOPE AND SUBJECT MATTER SPECIFICATIONS AGGreed PURSUANT TO THE ORDER. FIRM SHALL SUBMIT TO THE BUREAU A REPORT OUTLINING ALL CHANGES IT INTENDS TO MAKE TO ITS BUSINESS PRACTICES AND PROCEDURES FOR BRANCH OFFICE SUPERVISION, SUITABILITY STANDARDS, AND MONITORING OF AGENT SALES ACTIVITIES IN RESPONSE TO THE INDEPENDENT CONSULTANT REPORT.
Sanction Details:	FINE PAID ON 10/17/2006.

Disclosure 18 of 30

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110 AND 3010: JPT, BETWEEN 2002 AND 2005, FAILED TO HAVE A SUPERVISORY SYSTEM,



INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ENSURE THAT ITS REGISTERED REPRESENTATIVES CHARGED ITS CUSTOMERS REASONABLE MARK-UPS AND COMMISSIONS ON EQUITY SECURITIES TRANSACTIONS.

UNDER JPT'S SYSTEM AND PROCEDURES, BROKERS HAD DISCRETION TO ESTABLISH THE COMMISSION ON EQUITY SECURITIES TRANSACTIONS, LIMITED ONLY BY WHETHER THE PRICE OF THE SECURITY WAS ABOVE OR BELOW \$25 PER SHARE. ON ALL EQUITY SECURITIES TRANSACTIONS IN WHICH THE PRICE OF THE SECURITY WAS BELOW \$25, REGISTERED REPRESENTATIVES WERE ALLOWED TO CHARGE UP TO 4.5%, WHILE THEY COULD ONLY CHARGE UP TO 3.5% IF THE PRICE OF THE SECURITY WAS ABOVE \$25. DURING THE REVIEW PERIOD, 91% OF THE FIRM'S EQUITY SECURITIES TRANSACTIONS INVOLVED EQUITY SECURITIES PRICED BELOW \$25 PER SHARE.

THE FIRM'S SUPERVISORY SYSTEM AND WRITTEN PROCEDURES FAILED TO PROVIDE ADEQUATE GUIDANCE TO ITS REGISTERED REPRESENTATIVES ON HOW TO CONSIDER THE RELEVANT FACTORS SET FORTH IN IM-2440(B) TO DETERMINE A FAIR COMMISSION OR MARK-UP ON AN EQUITY SECURITIES TRANSACTIONS

JPT'S TRADING MANAGER HAD THE SUPERVISORY RESPONSIBILITY FOR REVIEWING AND APPROVING TRADES FOR FAIR AND REASONABLE CHARGES. SUCH REVIEWS WERE LIMITED TO REVIEWING THE TRANSACTIONS TO ENSURE THAT THEY DID NOT EXCEED THE FIRM'S 3.5% AND 4.5% GUIDELINES.

Initiated By: FINRA

Date Initiated: 10/29/2008

Docket/Case Number: [SAF2004026601](#)

Principal Product Type: Other

Other Product Type(s): EQUITY SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/29/2008



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 \$250,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$250,000 AND ORDERED TO RETAIN, WITHIN 60 DAYS, AT ITS OWN EXPENSE, AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES, AND TRAINING RELATING TO FINRA'S FAIR PRICING RULE.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE THAT ITS REGISTERED REPRESENTATIVES CHARGED IT CUSTOMERS REASONABLE MARK-UPS AND COMMISSIONS IN VIOLATION OF NASD CONDUCT RULES 3010 AND 2110.

Initiated By: FINRA

Date Initiated: 02/24/2006

Docket/Case Number: [SAF2004026601](#)

Principal Product Type: Other

Other Product Type(s): COMMON STOCK

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: CENSURE AND UNDERTAKING THAT THE FIRM RETAIN AN INDEPENDENT CONSULTANT TO REVIEW THE ADEQUACY OF THE FIRMS POLICIES, SYSTEMS,PROCEDURES, AND TRAINING RELATING TO NASD CONDUCT RULE 2440.

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 10/29/2008

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered: UNDERTAKING THAT THE FIRM RETAIN AN INDEPENDENT CONSULTANT TO REVIEW THE ADEQUACY OF THE FIRMS POLICIES, SYSTEMS, PROCEDURES, AND TRAINING RELATING TO NASD CONDUCT RULE 2440.

Sanction Details: FINE PAID ON 11/07/2008.

Disclosure 19 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS J.P. TURNER ENTERED INTO SETTLEMENT WITH THE STATE WITH RESPECT TO THE J.P. TURNER'S FAILURE TO SUPERVISE ITS AGENT SCOTT FRANKLIN. THE STATE ALLEGES THAT MR. FRANKLIN ENGAGED IN OFFERS AND SALES PRIOR TO BEING LICENSED UTILIZING ANOTHER REGISTERED REPRESENTATIVE'S NUMBER.

Initiated By: NEW HAMPSHIRE

Date Initiated: 03/31/2005

Docket/Case Number: 05-017

URL for Regulatory Action:

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/26/2006



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: Monetary/Fine \$15,000.00

Other Sanctions Ordered: .P. TURNER AGREED TO PAY JOINTLY AND SEVERALLY A \$15,000 FINE AS WELL AS \$10,000 IN INVESTIGATION COSTS WITH MR. FRANKLIN. AS WELL J.P. TURNER AGREED TO SEND TO EVERY NEW HAMPSHIRE CLIENT A LETTER, IN PLAIN ENGLISH, OUTLINING PROPER PROCEDURES FOR MAKING COMPLAINTS AND TO CONDUCT A CONTINUING EDUCATION MODULE ON CONCERNING STATE REGISTRATION REQUIREMENTS.

Sanction Details: .P. TURNER AGREED TO PAY JOINTLY AND SEVERALLY A \$15,000 FINE AS WELL AS \$10,000 IN INVESTIGATION COSTS WITH MR. FRANKLIN. AS WELL J.P. TURNER AGREED TO SEND TO EVERY NEW HAMPSHIRE CLIENT A LETTER, IN PLAIN ENGLISH, OUTLINING PROPER PROCEDURES FOR MAKING COMPLAINTS AND TO CONDUCT A CONTINUING EDUCATION MODULE ON CONCERNING STATE REGISTRATION REQUIREMENTS.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT ONE REGISTERED REPRESENTATIVE CONDUCTED BUSINESS WITH ONE CLIENT WITHOUT PROPER REGISTRATION.

Initiated By: STATE OF NEW HAMPSHIRE

Date Initiated: 01/26/2006

Docket/Case Number: INV05-017

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: Consent

Resolution Date: 01/26/2006

Sanctions Ordered: Monetary/Fine \$15,000.00



Other Sanctions Ordered: INVESTIGATION COSTS IN THE AMOUNT OF \$10,000.00.

Sanction Details: FINE PAID ON FEBRUARY 9, 2006.

Disclosure 20 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 15C2-4, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2330, 2420(A), 3010 - THE FIRM ALLOWED TWO OF ITS REGISTERED REPRESENTATIVES TO ENGAGE IN A PRIVATE PLACEMENT OFFERING, A HEDGE FUND, OF WHICH THE REGISTERED REPRESENTATIVES WERE GENERAL PARTNERS. THE OFFERING WAS MADE THROUGH THE MEANS OF AN OFFERING MEMORANDUM THAT WAS FALSE AND MISLEADING, IN THAT, AMONG OTHER THINGS, THE OFFERING MEMORANDUM FAILED TO DISCLOSE THAT THE REGISTERED REPRESENTATIVES WOULD PERSONALLY RECEIVE SUBSTANTIAL COMMISSION PAYOUTS FOR ALL TRANSACTIONS EFFECTED IN THE SECURITIES ACCOUNT, AND MISREPRESENTED THE INVESTMENT PHILOSOPHY AND TRADING STRATEGY TO BE EMPLOYED IN THE ACCOUNT, AS WELL AS THE ATTENDANT RISKS. THE REGISTERED REPRESENTATIVES TRADING IN THE HEDGE FUND ACCOUNT ALSO ENGAGED IN A COURSE OF UNSUITABLE AND EXCESSIVE TRADING IN THE ACCOUNT. THE FIRM ACTING THROUGH A PRINCIPAL, FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS RELATING TO TRADING THE HEDGE FUND ACCOUNT, AND FAILED TO REASONABLY SUPERVISE THE OFFERING OF THE FUND'S INTEREST AND THE TRADING ACTIVITY IN THE FUND ACCOUNT. IN CONNECTION WITH THE OFFERING, THE FIRM MADE IMPROPER USE OF A CUSTOMER'S FUNDS BY PERMITTING THE DEPOSIT OF THE CUSTOMER'S SUBSCRIPTION FUNDS INTO THE HEDGE FUND'S SECURITIES ACCOUNT AND PERMITTING THE FUNDS TO BE USED TO MEET MARGIN CALL IN THE ACCOUNT, WITHOUT PRIOR APPROVAL OF THE SUBSCRIPTION BY THE FIRM'S COMPLIANCE DEPARTMENT, AS REQUIRED, AND BY FAILING TO RETURN THE DEPOSIT TO THE CUSTOMER IN A TIMELY MANNER AFTER HIS SUBSCRIPTION WAS REJECTED BY THE FIRM.
*ALLEGATIONS CONTINUED IN COMMENTS' SECTION.

Initiated By: NASD

Date Initiated: 10/09/2006

Docket/Case Number: [E072003011201](#)

Principal Product Type: Other



Other Product Type(s):	HEDGE FUND, PRIVATE OFFERING
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/09/2006
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:	Monetary/Fine \$211,372.00 Disgorgement/Restitution
Other Sanctions Ordered:	PROHIBITION AND PRE-USE FILING REQUIREMENT
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 FINED \$211,372 (\$86,372 OF WHICH REPRESENTS DISGORGEMENT OF COMMISSIONS AND FEES RECEIVED FROM THE TRADING IN THE FUND ACCOUNT, AND \$40,000 OF WHICH IS JOINT AND SEVERAL); A SIX-MONTH PROHIBITION FROM OFFERING HEDGE FUND INTERESTS OR OPENING NEW HEDGE FUND ACCOUNTS, AND THEREAFTER A SUSPENSION FROM OFFERING HEDGE FUND INTERESTS AND OPENING NEW HEDGE FUND ACCOUNTS UNLESS AND UNTIL THE FIRM HAS SUBMITTED REVISED WRITTEN SUPERVISORY PROCEDURES WITH NASD THAT SATISFACTORILY ADDRESSES THE SUPERVISION OF HEDGE FUND OFFERINGS AS WELL AS THE TRADING IN HEDGE FUND ACCOUNTS; A SIX-MONTH PRE-USE FILING REQUIREMENT WITH THE NASD FOR ALL CUSTOMER ADVERTISEMENTS AND SALES LITERATURE RELATING TO HEDGE FUNDS, BEGINNING WITH THE FIRST USE OF SUCH SALES COMMUNICATIONS FOLLOWING THE SUSPENSION FROM OFFERING HEDGE FUND INTERESTS AND OPENING NEW HEDGE FUND ACCOUNTS DESCRIBED ABOVE.
Regulator Statement	THE FIRM ACTING THROUGH A PRINCIPAL, APPROVED AND PERMITTED THE USE OF A BROCHURE FOR THE FUND THAT CONTAINED STATEMENTS AND CLAIMS FOR WHICH IT FAILED TO PROVIDE A SOUND BASIS, AND FAILED TO DISCLOSE THE INHERENT RISKS ASSOCIATED WITH THE ABSENCE OF AN OPERATING HISTORY FOR BOTH THE PARTNERSHIP AND THE GENERAL PARTNER, EXAGGERATED THE EXPERIENCE AND SERVICES OFFERED BY THE REGISTERED REPRESENTATIVES OPERATING



THE FUND, AND MADE FALSE STATEMENTS REGARDING THE FUND'S INVESTMENT STRATEGY. THE FIRM ALSO FAILED TO ESTABLISH A PROPER ESCROW ACCOUNT FOR A PRIVATE OFFERING. THE FIRM ACTING THROUGH A PRINCIPAL, FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS IN CONNECTION WITH A PRIVATE OFFERING. THE FIRM PAID SECURITIES COMMISSIONS TOTALING APPROXIMATELY \$2,226,130.90 TO NON-MEMBER ENTITIES OR PERSONS.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED VIOLATION OF NASD CONDUCT RULES 2110,2120, 2210(2)(1)(A),2210(D)(1)(B), 2330,2420(A), AND 3010 AND S.E.C. ACT SECTION 10(B) AND RULES 10B-5 AND 15C2-4. ALLEGATIONS RESULT OF ANNUAL AUDIT AND PERTAIN TO A PRIVATE PLACEMENT OF A FUND WITH TWO INVESTORS AND ALLEGED IMPROPER COMMISSION PAYMENTS.

Initiated By: N.A.S.D.

Date Initiated: 11/30/2005

Docket/Case Number: [E072003011201](#)

Principal Product Type: Direct Investment(s) - DPP & LP Interest(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/09/2006

Sanctions Ordered: Monetary/Fine \$211,372.00
Disgorgement/Restitution

Other Sanctions Ordered: A SIX MONTH PROHIBITION FROM OFFERING HEDGE FUND INTERESTS OR OPENING NEW HEDGE FUND ACCOUNTS, AND NO CONTINUATION OF OFFERING HEDGE FUND INTERESTS OR OPENING NEW HEDGE FUND ACCOUNTS UNLESS AND UNTIL THE FIRM HAS SUBMITTED REVISED SUPERVISORY PROCEDURES WITH NASD THAT SATISFACTORILY ADDRESSES THE SUPERVISION OF HEDGE FUND OFFERINGS AS WELL AS THE TRADING IN HEDGE FUND ACCOUNTS. A SIX MONTH PRE-USE FILING



REQUIREMENT WITH THE WITH THE NASD ADVERTISING DEPARTMENT FOR ALL CUSTOMER ADVERTISEMENTS AND SALES LITERATURE RELATING TO HEDGE FUNDS, BEGINNING WITH THE FIRST USE OF SUCH SALES COMMUNICATIONS WHEN FIRM IS APPROVED TO CONTINUE OFFERING HEDGE FUND INTERESTS AND OPENING NEW HEDGE FUND ACCOUNTS DESCRIBED ABOVE.

Sanction Details:

\$211,372 FINE(\$86,372 OF WHICH REPRESENTS DISGORGEMENT OF COMMISSIONS AND FEES AND \$40,000 OF WHICH IS JOINT AND SEVERAL WITH FORMER DIRECTOR OF COMPLIANCE). FORMER DIRECTOR OF COMPLIANCE SUSPENDED IN A PRINCIPAL CAPACITY FOR THREE MONTHS.

Disclosure 21 of 30

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE
Initiated By:	VERMONT
Date Initiated:	11/23/2005
Docket/Case Number:	05-060-S
URL for Regulatory Action:	
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:	11/23/2005
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Monetary/Fine \$30,000.00



Other Sanctions Ordered: ORDER IMPOSING ADMINISTRATIVE SANCTIONS AND CONSENT TO SAME

Sanction Details: FIRM FINED \$30,000 AND ORDERED TO COMPLY WITH THE SECURITIES ACT AND ITS ORDERS, REGULATIONS AND RULES PROMULGATED THEREUNDER. FAILURE TO COMPLY WITH ANY TERM OF THE ORDER SHALL CONSTITUTE GROUNDS FOR THE SUSPENSION OR REVOCATION OF THE FIRM'S BROKER-DEALER REGISTRATION, SUBJECT TO A HEARING PURSUANT TO THE SECURITIES ACT.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO REASONABLY SUPERVISE ITS DESIGNATED SUPERVISOR AN CERTAIN SALES REPRESENTATIVES IN ONE BRANCH OFFICE AND FIRM FAILED TO ENSURE THAT SALES REPRESENTATIVES IN THIS BRANCH MADE SUITABLE RECCOMENDATIONS TO CLIENTS.

Initiated By: STATE OF VERMONT

Date Initiated: 11/23/2005

Docket/Case Number: 05-060-S

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: 11/23/2005

Sanctions Ordered: Monetary/Fine \$30,000.00

Other Sanctions Ordered:

Sanction Details: FINE PAID ON 11/28/2005.

Disclosure 22 of 30

Reporting Source: Regulator

Current Status: Final



Allegations: NASD CONDUCT RULES 2110 AND 2320- RESPONDENT FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO EXECUTE ORDERS FULLY AND PROMPTLY.

Initiated By: NASD

Date Initiated: 11/15/2005

Docket/Case Number: [2005000070001](#)

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: 11/15/2005

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 \$20,000.00

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 \$20,000.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT THE FIRM FAILED TO USE REASONABLE DILIGENCE IN 28 TRANSACTIONS TO ASCERTAIN BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT RESULTANT PRICE WAS AS FAVORABLE AS POSSIBLE TO CUSTOMER RESULTING IN SEEKING



RESTITUTION TO CUSTOMERS TOTALLING \$635.04.

Initiated By: N.A.S.D.
Date Initiated: 06/16/2005
Docket/Case Number: 20050000700-01
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 11/15/2005
Sanctions Ordered: Censure
 Monetary/Fine \$20,000.00
Other Sanctions Ordered:
Sanction Details: FINE WAS PAID ON 12/06/2005.

Disclosure 23 of 30

Reporting Source: Regulator
Current Status: Final
Allegations: ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - J.P. TURNER & COMPANY, LLC FILED 140 LATE AMENDMENTS TO FORMS U4 AND U5, REPRESENTING APPROXIMATELY 62% OF THE REQUIRED AMENDMENTS RELATING TO REPORTABLE CUSTOMER COMPLAINTS, TERMINATIONS, AND CRIMINAL DISCLOSURES. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
Initiated By: NASD
Date Initiated: 11/30/2004
Docket/Case Number: C07040098
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: 11/30/2004

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 \$185,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.P. TURNER & COMPANY LLC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$185,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 AND U5 AMENDMENTS SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF



ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED FAILURE TO AMEND OR AMEND TIMELY FORM U-4'S AND U-5'S AND FAILURE TO REPORT CUSTOMER COMPLAINTS AND ARBITRATIONS. ALLEGED VIOLATIONS PERTAIN TO ARTICLE V, SECTIONS 2(C) AND 3(B), AND NASD CONDUCT RULES 2110 AND 3010.

Initiated By: N.A.S.D.

Date Initiated: 11/30/2004

Docket/Case Number: C07040098

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Undertaking

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/30/2004

Sanctions Ordered: Censure
Monetary/Fine \$185,000.00

Other Sanctions Ordered: UNDERTAKINGS.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.P. TURNER & COMPANY LLC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$185,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH



SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 AND U5 AMENDMENTS SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Disclosure 24 of 30

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SECTION 5 OF THE SECURITIES ACT OF 1933, NASD RULES 2110,3010(B), IM-2110-1, - RESPONDENT MEMBER FAILED TO OBTAIN INFORMATION REQUIRED FROM INVESTMENT PARTNERSHIPS, CORPORATIONS, OR SIMILAR ACCOUNTS PRIOR TO SELLING SHARES OF HOT ISSUES TO THOSE ACCOUNTS; ACCEPTED CASH DEPOSITS FROM PUBLIC CUSTOMERS FOR THE PURCHASE OF HOT ISSUE INITIAL PUBLIC OFFERINGS PRIOR TO THE EFFECTIVE DATE OF THE OFFERINGS; FILED INACCURATE FREE-RIDING AND WITHHOLDING QUESTIONNAIRES THAT FAILED TO DISCLOSE PURCHASES BY INVESTMENT PARTNERSHIPS, CORPORATIONS, OR SIMILAR ACCOUNTS; AND ACTING THROUGH AN INDIVIDUAL, FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES.
Initiated By:	NASD
Date Initiated:	10/01/2003



Docket/Case Number: C07030068

Principal Product Type: Other

Other Product Type(s): INVESTMENT PARTNERSHIPS, IPOS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/01/2003

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.P. TURNER & COMPANY, L.L.C. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000, OF WHICH \$7,500 IS JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT FIRM FAILED TO OBTAIN REQUIRED INFORMATION ON TWO NEW HOT ISSUES(RULES 2110 AND IM-2110-1), ACCEPTED CASH DEPOSITS PRIOR TO EFFECTIVE DATE ON TWO NEW HOT ISSUES(NASD RULE 2110 AND SEC. 5 OF SECURITIES ACT OF 1933), FILED TWO INNACCURATE FREE-RIDING AND WITHOLDING QUESTIONNAIRES (NASD RULES 2110 AND IM-2110-1) AND FAILED TO ESTABLISH SUPERVISORY SYSTEM REASONABLY DESIGNED TO TO ACHIEVE COMPLIANCE RELATED TO SALE OF HOT ISSUES(NASD RULES 3010(B) AND 2110)

Initiated By: NASD

Date Initiated: 10/01/2003

Docket/Case Number: C07030068

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/01/2003

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: \$20000 FINE, \$7500 IS JOINT AND SEVERAL WITH PRESIDENT, WILLIAM L. MELLO.

Firm Statement FIRM HAS TAKEN SIGNIFICANT STEPS TO ENHANCE AND STRENGTHEN COMPLIANCE PROCEDURES IN RELATION TO NEW ISSUES INCLUDING NEW POLICIES AND INTERNAL CONTROLS.

Disclosure 25 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 3010(A)(4)- RESPONDENT MEMBER FAILED TO DESIGNATE ONE OR MORE APPROPRIATELY REGISTERED PRINCIPALS TO SUPERVISE A BRANCH OFFICE, AN OFFICE OF SUPERVISORY JURISDICTION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/31/2000

Docket/Case Number: C9B000022

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: 07/31/2000

Sanctions Ordered: Monetary/Fine \$3,500.00

Other Sanctions Ordered:



Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.P. TURNER & COMPANY CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS FINED \$3,500.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT FROM ON OR ABOUT OCTOBER 1, 1998 THROUGH ON OR ABOUT NOVEMBER 2, 1998, THE FIRM FAILED TO DESIGNATE ONE OR MORE APPROPRIATELY REGISTERED PRINCIPALS TO SUPERVISE ITS BRANCH OFFICE IN SHREWSBURY, NEW JERSEY, AN OFFICE OF SUPERVISORY JURISDICTION. AS A RESULT OF THIS CONDUCT, THE FIRM VIOLATED NASD CONDUCT RULES 3010(A)(4) AND 2110.

Initiated By: N.A.S.D.

Date Initiated: 07/31/2000

Docket/Case Number: C9B000022

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE.

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/31/2000

Sanctions Ordered: Monetary/Fine \$3,500.00

Other Sanctions Ordered:

Sanction Details: \$3500 FINE PAID UPON RECEIPT OF FINAL ORDER.

Disclosure 26 of 30

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 1021, 3010, AND 3110 - RESPONDENT MEMBER FAILED TO ENSURE THAT ITS DESIGNATED DIRECTOR OF COMPLIANCE PRIOR TO MAY 1, 1999, HAD TIMELY TAKEN AND PASSED THE LICENSING



EXAMINATION TO SERVE AS A GENERAL SECURITIES PRINCIPAL; AND, FAILED TO PRESERVE RECORDS RELATING TO ITS INVOLVEMENT IN A BEST EFFORTS, CONTINGENT PRIVATE PLACEMENT OFFERING.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 07/27/2000

Docket/Case Number: C07000049

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: 07/27/2000

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.P. TURNER & COMPANY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000. THE FINE AGAINST THE FIRM SHALL BE DEEMED BY THE NASD TO HAVE BEEN PAID BY VIRTUE OF THE \$30,000 FINED AGAINST THE FIRM ASSESSED AND COLLECTION BY THE STATE OF GEORGIA, UNDER THE TERMS OF THE CONSENT ORDER DATED SEPTEMBER 13, 1999.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED FAILURE TO ENSURE THAT DESIGNATED DIRECTOR OF COMPLIANCE HAD TIMELY TAKEN AND PASSED THE LICENSING EXAMINATION TO SERVE AS A GENERAL SECURITIES PRINCIPAL, IN VIOLATION OF NASD MEMBERSHIP RULE 1021 AND CONDUCT RULE 3010. ALLEGED FAILURE TO PRESERVE REQUIRED RECORDS RELATING TO THE FIRMS INVOLVEMENT IN A BEST EFFORTS, CONTINGENT PRIVATE PLACEMENT OFFERING OF NET VALUE, INC., IN VIOLATION OF NASD CONDUCT RULES 3110 AND 2110 AND SEC RULE 17A-4.

Initiated By: N.A.S.D.



Date Initiated: 07/27/2000
Docket/Case Number: C07000049-AWC
Principal Product Type: Other
Other Product Type(s): PRIVATE PLACEMENT.
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 07/27/2000
Sanctions Ordered: Censure
 Monetary/Fine \$20,000.00
Other Sanctions Ordered:
Sanction Details: FINE WAS DEEMED TO HAVE BEEN PAID DUE TO A STATE OF GEORGIA
 CONSENT ORDER(DATED SEPTEMBER 13, 1999) INVOLVING THE SAME
 ALLEGATIONS IN WHICH FINE WAS PAID.

Disclosure 27 of 30

Reporting Source: Regulator
Current Status: Final
Allegations: SEE ITEMS 12 AND 13
Initiated By: GEORGIA SECURITIES DIVISION
Date Initiated: 07/30/1998
Docket/Case Number: 50-97-2820
URL for Regulatory Action:
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: SEE DESCRIPTION IN ITEMS 12 AND 13
Resolution: Consent



Resolution Date: 09/13/1999

Sanctions Ordered: Monetary/Fine \$30,000.00

Other Sanctions Ordered: J.P. TURNER SHALL REIMBURSE THE COMMISSIONER IN THE AMOUNT OF \$12,500.00 REPRESENTING COSTS INCURRED IN THIS MATTER (IN ADDITION TO \$30,000.00 FINE).

Sanction Details: J.P.TURNER AGREES THAT NONE OF ITS SALES REPRESENTATIVES SHALL BE AUTHORIZED TO USE A BUSINESS CARD REFLECTING THAT THE INDIVIDUAL IS A CORPORATE VICE PRESIDENT OF JP TURNER UNLESS SUCH PERSON HAS PASSED THE SERIES 24 EXAMINATION.

Regulator Statement JP TURNER ALSO (1) ACKNOWLEDGES THAT ITS DIRECTOR OF COMPLIANCE WAS NOT REGISTERED AS A GENERAL SECURITIES PRINCIPAL (SERIES 24) THROUGH DECEMBER 1998 AND (2) AGREES AND REPRESENTS THAT THE SUPERVISORY TRAINING AND COMPLIANCE MANUAL IN PLACE AS OF 7/22/99 HAVE BEEN AND ARE BEING UTILIZED, IMPLEMENTED AND ENFORCED.

Reporting Source: Firm

Current Status: Final

Allegations: THE STATE OF GEORGIA ALLEGED THAT JP TURNER VIOLATED CERTAIN RULES BASED ON THE FOLLOWING:(1) JP TURNER MAIL THAT HAD BEEN RETURNED TO THE FIRM HAD NOT BEEN OPENED;(2)A BROKER HAD TORN UP HIS COPY OF A NEW ACCOUNT CARD;(3)BUSINESS CARD TITLES;(4)A SALES POINT SHEET WAS FOUND;(5)ONE BROKER ALLEGEDLY ENGAGED IN ONE UNAUTHORIZED TRADE;(6) CERTAIN RECORDS AND OTHER MATTERS WERE NOT LOCATED WITH RESPECT TO A PRIVATE PLACEMENT;AND (7)CERTAIN BRANCH LICENSEES HAD NOT YET OBTAINED SERIES 24 LICENSES(ALTHOUGH OTHERS WHO SUPERVISED IN THE BRANCHES HAD SUCH LICENSES). JP TURNER VIGOROUSLY DENIES ANY WRONGDOING AND STATES IT HAS APPROPRIATELY COMPLIED WITH GOVERNING STATE, REGULATORY, AND INDUSTRY STANDARD PRACTICES.

Initiated By: THE STATE OF GEORGIA COMMISSIONER OF SECURITIES

Date Initiated: 07/20/1998

Docket/Case Number: #50-97-0002820

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: Consent

Resolution Date: 09/13/1999

Sanctions Ordered: Monetary/Fine \$30,000.00

Other Sanctions Ordered: JP TURNER AGREED TO REIMBURSE THE COMMISSIONER IN THE AMOUNT OF \$12,500.00 REPRESENTING THE STATE'S EXPENSES INCURRED.

Sanction Details: JP TURNER AGREED TO THE ENTRY OF A CONSENT ORDER WITH THE STATE OF GEORGIA THAT THE FIRMS CURRENT SYSTEM OF SUPERVISION WOULD REMAIN IN EFFECT, THAT ITS DIRECTOR OF COMPLIANCE WAS NOT REGISTERED SERIES 24 DURING A SPECIFIC TIME PERIOD EVEN THOUGH HE HAD PRIOR SUBSTANTIAL EXPERIENCE IN THE SECURITIES INDUSTRY, INCLUDING MULTIPLE YEARS EXPERIENCE AS A COMPLIANCE EXAMINER FOR THE NASD AND WAS OTHERWISE SUBSTANTIVELY QUALIFIED FOR THE POSITION, AND THAT BUSINESS CARDS REFLECTING "CORPORATE VICE PRESIDENT" WOULD BE USED BY SERIES 24 PRINCIPALS ONLY, AND AGREED TO A FINE OF \$30,000.00, PLUS COSTS OF \$12,500.00.

Disclosure 28 of 30

Reporting Source: Firm

Current Status: Final

Allegations: THE DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH ALLEGED THAT IN SIX JP TURNER BRANCHES, THE LICENSEE HAD NOT OBTAINED A SERIES 24 PRINCIPAL REGISTRATION; THAT JP TURNER HAD FAILED TO OPEN CERTAIN UNDELIVERED RETURN CORRESPONDENCE IMMEDIATELY UPON RECEIPT; AND THAT MARK TURNER, A JP TURNER REGISTERED REPRESENTATIVE, HAD ALLEGEDLY MADE THREE UNAUTHORIZED TRADES IN THE ACCOUNT OF A CUSTOMER.

Initiated By: THE STATE OF UTAH

Date Initiated: 07/21/1998

Docket/Case Number: DOCKET# SD98-0022/CASE#981554

Principal Product Type: Other

Other Product Type(s): COMMON STOCKS OTC AND LISTED

Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	STIPULATION AND CONSENT
Resolution:	Order
Resolution Date:	02/18/1999
Sanctions Ordered:	Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	THE PARTIES ENTERED INTO A STIPULATION AND CONSENT ORDER IN WHICH JP TURNER ADMITTED THAT IT DID NOT TIMELY TERMINATE A LICENSEE FOR NOT OBTAINING HIS SERIES 24 LICENSE WITHIN THE ALLOTTED TIME AS REQUIRED BY FIRM MANAGEMENT.JP TURNER ALSO VOLUNTARILY AGREED NOT TO OPEN CERTAIN ACCOUNTS WITH UTAH RESIDENT DURING A TWO YEAR TIME PERIOD. JP TURNER ALSO AGREED THAT THE DIVISION MAY CONDUCT AN AUDIT ON THE JP TURNER OFFICES AND MAY PARTICIPATE IN ONGOING MONITORING. JP TURNER ALSO AGREED TO HIRE AN INDEPENDENT FIRM TO DEVELOP A TRAINING PROGRAM AND TO REIMBURSE A SINGLE CUSTOMER FOR CERTAIN ALLEGED OUT OF POCKET LOSSES.
Firm Statement	JP TURNER DID NOT ADMIT TO AND THE DIVISION DID NOT FIND THAT THE FIRM VIOLATED ANY INVESTMENT RELATED REGULATIONS OR STATUTES.

Disclosure 29 of 30

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SALE OF SECURITIES BY AN UNREGISTERED BROKER-DEALER AND ITS AGENTS, SALE OF UNREGISTERED SECURITIES, MISREPRESENTATIONS OF FACTS
Initiated By:	ARKANSAS SECURITIES DEPARTMENT
Date Initiated:	08/13/1998
Docket/Case Number:	98-45-S
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	



Other Sanction(s)/Relief Sought:

Resolution: Order
Resolution Date: 08/13/1998
Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: CEASE AND DESIST ORDER NO. 98-45-S ENTERED
8/13/98

Regulator Statement

CEASE AND DESIST ORDER ENTERED AGAINST J.P.TURNER ("TURNER"), ROBERT STEFANELLI, USMAN MUSHTAQ, JON DE MICHEIL, STEPHEN AIELLO, STEPHEN CARCATERRA, JOHN MONTEFORTE, AND SAMUEL V. CONVERY. TURNER IS AN UNREGISTERED BROKER-DEALER IN ARKANSAS AND ALLOWED ITS AGENTS TO EFFECT AT LEAST SEVENTEEN (17) SECURITIES TRANSACTIONS IN THE ACCOUNTS OF EIGHT (8) ARKANSAS RESIDENTS IN VIOLATION OF SECTION 23-42-301 OF THE ACT. ON THREE OCASSIONS, AGENT STEPHEN CARCATERRA SOLD AN ARKANSAS RESIDENT SHARES OF "CARTOON SALOON", AN UNREGISTERED SECURITY IN ARKANSAS IN VIOLATION OF SECTION 23-42-501 OF THE ACT. CARCATERRA MADE REPRESENTATIONS TO HIS CUSTOMER THAT HIS INVESTMENT WOULD QUINTUPLE WHEN THE INITIAL PUBLIC OFFERING WAS MADE IN VIOLATION OF SECTION 23-42-507 OF THE ACT AND RULE 308(B). CARCATERRA ENGAGED IN OUTSIDE SALES ACTIVITIES BY EFFECTING TRANSACTIONS THAT WERE NOT RECORDED ON THE REGULAR BOOKS OF TURNER IN VIOLATION OF RULE 308(R). IN ADDITION, AGENTS ROBERT STEFANELLI, USMAN MUSHTAQ, AND JON DE MICHIEL SOLD SECURITIES TO ARKANSAS RESIDENTS PRIOR TO THEIR REGISTRATION WITH THE "NASD" AS AGENTS OF TURNER. CONTACT: TED HOLDER, 501-324-9260

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED TRANSACTIONS BY UNREGISTERED BROKER/DEALER IN VIOLATION OF SECTION 23-42-301 OF THE ARKANSAS SECURITIES ACT.

Initiated By: THE STATE OF ARKANSAS SECURITIES DEPARTMENT.



Date Initiated: 08/13/1998
Docket/Case Number: 98-45-S
Principal Product Type: Other
Other Product Type(s): COMMON STOCKS- OTC AND LISTED
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Order
Resolution Date: 08/13/1998
Sanctions Ordered: Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: A CEASE AND DESIST ORDER WAS ISSUED AGAINST THE FIRM BY THE STATE OF ARKANSAS SECURITIES DEPARTMENT.

Disclosure 30 of 30

Reporting Source: Regulator
Current Status: Final
Allegations: COMPANY TRANSACTED BUSINESS PRIOR TO REGISTRATION IN THE STATE OF MISSOURI
Initiated By: MISSOURI SECRETARY OF STATE SECURITIES DIVISION
Date Initiated: 06/24/1998
Docket/Case Number: CD-98-39
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Order



Resolution Date: 06/24/1998

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: EX-PARTE CEASE AND DESIST ORDER. COMPANY ORDERED TO CEASE TRANSACTING BUSINESS AS AN UNREGISTERED BROKER-DEALER IN THE STATE OF MISSOURI.

Regulator Statement CONTACT: MISSOURI SECRETARY OF STATE SECURITIES DIVISION, MARY HOSMER 573-751-4704

Reporting Source: Firm

Current Status: Final

Allegations: IT IS ALLEGED THAT AGENTS OF THE FIRM WERE SELLING SECURITIES TO RESIDENTS OF MISSOURI WITHOUT BEING PROPERLY REGISTERED.

Initiated By: MISSOURI SECRETARY OF STATE SECURITIES DIVISION.

Date Initiated: 06/24/1998

Docket/Case Number: CD-98-39

Principal Product Type: Other

Other Product Type(s): COMMON STOCKS (OTC AND LISTED)

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 06/24/1998

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: A CEASE AND DESIST ORDER WAS ISSUED AGAINST THE FIRM BY THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION.

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 12

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	03/07/2000
Case Number:	00-00088
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$24,088.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	11/16/2000
Sum of All Relief Awarded:	\$2,712.50

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 12

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED- FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE- EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum:	NASD
Case Initiated:	05/30/2000
Case Number:	00-01866
Disputed Product Type:	COMMODITIES FUTURES; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE



Sum of All Relief Requested: \$74,178.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/19/2001
Sum of All Relief Awarded: \$8,400.00

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 12

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-MARGIN CALLS
Arbitration Forum: NASD
Case Initiated: 06/26/2000
Case Number: [00-02605](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$90,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/01/2001
Sum of All Relief Awarded: \$104,428.00

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 12

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 02/06/2001

Case Number: [01-00182](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$260,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/08/2002
Sum of All Relief Awarded: \$99,811.00

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

Disclosure 5 of 12

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-ERRORS-CHARGES
Arbitration Forum: NASD
Case Initiated: 02/15/2001
Case Number: [01-00547](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$25,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/26/2001
Sum of All Relief Awarded: \$3,953.13

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

Disclosure 6 of 12

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; DO NOT USE-NO OTHER CONTROVERSY INVOLVED



Arbitration Forum: NASD
Case Initiated: 07/05/2001
Case Number: [01-03495](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/25/2002
Sum of All Relief Awarded: \$250.00

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

Disclosure 7 of 12

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 11/30/2001
Case Number: [01-06418](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$500,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/19/2003
Sum of All Relief Awarded: \$56,000.00

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

Disclosure 8 of 12

Reporting Source: Regulator
Type of Event: ARBITRATION



Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD

Case Initiated: 02/07/2002

Case Number: [02-00590](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS

Sum of All Relief Requested: \$170,201.43

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/14/2003

Sum of All Relief Awarded: \$141,000.00

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

Disclosure 9 of 12

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

Arbitration Forum: NASD

Case Initiated: 04/10/2003

Case Number: [03-02321](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$500,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/08/2004

Sum of All Relief Awarded: \$134,965.77

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

Disclosure 10 of 12

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	09/13/2004
Case Number:	04-05085
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$125,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/13/2005
Sum of All Relief Awarded:	\$6,555.94

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

Disclosure 11 of 12

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	07/13/2010
Case Number:	10-02781
Disputed Product Type:	OTHER TYPES OF SECURITIES; PREFERRED STOCK
Sum of All Relief Requested:	\$74,112.00
Disposition:	AWARD AGAINST PARTY



Disposition Date: 10/14/2011

Sum of All Relief Awarded: \$15,000.00

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

Disclosure 12 of 12

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-COLLECTION; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 07/22/1998

Case Number: [98-02300](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$18,005.55

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/05/1999

Sum of All Relief Awarded: \$18,005.55

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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