

BrokerCheck Report

U. S. BOSTON CAPITAL CORPORATION

CRD# 5251

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 6
Firm History	7
Firm Operations	8 - 15
Disclosure Events	16



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

Please contact FINRA with any concerns.

About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

-

Thank you for using FINRA BrokerCheck.



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



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



U. S. BOSTON CAPITAL CORPORATION

CRD# 5251

SEC# 8-15885

Main Office Location

LINCOLN NORTH
LINCOLN, MA 01773
Regulated by FINRA Boston Office

Mailing Address

55 OLD BEDFORD ROAD
SUITE 202
LINCOLN, MA 01773

Business Telephone Number

781-259-1144

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 Massachusetts on 04/23/1970.

Its fiscal year ends in September.

Firm History

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

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 51 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	2
Arbitration	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in Massachusetts on 04/23/1970.

Its fiscal year ends in September.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

U. S. BOSTON CAPITAL CORPORATION

Doing business as U. S. BOSTON CAPITAL CORPORATION

CRD# 5251

SEC# 8-15885

Main Office Location

LINCOLN NORTH
LINCOLN, MA 01773

Regulated by FINRA Boston Office

Mailing Address

55 OLD BEDFORD ROAD
SUITE 202
LINCOLN, MA 01773

Business Telephone Number

781-259-1144



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):	U.S. BOSTON CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SHAREHOLDER
Position Start Date	12/1971
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):	HUNT, DIANE 1314708
Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL OPERATIONS OFFICER
Position Start Date	10/2018
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):	HUNT, DIANE 1314708
Is this a domestic or foreign entity or an individual?	Individual
Position	TREASURER
Position Start Date	08/2024

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): KESSINGER, DEBORAH ANNE
1801530

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

Position PRESIDENT

Position Start Date 08/2007

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): KESSINGER, DEBORAH ANNE
1801530

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 11/2004

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): OKUROWSKI, LEON

Firm Profile



Direct Owners and Executive Officers (continued)

	351799
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT, DIRECTOR AND CLERK
Position Start Date	05/1971
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):	UMPHREY, WILLARD LEE 451556
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	04/1970
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):	UMPHREY, WILLARD LEE 451556
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	U.S. BOSTON CORPORATION
Relationship to Direct Owner	DIRECTOR
Relationship Established	01/1971
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
<hr/>	
Legal Name & CRD# (if any):	OKUROWSKI, LEON K. 351799
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	U.S. BOSTON CORPORATION
Relationship to Direct Owner	VICE PRESIDENT, DIRECTOR AND CLERK
Relationship Established	01/1971
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 51 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	07/01/1970

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	07/09/1970



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	11/17/1993
Alaska	Approved	09/14/2000
Arizona	Approved	07/25/1991
Arkansas	Approved	07/23/2001
California	Approved	05/21/1981
Colorado	Approved	05/14/1984
Connecticut	Approved	06/11/1976
Delaware	Approved	07/11/1996
District of Columbia	Approved	04/03/1993
Florida	Approved	04/27/1983
Georgia	Approved	05/17/1991
Hawaii	Approved	02/15/1994
Idaho	Approved	08/23/2000
Illinois	Approved	06/03/1991
Indiana	Approved	05/15/1987
Iowa	Approved	07/03/1991
Kansas	Approved	10/13/2000
Kentucky	Approved	08/16/1991
Louisiana	Approved	06/13/1991
Maine	Approved	02/15/1984
Maryland	Approved	02/26/1982
Massachusetts	Approved	07/31/1981
Michigan	Approved	02/03/1983
Minnesota	Approved	06/23/1987
Mississippi	Approved	08/28/2001
Missouri	Approved	12/08/1993
Montana	Approved	04/09/2001
Nebraska	Approved	11/08/2001
Nevada	Approved	09/13/2000
New Hampshire	Approved	02/02/1983
New Jersey	Approved	08/02/1985
New Mexico	Approved	08/13/1991
New York	Approved	05/26/1976

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	09/09/1993
North Dakota	Approved	07/24/2001
Ohio	Approved	07/10/1991
Oklahoma	Approved	09/21/2000
Oregon	Approved	10/27/1993
Pennsylvania	Approved	01/03/1991
Puerto Rico	Approved	02/06/2003
Rhode Island	Approved	02/23/1983
South Carolina	Approved	08/30/1994
Tennessee	Approved	03/30/1983
Texas	Approved	05/06/1991
Utah	Approved	07/03/1991
Vermont	Approved	01/24/1994
Virginia	Approved	06/11/1991
Washington	Approved	04/20/1983
West Virginia	Approved	09/14/2000
Wisconsin	Approved	01/03/1994
Wyoming	Approved	10/31/2000



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
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund underwriter or sponsor
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Non-exchange member arranging for transactions in listed securities by exchange member
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:	CEROS FINANCIAL SERVICES, INC.
CRD #:	37869
Business Address:	1445 RESEARCH BOULEVARD SUITE 530 ROCKVILLE, MD 20850
Effective Date:	07/07/2014
Description:	UNDER THE TERMS OF THE AGREEMENT, CEROS WILL: A. EXECUTE SECURITIES TRANS. FOR ALL CUSTOMER ACCTS; B. ACCEPT DEPOSITS TO OR RELEASE FUNDS FOR WITHDRAWAL FROM CUSTOMERS' ACCOUNTS; C. PREPARE AND MAIL CONFIRMATIONS OF TRANSACTIONS AND SUMMARY STATEMENTS TO CLIENTS AS NECESSARY TO SETTLE CONTRACTS AND TRANSACTIONS ON BEHALF OF CUSTOMERS INCLUDING BUT NOT LIMITED TO THE RECEIPT AND DELIVERY OF SECURITIES, TRANSFER OF SECURITIES AND CASH; D. CARRY MARGIN ACCOUNTS FOR THE CUSTOMERS OF THE APPLICANT.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: VITAL RECORDS CONTROL

Business Address: 5400 MELTECH BLVD
SUITE 101
MEMPHIS, TN 38118

Effective Date: 06/17/2024

Description: DOCUMENT RETENTION

Name: COMPLYSCI

Business Address: 136 MADISON AVENUE
8TH FLOOR
NEW YORK, NY 10016

Effective Date: 07/15/2019

Description: COMPLYSCI IS A THIRD-PARTY DIGITAL COMPLIANCE MANAGEMENT SOFTWARE SYSTEM THE FIRM USES TO MONITOR EMPLOYEE ACTIVITIES AND TO MAINTAIN RECORDS.

Name: SMARSH

Business Address: 921 SW WASHINGTON STREET
6TH FLOOR
PORTLAND, OR 97205

Effective Date: 01/01/2018

Description: EMAIL RETENTION

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: CEROS FINANCIAL SERVICES, INC.

CRD #: 37869

Business Address: 1445 RESEARCH BOULEVARD
SUITE 530
ROCKVILLE, MD 20850

Effective Date: 07/07/2014

Description: UNDER THE TERMS OF THE AGREEMENT, CEROS WILL: A. EXECUTE SECURITIES TRANS. FOR ALL CUSTOMER ACCTS; B. ACCEPT DEPOSITS

Firm Operations



Industry Arrangements (continued)

TO OR RELEASE FUNDS FOR WITHDRAWAL FROM CUSTOMERS' ACCOUNTS; C. PREPARE AND MAIL CONFIRMATIONS OF TRANSACTIONS AND SUMMARY STATEMENTS TO CLIENTS AS NECESSARY TO SETTLE CONTRACTS AND TRANSACTIONS ON BEHALF OF CUSTOMERS INCLUDING BUT NOT LIMITED TO THE RECEIPT AND DELIVERY OF SECURITIES, TRANSFER OF SECURITIES AND CASH; D. CARRY MARGIN ACCOUNTS FOR THE CUSTOMERS OF THE APPLICANT.

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.**

PEAR TREE PARTNERS, LP is under common control with the firm.

CRD #:	152581
Business Address:	55 OLD BEDFORD ROAD SUITE 202 LINCOLN, MA 01773
Effective Date:	03/01/2010
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	THIS ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT BY VIRTUE OF THE FACT THAT A DIRECTOR OF THE APPLICANT OWNS A CONTROLLING INTEREST IN THIS ENTITY.

PEAR TREE ADVISORS, INC. is under common control with the firm.

Business Address:	55 OLD BEDFORD ROAD SUITE 202 LINCOLN, MA 01773
Effective Date:	05/24/1983
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	THIS ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT BY

Firm Operations



Organization Affiliates (continued)

VIRTUE OF THE FACT THAT THE DIRECTORS OF THE APPLICANT SERVE
SIMILAR FUNCTIONS WITH THIS COMPANY.

PEAR TREE FUNDS is under common control with the firm.

Business Address: 55 OLD BEDFORD ROAD
SUITE 202
LINCOLN, MA 01773

Effective Date: 05/06/1985

Foreign Entity: No

Country:

Securities Activities: Yes

**Investment Advisory
Activities:** No

Description: THIS ENTITY IS UNDER COMMON CONTROL WITH THE APPLICANT BY
VIRTUE OF THE FACT THAT THE PRESIDENT AND VICE PRESIDENT OF THE
APPLICANT SERVE SIMILAR FUNCTIONS WITH THIS COMPANY

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	2	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 2

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 AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND FINRA RULES REGARDING REGISTERED REPRESENTATIVES' CREATION AND USE OF CONSOLIDATED REPORTS. THE FINDINGS STATED THAT THE CONSOLIDATED REPORTS WERE OFTEN THE ONLY DOCUMENTS THAT THE FIRM SENT TO CUSTOMERS PURPORTING TO VALUE THE CUSTOMERS' INTERESTS IN PRIVATE PLACEMENTS, KNOWN AS FOCUS FUNDS. THE FIRM DID NOT HAVE ANY WSPS SPECIFICALLY GOVERNING CONSOLIDATED REPORTS AND THE CONSOLIDATED REPORTS WERE MANUALLY PREPARED BY ADMINISTRATIVE STAFF, AND ONLY THE REGISTERED REPRESENTATIVES SENDING THE CONSOLIDATED REPORTS REVIEWED THEM BEFORE THEY WERE SENT TO CUSTOMERS. NO ONE IN A SUPERVISORY CAPACITY REVIEWED THE CONSOLIDATED REPORTS BEFORE THEY WERE SENT TO CLIENTS, AND NO ONE VERIFIED THE ACCURACY OF THE ASSET VALUATIONS ON THE CONSOLIDATED REPORTS. THE FINDINGS ALSO STATED THAT THE FIRM PREPARED AND SENT TO CUSTOMERS NUMEROUS CONSOLIDATED REPORTS WITH FALSE AND MISLEADING ASSET VALUATIONS THAT WERE INCONSISTENT WITH THE FOCUS FUND VALUATIONS CONTAINED ON AN AFFILIATE OF THE FIRM'S UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION (FORMS ADV). MANY OF THE CONSOLIDATED REPORTS CONTAINED VALUATIONS OF CUSTOMERS' INVESTMENTS IN FOCUS FUNDS THAT WERE OVERVALUED OR UNDERVALUED BY TENS OF THOUSANDS OF DOLLARS. AFTER FINRA BROUGHT THESE ISSUES TO THE FIRM'S ATTENTION, THE FIRM INITIATED AN INTERNAL REVIEW AND PROVIDED WRITTEN NOTICE TO ALL AFFECTED CUSTOMERS, EXPLAINING THE PRIOR INCORRECT VALUATIONS AND ATTACHING CORRECTED CONSOLIDATED REPORTS.

Initiated By: FINRA
Date Initiated: 06/10/2019
Docket/Case Number: 2017054478001
Principal Product Type: Other
Other Product Type(s): PRIVATE PLACEMENTS
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 06/10/2019

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 \$125,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$125,000 AND REQUIRED TO CERTIFY THAT IT HAS REVIEWED AND REVISED, AS NECESSARY, ITS SYSTEMS, POLICIES, AND PROCEDURES REGARDING CONSOLIDATED REPORTS, AND THAT THOSE SYSTEMS, POLICIES, AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA RULES CITED IN THE AWC. FINES PAID IN FULL ON JUNE 26, 2019.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULES 2010, 3110 AND 2210 WITH RESPECT TO CONSOLIDATED REPORTS. THE FIRM SENT CONSOLIDATED REPORTS TO ITS CUSTOMERS THAT CONTAINED INACCURATE VALUATIONS OF ILLIQUID PRIVATE PLACEMENTS MANAGED BY AN AFFILIATE.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 06/05/2017

Docket/Case Number: 2017054478001

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: 06/10/2019

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: CENSURE AND FINE OF \$125000.00.

Firm Statement THE FIRM ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT AS A DIRECT RESULT OF MISTAKES WITH RESPECT TO VALUATIONS OF ILLIQUID PRIVATE PLACEMENTS IN REPORTS PROVIDED TO CLIENTS, THE FIRM WAS FOUND TO HAVE VIOLATED FINRA RULES 2010, 2210, 3310. THE FIRM WAS CENSURED, FINED \$125,000, AND AGREED TO PROVIDE A CERTIFICATION THAT OUR UPDATED PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FINRA RULES CITED.

Disclosure 2 of 2

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/05/1984

Docket/Case Number: B0S-529

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/04/1985

Sanctions Ordered: Censure
Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details:



Regulator Statement

7/31/85: NASD COMPLAINT #BOS-529 FILED BY DISTRICT #13 ON JULY 5, 1984 AGAINST U.S. BOSTON CAPITAL CORP., WILLARD LEE UMPHREY (REGISTERED PRINCIPAL) AND ROBERT WILLIAM SHOEMAKER III (REGISTERED PRINCIPAL), ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1, 19(a) AND 21(a) OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENTS UMPHREY AND SHOEMAKER, ENGAGED IN A SECURITIES BUSINESS AT TIMES WHEN IT FAILED TO MAINTAIN MINIMUM REQUIRED NET CAPITAL IN CONTRAVENTION OF SEC RULE 15c3-1; FAILED TO PROMPTLY DEPOSIT FUNDS RECEIVED IN CONNECTION WITH THE SALE OF LIMITED PARTNERSHIP INTERESTS TO AN ESCROW ACCOUNT IN CONTRAVENTION OF SEC RULE 15c2-4; IN CONNECTION WITH THE OFFER AND SALE OF DIRECT PARTICIPATION PROGRAMS TO VARIOUS CUSTOMERS, MADE IMPROPER USE OF SAID CUSTOMERS' FUNDS IN THAT THEY WITHHELD IN THE MEMBER'S OWN BANK ACCOUNT PROCEEDS FROM CUSTOMERS' CHECKS FOR PERIODS UP TO FOURTEEN DAYS BEFORE TRANSMITTING THEM TO AN ESCROW AGENT AND USED THE PROCEEDS TO BUY SHORT TERM REPURCHASE AGREEMENTS OR CERTIFICATES OF DEPOSIT FOR THEIR OWN BENEFIT; FAILED TO MAINTAIN CERTAIN BOOKS AND RECORDS ON A CURRENT BASIS IN CONTRAVENTION OF SEC RULES 17a-3 AND 17a-4; AND, FAILED TO COMPLY WITH SEC RULE 15c3-3 IN THAT WHILE PURPORTING TO OPERATE PURSUANT TO THE EXEMPTIVE PROVISIONS OF THE RULE, RECEIVED AND HELD CUSTOMER FUNDS. DECISION RENDERED JUNE 4, 1985, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY THE RESPONDENTS WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$25,000.00 JOINTLY AND SEVERALLY. AS ALL RIGHTS OF APPEAL AND REVIEW HAVE BEEN WAIVED, THIS DECISION WAS FINAL JUNE 4, 1985. ***4/16/86, FC# 9132, I-441, PAID IN FULL.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASD ALLEGED VIOLATIONS OF ARTICLE III, SECTIONS 1, 19(A), 21(A) OF RULES OF FAIR PRACTICE; ALLEGED FAILURE TO MAINTAIN MINIMUM NET CAPITAL (SEC RULE 15C3-1); ALLEGED FAILURE TO PROMPTLY DEPOSIT FUNDS IN ESCROW AMOUNT (SEC RULE 15C2-4); ALLEGED IMPROPER USE OF CUSTOMER FUNDS BY INVESTING IN CDS AND REPOS; ALLEGED



FAILURE TO MAINTAIN CERTAIN BOOKS AND RECORDS (17A-3, 17A-4);
FAILURE TO COMPLY WITH 15C3-3 IN THAT WHILE PURPORTING TO
OPERATE UNDER EXEMPTION, RECEIVED AND HELD FUNDS.

Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	07/05/1984
Docket/Case Number:	BOS-529
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:	Settled
Resolution Date:	06/04/1986
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING ALLEGATIONS THERE WAS A CENSURE AND A FINE OF \$25,000.00. THE FINE WAS PAID IN ITS ENTIRETY BY U.S. BOSTON CAPITAL CORPORATION WITHOUT A DESIGNATION OF PAYMENT BY THE CONTROL AFFILIATE. THE FINE WAS PAID OVER TEN MONTHS ENDING IN APRIL OF 1986 AND NO PORTION OF THE PENALTY WAS WAIVED.
Firm Statement	AS MENTIONED IN #7 ABOVE, U.S. BOSTON CAPITAL CORPORATION, WILLARD L. UMPHREY, AND A FORMER EMPLOYEE WERE SUBJECT TO COMPLAINT #BOS-529. COMPLAINT SAID FROM DECEMBER, 1983, THROUGH JULY, 1984, THERE WAS A FAILURE TO FORWARD PROMPTLY MONIES OF CERTAIN INVESTORS FOR A LIMITED PARTNERSHIP TO ESCROW AND THEREFORE FAILING TO MEET REQUIREMENTS OF \$5,000.00 B/D AND FAILING TO MAINTAIN A MINIMUM NET CAPITAL REQUIRED OF B/D HOLDING FUNDS; MAKING IMPROPER USE OF FUNDS BY INVESTING OVERNIGHT BALANCES IN REPOS AND C.D.'S AND FAILING TO MAINTAIN PROPER BOOKS AND RECORDS.



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-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	09/19/1996
Case Number:	96-03653
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; LIMITED PARTNERSHIPS
Sum of All Relief Requested:	\$895,575.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/07/1998
Sum of All Relief Awarded:	\$1,000.00

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



This page is intentionally left blank.