

BrokerCheck Report

J.H. DARBIE & CO., INC.

CRD# 43520

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

About BrokerCheck®

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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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



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



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

**J.H. DARBIE & CO., INC.**

CRD# 43520

SEC# 8-50335

Main Office Location

48 WALL ST., SUITE 1206.
NEW YORK, NY 10005
Regulated by FINRA New York Office

Mailing Address

48 WALL ST., SUITE 1206.
C/O ROBERT RABINOWITZ
NEW YORK, NY 10005

Business Telephone Number

212-269-7271

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 06/03/1997.

Its fiscal year ends in March.

Firm History

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

Firm Operations

This firm is registered with:

- the SEC
- 2 Self-Regulatory Organizations
- 46 U.S. states and territories

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

This firm conducts 11 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	11
Civil Event	1
Arbitration	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 06/03/1997.

Its fiscal year ends in March.

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.H. DARBIE & CO., INC.

Doing business as J.H. DARBIE & CO., INC.

CRD# 43520

SEC# 8-50335

Main Office Location

48 WALL ST., SUITE 1206.

NEW YORK, NY 10005

Regulated by FINRA New York Office

Mailing Address

48 WALL ST., SUITE 1206.

C/O ROBERT RABINOWITZ

NEW YORK, NY 10005

Business Telephone Number

212-269-7271



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): RABINOWITZ, ROBERT Y

2821450

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

Position PRES, GSP

Position Start Date 08/1997

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): ANDERSON, ERIK JASON

2686661

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 04/2018

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): MATSIS, MICHAEL A

1455158

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

Position AMLCO

Firm Profile



Direct Owners and Executive Officers (continued)

Position Start Date	08/2022
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	NAVEED, HASNAIN 7004810
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Is this a domestic or foreign entity or an individual?	Individual
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Position	FINOP, POO, PFO
Position Start Date	10/2019
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm Profile

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

Indirect Owners

No information reported.



Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 2 SROs and 46 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	02/20/1998

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	02/20/1998
Nasdaq Stock Market	Approved	07/21/2006

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	09/24/1998
Arizona	Approved	07/06/2004
California	Approved	08/28/1998
Colorado	Approved	04/21/1999
Connecticut	Approved	08/25/1998
Delaware	Approved	02/07/2017
District of Columbia	Approved	02/13/2012
Florida	Approved	07/17/1998
Georgia	Approved	08/27/1998
Idaho	Approved	03/25/2010
Illinois	Approved	08/12/1998
Indiana	Approved	08/28/1998
Iowa	Approved	09/02/1998
Kansas	Approved	12/03/2014
Kentucky	Approved	06/12/2018
Louisiana	Approved	10/31/2022
Maine	Approved	08/17/2023
Maryland	Approved	09/01/1998
Massachusetts	Approved	08/17/1998
Michigan	Approved	09/18/1998
Minnesota	Approved	02/22/1999
Mississippi	Approved	03/16/2012
Missouri	Approved	06/27/2000
Montana	Approved	05/10/2011
Nebraska	Approved	09/29/2017
Nevada	Approved	05/20/2005
New Hampshire	Approved	11/08/2010
New Jersey	Approved	03/02/1998
New Mexico	Approved	05/29/2013
New York	Approved	10/01/1997
North Carolina	Approved	08/31/1998
Ohio	Approved	08/25/1998
Oregon	Approved	08/03/2005

U.S. States & Territories	Status	Date Effective
Pennsylvania	Approved	07/01/1998
Puerto Rico	Approved	01/27/2017
Rhode Island	Approved	03/16/2011
South Carolina	Approved	05/05/2009
Tennessee	Approved	07/03/2019
Texas	Approved	09/17/1999
Utah	Approved	10/28/2010
Vermont	Approved	05/20/2010
Virgin Islands	Approved	06/27/2019
Virginia	Approved	08/24/1998
Washington	Approved	06/24/1999
Wisconsin	Approved	08/28/1998
Wyoming	Approved	01/12/2018



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 11 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.
This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

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

Name:	VISION FINANCIAL MARKETS LLC
CRD #:	142271
Business Address:	120 LONG RIDGE RD 3 NORTH STAMFORD, CT 06902
Effective Date:	12/31/2018
Description:	J.H. DARBIE & CO., INC. IS THE INTRODUCING BROKER TO VISION FINANCIAL MARKETS LLC
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Name:	AXOS CLEARING LLC
CRD #:	117176
Business Address:	1200 LANDMARK CENTER 1299 FARNAM STREET, SUITE 800 OMAHA, NE 68102
Effective Date:	11/19/2012
Description:	ON JANUARY 29, 2019 COR CLEARING LLC WAS ACQUIRED BY AXOS FINANCIAL, INC WHICH IS NOW KNOWN AS AXOS CLEARING, LLC. JH DARBIE IS AN INTRODUCING BROKER TO AXOS CLEARING, LLC
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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 have customer accounts, funds, or securities maintained by a third party.

Name: VISION FINANCIAL MARKETS LLC
CRD #: 142271
Business Address: 120 LONG RIDGE RD
3 NORTH
STAMFORD, CT 06902
Effective Date: 12/31/2018
Description: VISION FINANCIAL MARKETS LLC IS OUR CLEARING FIRM AND THEY HOLD ALL OUR CUSTOMER ACCOUNT ASSETS.

Name: AXOS CLEARING LLC
CRD #: 117176
Business Address: 1200 LANDMARK CENTER
1299 FARNAM STREET, SUITE 800
OMAHA, NE 68102
Effective Date: 11/19/2012
Description: ON JANUARY 29, 2019 COR CLEARING LLC WAS ACQUIRED BY AXOS FINANCIAL, INC WHICH IS NOW KNOWN AS AXOS CLEARING, LLC. AXOS CLEARING LLC IS OUR CLEARING FIRM, AXOS CLEARING LLC HOLDS ALL OUR CUSTOMER ACCOUNT ASSETS.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

MACRAB LLC is under common control with the firm.

Business Address:	738 MANDALAY GROVE CT MERRITT ISLAND, FL 32953
Effective Date:	02/01/2021
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	MACRAB LLC IS 50% OWNED BY ROBERT RABINOWITZ. MR. RABINOWITZ IS 100% OWNER OF J.H. DARBIE & CO., INC., CRD #43520.

IKE CARRIED INTEREST CO., LLC is under common control with the firm.

Business Address:	356 HOWARD AVE WOODMERE, NY 11598
Effective Date:	01/03/2012
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	ROBERT RABINOWITZ OWNS MORE THAN 25% OF THIS ENTITY

IKE MANAGEMENT, LLC is under common control with the firm.

Business Address:	356 HOWARD AVE WOODMERE, NY 11598
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Firm Operations



Organization Affiliates (continued)

Effective Date:	01/03/2012
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	ROBERT RABINOWITZ, CEO OF JH DARBIE & CO., INC. IS A CONTROL PERSON OF IKE MANAGEMENT, LLC

IKE PARTNERS, LLC. is under common control with the firm.

Business Address:	40 WALL STREET 30TH FLOOR NEW YORK, NY 10005
Effective Date:	01/03/2012
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	ROBERT RABINOWITZ, CEO OF JH DARBIE & CO., INC. IS A CONTROL PERSON OF IKE PARTNERS, LLC

WOLF A. POPPER, INC. is under common control with the firm.

CRD #:	44974
Business Address:	40 WALL STREET, 30TH FLOOR NEW YORK, NY 10005
Effective Date:	07/01/2007
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BOTH OF THESE FIRMS ARE OWNED BY ROBERT RABINOWITZ CEO OF JH

Firm Operations



Organization Affiliates (continued)

DARBIE

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	1	10	0
Civil Event	0	1	0
Arbitration	N/A	1	N/A



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 10

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 MADE PUBLICLY AVAILABLE QUARTERLY REPORTS ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES THAT WERE INACCURATE AND INCOMPLETE. THE FINDINGS STATED THAT THE REPORTS FAILED TO DESCRIBE THE MATERIAL TERMS OF ORDER ROUTING ARRANGEMENTS, SUCH AS THE AMOUNTS PER SHARE OR PER ORDER THAT THE FIRM RECEIVED AS PAYMENT FOR ORDER FLOW. IN ADDITION, THE FIRM'S NOT HELD ORDERS WERE INCLUDED IN THE OTHER CLASSIFICATION ON THE REPORTS. THE FINDINGS ALSO STATED THAT THE FIRM SUBMITTED ROES TO THE OATS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE FIRM REPORTED AN ACCOUNT TYPE FOR THE DESIGNATION FOR AN INSTITUTIONAL ACCOUNT IN ITS ORDER RECORDS SUBMITTED TO OATS FOR RETAIL AND FIRM ACCOUNT ORDERS, IT FAILED TO SUBMIT A REQUIRED CANCEL/REPLACE EVENT FOR A RETAIL ACCOUNT ORDER, AND IT REPORTED AN INCORRECT PRICE FOR A RETAIL ACCOUNT ORDER. THE INACCURATE REPORTING RESULTED FROM THE FIRM'S FAILURE TO ENTER THE CORRECT ACCOUNT TYPE CODE AND ITS FAILURES TO SUBMIT THE REQUIRED CANCEL/REPLACE EVENT AND ITS REPORTING OF AN INCORRECT PRICE WERE CAUSED BY HUMAN ERROR. THE FIRM LEARNED THAT IT MISTAKENLY REPORTED AN INCORRECT ACCOUNT TYPE CODE IN ITS SUBMISSIONS TO OATS THROUGH A FINRA EXAMINATION AND TOOK CORRECTIVE ACTION.

Initiated By: FINRA

Date Initiated: 02/08/2021

Docket/Case Number: 2018057162301

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: 02/08/2021



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$25,000. FINE PAID IN FULL ON MARCH 4, 2021.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>DURING THE PERIOD BETWEEN THE THIRD QUARTER OF 2011 AND THE THIRD QUARTER OF 2018 (THE 606 REVIEW PERIOD), THE FIRM MADE PUBLICLY AVAILABLE REPORTS ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES, REQUIRED PURSUANT TO RULE 606 OF REGULATION NMS (RULE 606) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, THAT WERE INACCURATE AND INCOMPLETE. THIS CONDUCT VIOLATED RULE 606 AND FINRA RULE 2010.</p> <p>DURING THE PERIOD BETWEEN FEBRUARY 2013 AND JANUARY 2019, THE FIRM SUBMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. DURING THE PERIOD BETWEEN FEBRUARY 2016 AND JANUARY 2019, THE FIRM SUBMITTED APPROXIMATELY 17,375 ROES TO OATS THAT INCLUDED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THIS CONDUCT VIOLATED FINRA RULES 7450 AND 2010.</p>
Initiated By:	FINRA
Date Initiated:	02/08/2021
Docket/Case Number:	20180571623
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure



Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/10/2021
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	
Sanction Details:	FIRM WAS CESURED AND FINED \$25,000. THE FINE WAS PAID ON MARCH, 5 2021.

Disclosure 2 of 10

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 SUPERVISE THE VARIABLE ANNUITY RECOMMENDATIONS AND RELATED RETAIL COMMUNICATIONS OF ONE OF ITS REGISTERED REPRESENTATIVES WHO SENT COMMUNICATIONS TO PROSPECTIVE CUSTOMERS THAT FAILED TO COMPLY WITH THE CONTENT STANDARDS OF FINRA'S ADVERTISING RULES. THE FINDINGS STATED THAT THE REGISTERED REPRESENTATIVE SENT TO PROSPECTIVE CUSTOMERS NUMEROUS RETAIL COMMUNICATIONS CONCERNING A VARIABLE ANNUITY-BASED INVESTMENT STRATEGY THAT THE REGISTERED REPRESENTATIVE HAD DEVELOPED. THESE COMMUNICATIONS FAILED TO COMPLY WITH THE CONTENT STANDARDS OF FINRA'S ADVERTISING RULES IN MULTIPLE RESPECTS. BECAUSE THE FIRM WAS ALLOWING THE REGISTERED REPRESENTATIVE TO SELF-SUPERVISE HIS VARIABLE ANNUITY-RELATED ACTIVITIES, THE FIRM FAILED TO IDENTIFY OR PREVENT THESE VIOLATIVE COMMUNICATIONS.
Initiated By:	FINRA
Date Initiated:	04/11/2018
Docket/Case Number:	2015043369501
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: 04/11/2018

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 \$25,000.00

Other Sanctions Ordered: UNDERTAKINGS: WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, OR SUCH ADDITIONAL PERIOD AS AGREED TO BY FINRA, PROVIDE FINRA WITH A WRITTEN CERTIFICATION THAT THE FIRM'S SYSTEMS, POLICIES AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 3110(B)(6)(C); AND FILE WITH FINRA'S ADVERTISING REGULATION DEPARTMENT, FOR THE PERIOD OF SIX MONTHS FROM THE EFFECTIVE DATE OF THIS AWC, ALL NEW RETAIL COMMUNICATIONS, AS DEFINED IN FINRA RULE 2210(A)(5), CONCERNING ANY VARIABLE ANNUITY PRODUCT, AT LEAST 10 BUSINESS DAYS PRIOR TO THEIR FIRST USE.

Sanction Details: THE FIRM WAS CENSURED, FINED \$25,000 AND UNDERTAKES TO: WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, OR SUCH ADDITIONAL PERIOD AS AGREED TO BY FINRA, PROVIDE FINRA WITH WRITTEN CERTIFICATION THAT THE FIRM'S SYSTEMS, POLICIES AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 3110(B)(6)(C); AND FILE WITH FINRA'S ADVERTISING REGULATION DEPARTMENT, FOR THE PERIOD OF SIX MONTHS FROM THE EFFECTIVE DATE OF THIS AWC, ALL NEW RETAIL COMMUNICATIONS, AS DEFINED IN FINRA RULE 2210(A)(5), CONCERNING ANY VARIABLE ANNUITY PRODUCT, AT LEAST 10 BUSINESS DAYS PRIOR TO THEIR FIRST USE. FINE PAID IN FULL ON MARCH 9, 2021.

Reporting Source: Firm

Current Status: Final

Allegations: THE ALLEGATIONS ARE THAT JH DARBIE VIOLATED NASD RULE 3010 AND FINRA RULES 3110 AND 2010. JH DARBIE FAILED TO SUPERVISE THE VARIABLE ANNUITY RECOMMENDATIONS AND RELATED RETAIL COMMUNICATIONS FOR ONE OF ITS REGISTERED REPRESENTATIVES.



Initiated By: FINRA
Date Initiated: 04/11/2018
Docket/Case Number: 2015043369501
Principal Product Type: Annuity(ies) - Variable
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: FINE AND UNDERTAKING
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/11/2018
Sanctions Ordered: Monetary/Fine \$25,000.00
Other Sanctions Ordered: UNDERTAKING THAT THE FIRM'S SYSTEMS, POLICIES, AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 3110(B)(6)(C). AN UNDERTAKING THAT ALL VARIABLE ANNUITY RETAIL COMMUNICATIONS WILL BE FILED WITH FINRA'S ADVERTISING DEPARTMENT 10-DAYS PRIOR TO USE FOR A PERIOD OF 6-MONTHS.
Sanction Details: AWC-FINE \$25,000

Disclosure 3 of 10

Reporting Source: Regulator
Current Status: Final
Allegations: SEC ADMIN RELEASE 34-82951 / MARCH 27, 2018: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST RESPONDENT JH DARBIE & CO., INC. ("JH DARBIE").
 ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF THE FAILURE OF JH DARBIE, A REGISTERED BROKER-DEALER, TO PROPERLY COMPUTE AND REPORT ITS NET CAPITAL. AS A CONSEQUENCE, FROM SEPTEMBER 2015 THROUGH JULY 2016 (THE "RELEVANT PERIOD"), JH DARBIE OPERATED WITH A NET CAPITAL DEFICIENCY AND VIOLATED NET CAPITAL REPORTING AND BOOKS AND RECORDS PROVISIONS. ITS CHIEF EXECUTIVE OFFICER ("CEO") AND FINANCIAL AND OPERATIONS PRINCIPAL ("FINOP"), CAUSED JH DARBIE'S VIOLATIONS BY FAILING TO PROPERLY



COMPUTE AND REPORT JH DARBIE'S NET CAPITAL.
 AS A RESULT OF THE CONDUCT, JH DARBIE WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-1 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAINTAIN MINIMUM NET CAPITAL, AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-5 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAKE AND KEEP CURRENT CERTAIN BOOKS AND RECORDS, AND TO MAKE CERTAIN REPORTS AND FILINGS WITH THE COMMISSION.

Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	03/27/2018
Docket/Case Number:	3-18409
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:	03/27/2018
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS; AND POST-ORDER INTEREST
Sanction Details:	RESPONDENT JH DARBIE SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(C)(3) AND 17(A)(1) OF THE EXCHANGE ACT AND RULES 15C3-1, 17A-3 AND 17A-5 THEREUNDER. RESPONDENT JH DARBIE IS CENSURED SHALL PAY CIVIL PENALTIES OF \$50,000 PLUS AGREED UPON POST-ORDER INTEREST OF \$113, AND SHALL COMPLY WITH THE UNDERTAKINGS AS ENUMERATED IN THE OFFER.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER)



WHICH THE COMMISSION HAS DETERMINED TO ACCEPT.
IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE
IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE
RESPONDENT'S OFFER.
ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT JH DARBIE
SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY
VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(C)(3) AND
17(A)(1) OF THE EXCHANGE ACT AND RULES 15C3-1, 17A-3 AND 17A-5
THEREUNDER. RESPONDENT JH DARBIE IS CENSURED SHALL PAY CIVIL
PENALTIES OF \$50,000 PLUS AGREED UPON POST-ORDER INTEREST OF
\$113, AND SHALL COMPLY WITH THE UNDERTAKINGS AS ENUMERATED IN
THE OFFER.

AS A RESULT OF THE CONDUCT, JH DARBIE WILLFULLY VIOLATED SECTION
15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-1 THEREUNDER, WHICH
REQUIRE BROKER-DEALERS TO MAINTAIN MINIMUM NET CAPITAL, AND
SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-5
THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAKE AND KEEP
CURRENT CERTAIN BOOKS AND RECORDS, AND TO MAKE CERTAIN
REPORTS AND FILINGS WITH THE COMMISSION.

Reporting Source: Firm

Current Status: Final

Allegations: SEC ADMIN RELEASE 34-82951 / MARCH 27, 2018: THE SECURITIES AND
EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC
INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST
PROCEEDINGS BE INSTITUTED AGAINST RESPONDENT JH DARBIE & CO.,
INC. ("JH DARBIE"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S
OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT
OF THE FAILURE OF JH DARBIE, A REGISTERED BROKER-DEALER, TO
PROPERLY COMPUTE AND REPORT ITS NET CAPITAL. AS A
CONSEQUENCE, FROM SEPTEMBER 2015 THROUGH JULY 2016 (THE
"RELEVANT PERIOD"), JH DARBIE OPERATED WITH A NET CAPITAL
DEFICIENCY AND VIOLATED NET CAPITAL REPORTING AND BOOKS AND
RECORDS PROVISIONS. ITS CHIEF EXECUTIVE OFFICER ("CEO") AND
FINANCIAL AND OPERATIONS PRINCIPAL ("FINOP"), CAUSED JH DARBIE'S
VIOLATIONS BY FAILING TO PROPERLY COMPUTE AND REPORT JH
DARBIE'S NET CAPITAL. AS A RESULT OF THE CONDUCT, JH DARBIE
WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE
15C3-1 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAINTAIN
MINIMUM NET CAPITAL, AND SECTION 17(A)(1) OF THE EXCHANGE ACT



AND RULES 17A-3 AND 17A-5 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAKE AND KEEP CURRENT CERTAIN BOOKS AND RECORDS, AND TO MAKE CERTAIN REPORTS AND FILINGS WITH THE COMMISSION.

Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	03/27/2018
Docket/Case Number:	3-18409
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:	03/27/2018
Sanctions Ordered:	Censure Monetary/Fine \$50,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	RESPONDENT JH DARBIE SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(C)(3) AND 17(A)(1) OF THE EXCHANGE ACT AND RULES 15C3-1, 17A-3 AND 17A-5 THEREUNDER. RESPONDENT JH DARBIE IS CENSURED SHALL PAY CIVIL PENALTIES OF \$50,000 PLUS AGREED UPON POST-ORDER INTEREST OF \$113, AND SHALL COMPLY WITH THE UNDERTAKINGS AS ENUMERATED IN THE OFFER.
Firm Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT JH DARBIE SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(C)(3) AND 17(A)(1) OF THE EXCHANGE ACT AND RULES 15C3-1, 17A-3 AND 17A-5 THEREUNDER. RESPONDENT JH DARBIE IS CENSURED SHALL PAY CIVIL PENALTIES OF \$50,000 PLUS AGREED UPON POST-ORDER INTEREST OF \$113, AND SHALL COMPLY WITH THE UNDERTAKINGS AS ENUMERATED IN THE OFFER. AS A RESULT OF THE CONDUCT, JH DARBIE



WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-1 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAINTAIN MINIMUM NET CAPITAL, AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-5 THEREUNDER, WHICH REQUIRE BROKER-DEALERS TO MAKE AND KEEP CURRENT CERTAIN BOOKS AND RECORDS, AND TO MAKE CERTAIN REPORTS AND FILINGS WITH THE COMMISSION

Disclosure 4 of 10

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED IN INSTANCES TO SUBMIT ALL REQUIRED ROUTE REPORTS TO OATS FOR AN ORDER, FAILED IN INSTANCES TO SUBMIT THE CORRECT ORDER ENTRY TIME OF AN ORDER TO OATS, AND IN ONE INSTANCE SUBMITTED AN ERRONEOUS CANCEL REPORT TO OATS. THE FINDINGS ALSO STATED THAT FOR EACH OF THE INSTANCES WHERE THE FIRM FAILED TO SUBMIT CERTAIN ROUTE REPORTS TO OATS, A SOFTWARE ERROR WAS DETERMINED TO BE THE CAUSE. IT WAS DISCOVERED THAT THE ERROR EXISTED SINCE 2014 AND RESULTED IN 12,052 ROUTE RECORDS NOT BEING REPORTED TO OATS FOR THE PERIOD FROM JANUARY 2014 THROUGH OCTOBER 2015. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA. SPECIFICALLY, THE FIRM FAILED TO PROVIDE SUFFICIENT DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) RELATING TO CLOCK SYNCHRONIZATION, THE ACCURACY OF OATS SUBMISSIONS, OATS DATA REJECTS AND OATS INTERFIRM ROUTE MATCHING.</p>
Initiated By:	FINRA
Date Initiated:	05/24/2017
Docket/Case Number:	2015044150301
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: 05/24/2017

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
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$12,500. FINE PAID IN FULL ON JUNE 7, 2017.

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 TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED IN INSTANCES TO SUBMIT ALL REQUIRED ROUTE REPORTS TO OATS FOR AN ORDER, FAILED IN INSTANCES TO SUBMIT THE CORRECT ORDER ENTRY TIME OF AN ORDER TO OATS, AND IN ONE INSTANCE SUBMITTED AN ERRONEOUS CANCEL REPORT TO OATS. THE FINDINGS ALSO STATED THAT FOR EACH OF THE INSTANCES WHERE THE FIRM FAILED TO SUBMIT CERTAIN ROUTE REPORTS TO OATS, A SOFTWARE ERROR WAS DETERMINED TO BE THE CAUSE. IT WAS DISCOVERED THAT THE ERROR EXISTED SINCE 2014 AND RESULTED IN 12,052 ROUTE RECORDS NOT BEING REPORTED TO OATS FOR THE PERIOD FROM JANUARY 2014 THROUGH OCTOBER 2015. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA. SPECIFICALLY, THE FIRM FAILED TO PROVIDE SUFFICIENT DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) RELATING TO



CLOCK SYNCHRONIZATION, THE ACCURACY OF OATS SUBMISSIONS, OATS DATA REJECTS AND OATS INTERFIRM ROUTE MATCHING.

Initiated By: FINRA

Date Initiated: 05/24/2017

Docket/Case Number: 2015044150301

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: 05/24/2017

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$12,500.

Disclosure 5 of 10

Reporting Source: Firm

Current Status: Final

Allegations: DUE TO A CLERICAL OVERSIGHT, JH DARBIE & CO., INC. (THE FIRM) ANSWERED "NO" TO QUESTION 9(B) ON THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES INSURANCE LICENSE APPLICATION. THE QUESTION STATED THE FOLLOWING; "HAS THE BUSINESS ENTITY OR ANY OWNER/OFFICER/DIRECTOR/PARTNER/-MEMBER/MANAGER, NAMED IN 5 OR 6 (JH DARBIE & CO., INC.), EVER BEEN NAMED OR INVOLVED AS A PARTY IN AN ADMINISTRATIVE PROCEEDING REGARDING ANY PROFESSIONAL OR OCCUPATIONAL LICENSE OR AGREEMENT?" JH DARBIE & CO., INC.(THE FIRM) SHOULD HAVE ANSWERED THIS QUESTION "YES", FOR JH DARBIE - & CO., INC., WAS CENSURED AND ASSESSED A FINE OF \$7,500 BY FINRA IN DECEMBER 2010 AND WAS CENSURED AND ASSESSED A FINE OF \$11,500 BY FINRA IN JUNE 2011. JH DARBIE & CO., INC. (THE FIRM) DID NOT PURPOSELY ANSWER THIS QUESTION INCORRECTLY, ONCE AGAIN, THIS WAS A CLERICAL OVERSIGHT OF THIS QUESTION.



Initiated By: NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES.

Date Initiated: 08/28/2015

Docket/Case Number:

Principal Product Type: Insurance

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 08/28/2015

Sanctions Ordered: Monetary/Fine \$1,500.00

Other Sanctions Ordered: NONE.

Sanction Details: THE FIRM WAS FINED \$1500.00, WHICH WAS PAID ON 08/28/2015.

Disclosure 6 of 10

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 FACILITATED THE SALES OF UNREGISTERED SECURITIES IN TRANSACTIONS NOT SUBJECT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS, IN CONTRAVENTION OF SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT A FIRM REGISTERED REPRESENTATIVE, AND THE FIRM EFFECTED THE SALE OF 2.2 BILLION SHARES OF MICROCAP ISSUERS THAT WERE THINLY TRADED AND REPORTED NO REVENUES OR NEGATIVE REVENUES. NO REGISTRATION STATEMENT HAD BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) OR WAS IN EFFECT FOR THE SALES, AND THE SALES TRANSACTIONS WERE NOT EXEMPT FROM REGISTRATION WITH THE SEC. THE FIRM FAILED TO CONDUCT A REASONABLE INQUIRY INTO THE TRANSACTIONS DESPITE RED FLAGS INDICATING THAT THESE CUSTOMERS WERE RELATED AND WERE ENGAGING IN UNREGISTERED SECURITIES DISTRIBUTIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5. THE



FIRM FAILED TO ENSURE REASONABLY THAT ADEQUATE DUE DILIGENCE WAS CONDUCTED BEFORE EXECUTING SALES IN MICROCAP STOCKS TO VERIFY THAT THE TRANSACTIONS WERE REGISTERED OR EXEMPT FROM REGISTRATION. THE FIRM ALSO LACKED AN ADEQUATE SYSTEM FOR THE REVIEW AND AGGREGATION OF SECURITIES HELD BY RELATED CUSTOMERS TO DETERMINE WHETHER THE CUSTOMERS WERE IN A CONTROL RELATIONSHIP WITH THE ISSUER AND SUBJECT TO VOLUME LIMITATIONS ON RE-SALES. CONSEQUENTLY, THE FIRM FAILED TO CONDUCT REASONABLE INQUIRIES SURROUNDING THE SALES OF CERTAIN SUCH STOCKS AND FAILED TO AGGREGATE SECURITIES HOLDINGS AMONG RELATED ACCOUNTS, ENTITIES AND ACCOUNT HOLDERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO DEVELOP AND IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS. FINRA FOUND THAT THE FIRM FAILED TO CONDUCT INDEPENDENT AML TESTS AND ITS TESTS WERE INADEQUATE AS THEY FAILED TO ADDRESS ITS LOW-PRICED SECURITY DEPOSIT AND LIQUIDATION BUSINESS. IN ADDITION, FINRA DETERMINED THAT THE FIRM FAILED TO SUPERVISE ADEQUATELY A REGISTERED REPRESENTATIVE SALE OF HUNDREDS OF MILLIONS OF SHARES OF PENNY STOCKS RECEIVED ELECTRONICALLY AND LIQUIDATED INTO THE MARKETPLACE. ADDITIONALLY, THE FIRM FAILED TO REQUIRE OR PERFORM ADEQUATE DUE DILIGENCE, AND PROPERLY SUPERVISE, THE REGISTERED REPRESENTATIVE SALE OF BILLIONS OF SHARES OF PENNY STOCK RECEIVED IN CERTIFICATE FORM AND LIQUIDATED INTO THE MARKETPLACE. MOREOVER, FINRA FOUND THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A REASONABLE SYSTEM FOR MONITORING OF POTENTIAL CONFLICTS OF INTEREST INVOLVING A REGISTERED REPRESENTATIVE AT THE FIRM WHO OWNED A TRANSFER AGENT AND WAS HEAVILY INVOLVED IN PROCESSING STOCK CERTIFICATES FOR ISSUERS OF MICROCAP SECURITIES. THE FIRM FAILED TO TAKE SUFFICIENT STEPS TO SUPERVISE THE REGISTERED REPRESENTATIVE WHERE STOCK COMING INTO A FIRM CUSTOMER ACCOUNT WAS PROCESSED BY THE TRANSFER AGENT AND DID NOT EXERCISE APPROPRIATE HEIGHTENED SCRUTINY OVER DOCUMENTATION OR INFORMATION FROM THE TRANSFER AGENT ACCOMPANYING THE DEPOSIT OF SUCH SHARES.

Initiated By: FINRA
Date Initiated: 08/06/2015
Docket/Case Number: 2014041086502
Principal Product Type: Options



Other Product Type(s): LOW-PRICED, MICROCAP STOCKS, AND UNREGISTERED SECURITIES

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/06/2015

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 \$230,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$230,000, \$10,000 OF WHICH IS JOINT AND SEVERAL, AND IS REQUIRED TO COMPLY WITH UNDERTAKINGS IN THE AWC. FINES PAID IN FULL ON FEBRUARY 15, 2019.

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 FACILITATED THE SALES OF UNREGISTERED SECURITIES IN TRANSACTIONS NOT SUBJECT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS, IN CONTRAVENTION OF SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT A FIRM REGISTERED REPRESENTATIVE, AND THE FIRM EFFECTED THE SALE OF 2.2 BILLION SHARES OF MICROCAP ISSUERS THAT WERE THINLY TRADED AND REPORTED NO REVENUES OR NEGATIVE REVENUES. NO REGISTRATION STATEMENT HAD BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) OR WAS IN EFFECT FOR THE SALES, AND THE SALES TRANSACTIONS WERE NOT EXEMPT FROM REGISTRATION WITH THE SEC. THE FIRM FAILED TO CONDUCT A REASONABLE INQUIRY INTO THE TRANSACTIONS DESPITE RED FLAGS INDICATING THAT THESE CUSTOMERS WERE RELATED AND WERE ENGAGING IN UNREGISTERED SECURITIES DISTRIBUTIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM



REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5. THE FIRM FAILED TO ENSURE REASONABLY THAT ADEQUATE DUE DILIGENCE WAS CONDUCTED BEFORE EXECUTING SALES IN MICROCAP STOCKS TO VERIFY THAT THE TRANSACTIONS WERE REGISTERED OR EXEMPT FROM REGISTRATION. THE FIRM ALSO LACKED AN ADEQUATE SYSTEM FOR THE REVIEW AND AGGREGATION OF SECURITIES HELD BY RELATED CUSTOMERS TO DETERMINE WHETHER THE CUSTOMERS WERE IN A CONTROL RELATIONSHIP WITH THE ISSUER AND SUBJECT TO VOLUME LIMITATIONS ON RE-SALES. CONSEQUENTLY, THE FIRM FAILED TO CONDUCT REASONABLE INQUIRIES SURROUNDING THE SALES OF CERTAIN SUCH STOCKS AND FAILED TO AGGREGATE SECURITIES HOLDINGS AMONG RELATED ACCOUNTS, ENTITIES AND ACCOUNT HOLDERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO DEVELOP AND IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS. FINRA FOUND THAT THE FIRM FAILED TO CONDUCT INDEPENDENT AML TESTS AND ITS TESTS WERE INADEQUATE AS THEY FAILED TO ADDRESS ITS LOW-PRICED SECURITY DEPOSIT AND LIQUIDATION BUSINESS. IN ADDITION, FINRA DETERMINED THAT THE FIRM FAILED TO SUPERVISE ADEQUATELY A REGISTERED REPRESENTATIVE SALE OF HUNDREDS OF MILLIONS OF SHARES OF PENNY STOCKS RECEIVED ELECTRONICALLY AND LIQUIDATED INTO THE MARKETPLACE. ADDITIONALLY, THE FIRM FAILED TO REQUIRE OR PERFORM ADEQUATE DUE DILIGENCE, AND PROPERLY SUPERVISE, THE REGISTERED REPRESENTATIVE SALE OF BILLIONS OF SHARES OF PENNY STOCK RECEIVED IN CERTIFICATE FORM AND LIQUIDATED INTO THE MARKETPLACE. MOREOVER, FINRA FOUND THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A REASONABLE SYSTEM FOR MONITORING OF POTENTIAL CONFLICTS OF INTEREST INVOLVING A REGISTERED REPRESENTATIVE AT THE FIRM WHO OWNED A TRANSFER AGENT AND WAS HEAVILY INVOLVED IN PROCESSING STOCK CERTIFICATES FOR ISSUERS OF MICROCAP SECURITIES. THE FIRM FAILED TO TAKE SUFFICIENT STEPS TO SUPERVISE THE REGISTERED REPRESENTATIVE WHERE STOCK COMING INTO A FIRM CUSTOMER ACCOUNT WAS PROCESSED BY THE TRANSFER AGENT AND DID NOT EXERCISE APPROPRIATE HEIGHTENED SCRUTINY OVER DOCUMENTATION OR INFORMATION FROM THE TRANSFER AGENT ACCOMPANYING THE DEPOSIT OF SUCH SHARES.

Initiated By: FINRA
Date Initiated: 08/06/2015
Docket/Case Number: 2014041086502
Principal Product Type: Options



Other Product Type(s):	LOW-PRICED, MICROCAP STOCKS, AND UNREGISTERED SECURITIES.
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/06/2015
Sanctions Ordered:	Censure Monetary/Fine \$230,000.00 Suspension
Other Sanctions Ordered:	UNDERTAKING.
Sanction Details:	THE FIRM WAS CENSURED, FINED \$230,000, \$10,000 OF WHICH IS JOINT AND SEVERAL, AND IS REQUIRED TO COMPLY WITH UNDERTAKINGS IN THE AWC. THE CONTROL AFFILIATE WILL BE SUSPENDED FOR THIRTY DAYS FROM 09/08/2015 THROUGH 10/07/2015, IN ALL PRINCIPAL CAPACITIES EXCEPT SERIES 4 AND 27.
Firm Statement	WITHOUT ADMITTING OR DENYING, THE FIRM AGREED TO RESOLVE THE MATTER WITH FINRA, AND AGREEING TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW CERTAIN OF ITS PROCEDURES.

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 FACILITATED THE SALES OF UNREGISTERED SECURITIES IN TRANSACTIONS NOT SUBJECT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS, IN CONTRAVENTION OF SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT A FIRM REGISTERED REPRESENTATIVE, AND THE FIRM EFFECTED THE SALE OF 2.2 BILLION SHARES OF MICROCAP ISSUERS THAT WERE THINLY TRADED AND REPORTED NO REVENUES OR NEGATIVE REVENUES. NO REGISTRATION STATEMENT HAD BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) OR WAS IN EFFECT FOR THE SALES, AND THE SALES TRANSACTIONS WERE NOT EXEMPT FROM REGISTRATION WITH THE SEC. THE FIRM FAILED TO CONDUCT A REASONABLE INQUIRY INTO THE TRANSACTIONS DESPITE RED FLAGS INDICATING THAT THESE CUSTOMERS WERE RELATED AND WERE ENGAGING IN UNREGISTERED



SECURITIES DISTRIBUTIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5. THE FIRM FAILED TO ENSURE REASONABLY THAT ADEQUATE DUE DILIGENCE WAS CONDUCTED BEFORE EXECUTING SALES IN MICROCAP STOCKS TO VERIFY THAT THE TRANSACTIONS WERE REGISTERED OR EXEMPT FROM REGISTRATION. THE FIRM ALSO LACKED AN ADEQUATE SYSTEM FOR THE REVIEW AND AGGREGATION OF SECURITIES HELD BY RELATED CUSTOMERS TO DETERMINE WHETHER THE CUSTOMERS WERE IN A CONTROL RELATIONSHIP WITH THE ISSUER AND SUBJECT TO VOLUME LIMITATIONS ON RE-SALES. CONSEQUENTLY, THE FIRM FAILED TO CONDUCT REASONABLE INQUIRIES SURROUNDING THE SALES OF CERTAIN SUCH STOCKS AND FAILED TO AGGREGATE SECURITIES HOLDINGS AMONG RELATED ACCOUNTS, ENTITIES AND ACCOUNT HOLDERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO DEVELOP AND IMPLEMENT AN ANTI-MONEY LAUNDERING (AML) PROGRAM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS. FINRA FOUND THAT THE FIRM FAILED TO CONDUCT INDEPENDENT AML TESTS AND ITS TESTS WERE INADEQUATE AS THEY FAILED TO ADDRESS ITS LOW-PRICED SECURITY DEPOSIT AND LIQUIDATION BUSINESS. IN ADDITION, FINRA DETERMINED THAT THE FIRM FAILED TO SUPERVISE ADEQUATELY A REGISTERED REPRESENTATIVE SALE OF HUNDREDS OF MILLIONS OF SHARES OF PENNY STOCKS RECEIVED ELECTRONICALLY AND LIQUIDATED INTO THE MARKETPLACE. ADDITIONALLY, THE FIRM FAILED TO REQUIRE OR PERFORM ADEQUATE DUE DILIGENCE, AND PROPERLY SUPERVISE, THE REGISTERED REPRESENTATIVE SALE OF BILLIONS OF SHARES OF PENNY STOCK RECEIVED IN CERTIFICATE FORM AND LIQUIDATED INTO THE MARKETPLACE. MOREOVER, FINRA FOUND THAT THE FIRM FAILED TO ESTABLISH AND IMPLEMENT A REASONABLE SYSTEM FOR MONITORING OF POTENTIAL CONFLICTS OF INTEREST INVOLVING A REGISTERED REPRESENTATIVE AT THE FIRM WHO OWNED A TRANSFER AGENT AND WAS HEAVILY INVOLVED IN PROCESSING STOCK CERTIFICATES FOR ISSUERS OF MICROCAP SECURITIES. THE FIRM FAILED TO TAKE SUFFICIENT STEPS TO SUPERVISE THE REGISTERED REPRESENTATIVE WHERE STOCK COMING INTO A FIRM CUSTOMER ACCOUNT WAS PROCESSED BY THE TRANSFER AGENT AND DID NOT EXERCISE APPROPRIATE HEIGHTENED SCRUTINY OVER DOCUMENTATION OR INFORMATION FROM THE TRANSFER AGENT ACCOMPANYING THE DEPOSIT OF SUCH SHARES.

Initiated By: FINRA
Date Initiated: 08/06/2015
Docket/Case Number: 2014041086502



Principal Product Type:	Options
Other Product Type(s):	LOW-PRICED, MICROCAP STOCKS, AND UNREGISTERED SECURITIES.
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/06/2015
Sanctions Ordered:	Censure Monetary/Fine \$230,000.00 Suspension
Other Sanctions Ordered:	UNDERTAKING.
Sanction Details:	THE FIRM WAS CENSURED, FINED \$230,000, \$10,000 OF WHICH IS JOINT AND SEVERAL, AND IS REQUIRED TO COMPLY WITH UNDERTAKINGS IN THE AWC. THE CONTROL AFFILIATE WILL BE SUSPENDED FOR THIRTY DAYS FROM 09/08/2015 THROUGH 10/07/2015, IN ALL PRINCIPAL CAPACITIES EXCEPT SERIES 4 AND 27.
Firm Statement	WITHOUT ADMITTING OR DENYING, THE FIRM AGREED TO RESOLVE THE MATTER WITH FINRA, AND AGREEING TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW CERTAIN OF ITS PROCEDURES.

Disclosure 7 of 10

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULES 2010, 7450, NASD RULES 2110, 3010, 6955(A) - J.H. DARBIE & CO., INC. FAILED TO TIMELY REPORT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING OATS REPORTING.
Initiated By:	FINRA
Date Initiated:	06/17/2011
Docket/Case Number:	2009018266501



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: 06/17/2011

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 \$11,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$11,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULES 2010, 7450, NASD RULES 2110, 3010, 6955(A) - J.H. DARBIE & CO., INC. FAILED TO TIMELY REPORT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING OATS REPORTING.

Initiated By: FINRA

Date Initiated: 06/17/2011

Docket/Case Number: 2009018266501



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:	06/17/2011
Sanctions Ordered:	Censure Monetary/Fine \$11,500.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$11,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
Firm Statement	THIS SANCTION IS RELATED TO AN OATS REPORTING VIOLATION, WHEREAS A CONTRACTED AUTHORIZED THIRD PARTY PROVIDED INACCURATE INFORMATION TO US, CAUSING OUR FIRM TO TRANSMIT INACCURATE AND LATE REPORTABLE ORDER EVENTS TO OATS. THIS EVENT IS NOT INDICATIVE OF TRADE EXECUTION PERFORMANCE AND NO CUSTOMER ORDERS WERE AFFECTED. WE HAVE CONTRACTED A NEW THIRD PARTY VENDOR TO SUPPLY US WITH ACCURATE INFORMATION. AS OF THIS DATE THERE HAS BEEN A TREMENDOUS IMPROVEMENT IN OUR OATS REPORTING.

Disclosure 8 of 10

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 6955(A) - J.H. DARBIE & CO., INC. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); AND TRANSMITTED REPORTS TO OATS THAT CONTAINED INACCURATE TIMESTAMPS.
Initiated By:	FINRA
Date Initiated:	12/23/2010



Docket/Case Number: 2008013561701

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: 12/23/2010

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: Censure
Monetary/Fine \$7,500.00

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 \$7,500.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULE 6955(A) - J.H. DARBIE & CO., INC. FAILED TO TIMELY REPORT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS); AND TRANSMITTED REPORTS TO OATS THAT CONTAINED INACCURATE TIMESTAMPS.

Initiated By: FINRA

Date Initiated: 12/23/2010

Docket/Case Number: 2008013561701

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: 12/23/2010

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

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 \$7,500.

Firm Statement THIS SANCTION IS RELATED TO AN OATS REPORTING VIOLATION, WHEREAS A CONTRACTED AUTHORIZED THIRD PARTY PROVIDED INACCURATE INFORMATION TO US, CAUSING OUR FIRM TO TRANSMIT INACCURATE AND LATE REPORTABLE ORDER EVENTS TO OATS. THIS EVENT IS NOT INDICATIVE OF TRADE EXECUTION PERFORMANCE AND NO CUSTOMER ORDERS WERE AFFECTED. WE HAVE CONTRACTED A NEW THIRD PARTY VENDOR TO SUPPLY US WITH ACCURATE INFORMATION. AS OF THIS DATE THERE HAS BEEN A TREMENDOUS IMPROVEMENT IN OUR OATS REPORTING.

Disclosure 9 of 10

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010, 6130(B)- RESPONDENT MEMBER FAILED TO ACCEPT OR DECLINE IN ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION; FAILED TO PROVIDE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING ACT TRADE REPORTING.

Initiated By: NASD

Date Initiated: 11/19/2004

Docket/Case Number: CMS040180

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, UNDERTAKING
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/19/2004
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 \$12,500.00
Other Sanctions Ordered:	UNDERTAKING: TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO ACT TRADE REPORTING.
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.H. DARBIE & CO., INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$12,500.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD RULES 2110, 3010, 6130(B)- RESPONDENT MEMBER FAILED TO ACCEPT OR DECLINE IN ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION; FAILED TO PROVIDE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING ACT TRADE REPORTING.
Initiated By:	NASD
Date Initiated:	11/19/2004
Docket/Case Number:	CMS040180
Principal Product Type:	Other
Other Product Type(s):	UNKNOWN TYPE OF SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/19/2004

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

Other Sanctions Ordered: UNDERTAKING:TO REEVICE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO ACT TRADE REPORTING

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, JH DARBIE & CO., INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THERFORE, THE FIRM IS FINED & CENSURED \$12,500.

Firm Statement THE NASD FOUND THAT JH DARBIE FAILED TO ACCEPT OR DECLINE IN ACT 129 TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, APPROXIMATELY 61% OF ALL TRANSACTIONS THAT JH DARBIE HAD AN OBLIGATION TO ACCEPT OR DECLINE IN ACT, AS THE OEID DURING THE REVIEW PERIOD. THESE TRANSACTIONS REFLECT LESS THEN 3% OF ALL JH DARBIE'S TRANSACTIONS DURING THE PERIOD COVERED. THE LATE TRADE REPORTING VIOLATION ABSOLUTLY HAS NO EFFECT ON THE ACTUAL TRADE EXECUTION PRICES (ALL TRADES ARE REPORTED BY THE CONTRA FIRM AND WE HAVE TO MANUALLY ACCEPT CERTAIN TRADES). JH DARBIE MAKES EVERY ATTEMPT TO EXECUTE TRADES THROUGH THE AUTOLOCK SYSTEM (THUS ELIMINATING ANY MANUAL REPORTING). OCCASSIONALLY, IT IS NECESSARY FOR JDRB TO MANUALLY ACCEPT OR DECLINE TRADES SO THAT A SMALL NUMBER OF TRADES MAY NOT BE TIMELY REPORTED.

ADDITIONALLY,THIS VIOLATION WAS PART OF A REVIEW OF THE SAME FINDINGS OF A PREVIOUS VIOLATION THAT THE NASD DECIDED TO SPLIT INTO TWO AUDITED PERIODS THUS RESULTING IN A SECOND FINE. ONCE THE FIRM WAS AWARE OF THE MINOR VIOLATION THE FIRM IMMEDIATLY TOOK CORRECTIVE ACTIONS TO CHANGE OUR PROCEDURES.

Disclosure 10 of 10

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 6130(B) - J.H. DARBIE & CO., INC. FAILED TO ACCEPT OR DECLINE IN ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20



MINUTES AFTER EXECUTION.

Initiated By: NASD

Date Initiated: 06/24/2004

Docket/Case Number: CMS040089

Principal Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/24/2004

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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.H. DARBIE & CO., INC. CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 6130 (B) - JH DARBIE & CO. FAILED TO ACCEPT OR DECLINE ACT TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION.

Initiated By: NASD

Date Initiated: 06/24/2004

Docket/Case Number: CMS040089

Principal Product Type: Other



Other Product Type(s):	UNKNOWN TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/24/2004
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, JH DARBIE & CO., INC. CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.
Firm Statement	<p>THE NASD FOUND THAT JH DARBIE FAILED TO ACCEPT OR DECLINE IN ACT 165 TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, APPROXIMATELY 60% OF ALL TRANSACTIONS THAT JDRB HAD AN OBLIGATION TO ACCEPT OR DECLINE IN ACT AS THE OEID DURING THE REVIEW PERIOD.</p> <p>THESE TRANSACTIONS REFLECT LESS THEN 3% OF ALL JDRB'S TRANSACTIONS DURING THE PERIOD COVERED. JDRB MAKES EVERY ATTEMPT TO EXECUTE TRADES THROUGH THE AUTOLOCK SYSTEM. OCCASIONALLY, IT IS NECESSARY FOR JDRB TO MANUALLY ACCEPT OR DECLINE TRADES SO THAT A SMALL NUMBER OF TRADES MAY NOT BE TIMELY REPORTED. JDRB HAS NOW PUT IN PLACE PROCEDURES TO SATISFY THE TIME REPORTING RULES.</p>



Regulatory - Pending

This type of disclosure event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Firm
Current Status:	Pending
Allegations:	THIS PROPOSED ACTION WOULD ALLEGE VIOLATIONS OF SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") AND RULE 17A-8 THEREUNDER.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	02/18/2022
Docket/Case Number:	NNY-10158
Principal Product Type:	Penny Stock(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Injunction
Other Sanction(s)/Relief Sought:	
Firm Statement	J.H. DARBIE RESPONDED TO THE SEC LETTER ON MARCH 16, 2022. IN THIS RESPONSE, THE FIRMS ASKED THE COMMISSION TO TAKE NO FURTHER ACTION.



Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final

Allegations: PLAINTIFF SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), FOR ITS COMPLAINT AGAINST DEFENDANT J.H. DARBIE & CO., INC. ("J.H. DARBIE") ALLEGES THAT THIS CASE CONCERNS J.H. DARBIE'S FAILURES TO COMPLY WITH ITS LEGAL OBLIGATION TO FILE SUSPICIOUS ACTIVITY REPORTS ("SARS") WITH THE U.S. TREASURY DEPARTMENT'S FINANCIAL CRIMES ENFORCEMENT NETWORK ("FINCEN"). BETWEEN JANUARY 2018 AND JANUARY 2020 (THE "RELEVANT PERIOD"), J.H. DARBIE, A BROKER-DEALER REGISTERED WITH THE COMMISSION, GENERATED MILLIONS OF DOLLARS IN REVENUE IN VARIOUS TRANSACTION FEES FROM BROKERING MORE THAN \$105 MILLION IN TRANSACTIONS IN LOW-PRICED SECURITIES THAT ARE TRADED ON OVER-THE-COUNTER ("OTC") MARKETS. DURING THE RELEVANT PERIOD, J.H. DARBIE HAD WRITTEN ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES ("AML P&P"). THE AML P&P REQUIRED THAT J.H. DARBIE FILE A SAR CONSISTENT WITH THE BANK SECRECY ACT ("BSA") AND ITS IMPLEMENTING REGULATIONS. DESPITE THE WRITTEN AML P&P, J.H. DARBIE FAILED TO IMPLEMENT THEM IN MULTIPLE WAYS THAT RESULTED IN ITS FAILURE TO FILE SARS IN ACCORDANCE WITH THE BSA AND ITS IMPLEMENTING REGULATIONS, EXCHANGE ACT RULES, AS WELL AS THE FIRM'S OWN WRITTEN POLICIES. BECAUSE J.H. DARBIE FAILED TO FILE SARS IN COMPLIANCE WITH ITS LEGAL AND REGULATORY OBLIGATIONS, J.H. DARBIE DEPRIVED U.S. REGULATORS AND LAW ENFORCEMENT OF INFORMATION CONCERNING POTENTIAL WRONGDOING AND UNDERMINED THE PURPOSES OF THE BSA BY ALLOWING POTENTIAL ILLICIT ACTIVITY AND ACTORS TO AVOID SCRUTINY. BY ENGAGING IN THE CONDUCT SET FORTH IN THIS COMPLAINT, DEFENDANT J.H. DARBIE VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-8 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Court Details: UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK - NEW YORK - 1:22-CV-10482

Date Court Action Filed: 12/12/2022

Principal Product Type: Equity - OTC

Other Product Types:



Relief Sought:	Injunction
Other Relief Sought:	CIVIL MONEY PENALTY
Resolution:	Judgment Rendered
Resolution Date:	09/13/2023
Sanctions Ordered or Relief Granted:	Monetary/Fine \$125,000.00 Cease and Desist/Injunction
Other Sanctions:	UNDERTAKINGS
Sanction Details:	THE FIRM IS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") AND RULE 17A-8 PROMULGATED THEREUNDER, SHALL PAY A CIVIL PENALTY IN THE AMOUNT OF \$125,000, AND SHALL COMPLY WITH CERTAIN UNDERTAKING.
Regulator Statement	ON SEPTEMBER 13, 2023, A JUDGEMENT WAS ENTERED, BY CONSENT, AGAINST J.H. DARBIE & CO., INC WHEREIN THE FIRM WAS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") AND RULE 17A-8 PROMULGATED THEREUNDER BY FAILING TO COMPLY WITH THE REPORTING, RECORDKEEPING, AND RECORD RETENTION REQUIREMENTS OF CHAPTER X OF TITLE 31 OF THE CODE OF FEDERAL REGULATIONS. THE FIRM WAS ALSO ORDERED TO PAY A CIVIL PENALTY IN THE AMOUNT OF \$125,000 TO THE SECURITIES AND EXCHANGE COMMISSION, AND COMPLY WITH CERTAIN UNDERTAKINGS WHICH INCLUDED, AMONG OTHER THINGS, THAT THE FIRM HIRE AN INDEPENDENT ANTI-MONEY LAUNDERING ("AML") COMPLIANCE CONSULTANT, PROVIDE TRAINING TO DEFENDANT'S MANAGEMENT AND EMPLOYEES REGARDING THE PROPER IMPLEMENTATION OF DEFENDANT'S ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGATIONS OF VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-8 THEREUNDER. FAILED TO FILE SARS.
Initiated By:	SECURITIES EXCHANGE COMMISSION
Court Details:	UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK SEC CIVIL JUDICIAL CASE NO. 1:22-CV-10482
Date Court Action Filed:	12/12/2022
Principal Product Type:	Penny Stock(s)

**Other Product Types:****Relief Sought:** Injunction

Other Relief Sought: CIVIL MONETARY PENALTY. PERMANENTLY RESTRAINING AND ENJOINING J.H. DARBIE FROM VIOLATING SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") [15 U.S.C. § 78Q(A)] AND RULE 17A-8 PROMULGATED THEREUNDER [17 C.F.R. § 240.17A-8] BY FAILING TO COMPLY WITH THE REPORTING, RECORDKEEPING, AND RECORD RETENTION REQUIREMENTS OF CHAPTER X OF TITLE 31 OF THE CODE OF FEDERAL REGULATIONS.

Resolution: Consent**Resolution Date:** 09/13/2023

Sanctions Ordered or Relief Granted: Monetary/Fine \$125,000.00
Cease and Desist/Injunction

Other Sanctions: UNDERTAKING

Sanction Details: J.H. DARBIE WAS ORDERED TO PAY A CIVIL FINE TO THE SEC OF \$125,000, INCLUDING ANY POST-JUDGEMENT INTEREST. ALSO, AS AN UNDERTAKING, WITHIN 90-DAYS OF JUDGEMENT J.H. DARBIE IS TO HIRE AN AML SARS CONSULTANT NOT UNACCEPTABLE TO THE COMMISSION STAFF. THE CONSULTANT WILL TRAIN DARBIE EMPLOYEES AND STAFF. WITHIN 180-DAYS OF FINAL JUDGEMENT TRAINING WILL HAVE BEEN COMPLETED AND CERTIFIED. BETWEEN 270- AND 360-DAYS OF FINAL JUDGEMENT, AN AML COMPLIANCE CONSULTANT NOT UNACCEPTABLE TO THE SEC WILL PERFORM TESTING WHETHER J.H. DARBIE IS COMPLYING WITH (I) THE RECOMMENDATIONS SET FORTH IN THE MAY 19TH, 2016 REPORT BY J.H. DARBIE'S THIRD-PARTY AML COMPLIANCE CONSULTANT CONCERNING POTENTIALLY SUSPICIOUS CUSTOMER ACTIVITY IN LOW-PRICED SECURITIES, AND (II) APPLICABLE REGULATORY GUIDANCE REGARDING POTENTIALLY SUSPICIOUS CUSTOMER ACTIVITY INCLUDING, WITHOUT LIMITATION, FINRA REGULATORY NOTICE 19-18, AND THE FILING OF SARS CONCERNING SUCH ACTIVITY; AND THAT J.H. DARBIE IS PROPERLY IMPLEMENTING ITS AML P&P CONCERNING POTENTIALLY SUSPICIOUS CUSTOMER ACTIVITY IN LOW-PRICED SECURITIES AND THE FILING OF SARS CONCERNING SUCH ACTIVITY. AT LEAST 30 DAYS PRIOR TO BEGINNING THIS TESTING, J.H. DARBIE SHALL PROVIDE TO THE COMMISSION STAFF A COPY OF THE PARAMETERS FOR TESTING. J.H. DARBIE SHALL CAUSE THE AML COMPLIANCE CONSULTANT TO COMPLETE THE TESTING DESCRIBED IN THIS PARAGRAPH NO LATER THAN 450 DAYS FROM ENTRY OF THE FINAL JUDGMENT. BOTH J.H. DARBIE AND THE AML COMPLIANCE CONSULTANT ARE TO CERTIFY, IN WRITING, THE COMPLETION OF THE TESTING. THE CERTIFICATION SHALL IDENTIFY THE UNDERTAKING, PROVIDE WRITTEN EVIDENCE OF COMPLIANCE IN THE



FORM OF A NARRATIVE, INCLUDING THE RESULTS OF THE TESTING, AND BE SUPPORTED BY EXHIBITS SUFFICIENT TO DEMONSTRATE COMPLIANCE. THE COMMISSION STAFF MAY MAKE REASONABLE REQUESTS FOR FURTHER EVIDENCE OF COMPLIANCE, AND J.H. DARBIE AGREES TO PROVIDE SUCH EVIDENCE NO LATER THAN 60 DAYS FROM THE DATE OF THE COMPLETION OF THE UNDERTAKING.

Firm Statement

THE ALLEGATION IS THAT J.H. DARBIE DID NOT FILE ENOUGH SARS REPORTS IN 2018 AND 2019, THUS VIOLATING RULE 17A-8, COMPLYING WITH THE REPORTING, RECORDKEEPING, AND RECORD RETENTION RULES ADOPTED UNDER THE BANK SECRECY ACT.



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 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS
Arbitration Forum:	FINRA
Case Initiated:	06/29/2017
Case Number:	17-01700
Disputed Product Type:	LIMITED PARTNERSHIPS
Sum of All Relief Requested:	\$340,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/14/2018
Sum of All Relief Awarded:	\$100,300.00

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

End of Report



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