

## BrokerCheck Report

# LASALLE ST SECURITIES, L.L.C.

CRD# 7191

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 5
Firm History	6
Firm Operations	7 - 13
Disclosure Events	14



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:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

**Thank you for using FINRA BrokerCheck.**



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

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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)



## LASALLE ST SECURITIES, L.L.C.

CRD# 7191

SEC# 8-18860

### Main Office Location

940 N. INDUSTRIAL DR.  
ELMHURST, IL 60126-1131  
Regulated by FINRA Chicago Office

### Mailing Address

940 N. INDUSTRIAL DR.  
ELMHURST, IL 60126-1131

### Business Telephone Number

630-600-0500

## Report Summary for this Firm

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

### Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 04/23/1999.

Its fiscal year ends in December.

### Firm History

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

### Firm Operations

**This firm is registered with:**

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

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

This firm conducts 8 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

### Disclosure Events

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

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	15
Arbitration	4
Bond	1



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 04/23/1999.

Its fiscal year ends in December.

## Firm Names and Locations

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

### **LASALLE ST SECURITIES, L.L.C.**

**Doing business as LASALLE ST SECURITIES, L.L.C.**

**CRD#** 7191

**SEC#** 8-18860

### **Main Office Location**

940 N. INDUSTRIAL DR.  
ELMHURST, IL 60126-1131

**Regulated by FINRA Chicago Office**

### **Mailing Address**

940 N. INDUSTRIAL DR.  
ELMHURST, IL 60126-1131

### **Business Telephone Number**

630-600-0500



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	MCDERMOTT, HOLDINGS I,LIMITED PARTNERSHIP
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	100% OWNER
<b>Position Start Date</b>	04/1999
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

<b>Legal Name &amp; CRD# (if any):</b>	BALDWIN, JAMES CLAYTON 4487687
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF INVESTMENT OFFICER
<b>Position Start Date</b>	01/2015
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

<b>Legal Name &amp; CRD# (if any):</b>	BEAVER, REGAN ALAN 4621953
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	06/2008

## 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?** No

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** MCDERMOTT, JOHN WILLIAM  
326626

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

**Position** PRESIDENT/SECRETARY

**Position Start Date** 03/1980

**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):** SCHLESSER, DANIEL JOHN  
1788458

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

**Position** C.F.O./TRES./C.O.O

**Position Start Date** 03/1989

**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

<b>Legal Name &amp; CRD# (if any):</b>	MCDERMOTT, JOHN WILLIAM 326626
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	LASALLE ST FINANCIAL INC.
<b>Relationship to Direct Owner</b>	PRESIDENT
<b>Relationship Established</b>	04/1999
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

<b>Legal Name &amp; CRD# (if any):</b>	LASALLT ST. FINANCIAL, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	MCDERMOTT HOLDINGS I, LIMITED PARTNERSHIP
<b>Relationship to Direct Owner</b>	GENERAL PARTNER
<b>Relationship Established</b>	04/1999
<b>Percentage of Ownership</b>	Other General Partners
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

## Firm History

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



**This firm was previously:** LASALLE ST. SECURITIES, INC.

**Date of Succession:** 09/27/1999

**Predecessor CRD#:** 7191

**Predecessor SEC#:** 8-18860

**Description** B-D LASALLE ST SECURITIES HAS CONVERTED TO A LIMITED LIABILITY CO LASALLE ST SECURITIES LLC ("LASALLE LLC"). THERE IS NO CHANGE OF OPERATIONS OR CONTROL. LASALLE LLC IS OWNED BY MCDERMOTT HOLDINGS I LIMITED PARTNERSHIP THE GENERAL PARTNER OF WHICH IS LASALLE ST FINANCIAL AND THE MAJORITY LIMITED PARTNER OF WHICH IS LASALLE ST SECURITIES INC THE GENERAL PARTNER AND ALL LIMITED PARTNERS ARE CONTROLLED BY JOHN W MCDERMOTT THROUGH MCDERMOTT-LASALLE INC OF WHICH MCDERMOTT HAS BEEN AND REMAINS 100% OWNER.

---





## 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 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	12/04/1975

### 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	06/23/1976



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	10/24/1981	North Carolina	Approved	06/24/1987
Alaska	Approved	04/16/1986	North Dakota	Approved	03/27/1987
Arizona	Approved	10/02/1984	Ohio	Approved	07/16/1982
Arkansas	Approved	04/16/1985	Oklahoma	Approved	09/27/1999
California	Approved	10/28/1999	Oregon	Approved	05/30/1985
Colorado	Approved	09/23/1983	Pennsylvania	Approved	05/11/1979
Connecticut	Approved	12/04/1984	Puerto Rico	Approved	05/18/2012
Delaware	Approved	03/30/1990	Rhode Island	Approved	07/14/1994
District of Columbia	Approved	04/29/1988	South Carolina	Approved	09/24/1984
Florida	Approved	04/27/1983	South Dakota	Approved	03/21/1986
Georgia	Approved	09/28/1984	Tennessee	Approved	12/20/1984
Hawaii	Approved	10/07/1999	Texas	Approved	07/25/1983
Idaho	Approved	07/17/1985	Utah	Approved	05/25/1988
Illinois	Approved	10/27/1978	Vermont	Approved	01/10/1985
Indiana	Approved	10/20/1981	Virgin Islands	Approved	03/30/2015
Iowa	Approved	07/14/1983	Virginia	Approved	01/03/1985
Kansas	Approved	08/19/1981	Washington	Approved	04/16/1985
Kentucky	Approved	09/16/1983	West Virginia	Approved	11/19/1984
Louisiana	Approved	12/06/1984	Wisconsin	Approved	08/04/1980
Maine	Approved	07/16/1984	Wyoming	Approved	03/23/1990
Maryland	Approved	07/16/1987			
Massachusetts	Approved	07/05/1984			
Michigan	Approved	11/09/1999			
Minnesota	Approved	07/15/1982			
Mississippi	Approved	01/16/1985			
Missouri	Approved	07/18/1983			
Montana	Approved	04/16/1985			
Nebraska	Approved	01/13/1987			
Nevada	Approved	07/30/1987			
New Hampshire	Approved	04/25/1995			
New Jersey	Approved	04/03/1984			
New Mexico	Approved	07/25/1984			
New York	Approved	07/13/1983			

## Firm Operations



### Types of Business

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

**This firm currently conducts 8 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
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
Non-exchange member arranging for transactions in listed securities by exchange member

## **Firm Operations**



### **Clearing Arrangements**

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

### **Introducing Arrangements**

**This firm does not refer or introduce customers to other brokers and dealers.**

## Firm Operations

### Industry Arrangements



**This firm does not have books or records maintained by a third party.**

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

**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 82 DEVONSHIRE STREET  
BOSTON, MA 02109  
**Effective Date:** 02/21/1991  
**Description:** NATIONAL FINANCIAL PROVIDES CUSTODY AND CLEARING FUNCTIONS FOR APPLICANTS.

---

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

**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 82 DEVONSHIRE STREET  
BOSTON, MA 02109  
**Effective Date:** 02/21/1991  
**Description:** NATIONAL FINANCIAL PROVIDES CUSTODY AND CLEARING FUNCTIONS FOR APPLICANTS.

---

### 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.

**TILDEN LOUCKS & WOODNORTH LLC is under common control with the firm.**

<b>CRD #:</b>	106713
<b>Business Address:</b>	150 NORTH MICHICAGAN AVE, SUITE 819 CHICAGO, IL 60611
<b>Effective Date:</b>	09/27/1999
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	PROVIDES INVESTMENT ADVISORY PRODUCTS AND SERVICES ON A FEE BASIS. FIRM IS 100% OWNED BY MCDERMOTT HOLDINGS I.

**LASALLE ST. INVESTMENT ADVISORS, L.L.C. is under common control with the firm.**

<b>CRD #:</b>	109701
<b>Business Address:</b>	940 N. INDUSTRIAL DR. ELMHURST, IL 60126-1131
<b>Effective Date:</b>	09/27/1999
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	PROVIDES INVESTMENT ADVISORY PRODUCTS AND SERVICES ON A FEE BASIS. FIRM IS 100% OWNED BY MCDERMOTT HOLDINGS I.

## Firm Operations



### Organization Affiliates (continued)

**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	15	0
Arbitration	N/A	4	N/A
Bond	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:**
  - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - § A "pending" event involves allegations that have not been proven or formally adjudicated.
    - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - § A "final" event has been concluded and its resolution is not subject to change.
  - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

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

### Disclosure 1 of 15

**Reporting Source:** Regulator  
**Current Status:** Final



**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IN THE COURSE OF TWO ROUTINE EXAMINATIONS, FINRA STAFF FOUND CERTAIN DEFICIENCIES THAT OCCURRED AT VARIOUS TIMES DURING A FOUR-YEAR PERIOD. THE FINDINGS STATED THAT WITH RESPECT TO PRIVATE PLACEMENT OFFERINGS, THE FIRM FAILED TO EXERCISE ADEQUATE DUE DILIGENCE BEFORE ALLOWING A REGISTERED REPRESENTATIVE TO RECOMMEND THE OFFERING TO FOUR ACCREDITED INVESTORS AND DISTRIBUTED A PRIVATE-PLACEMENT MEMORANDUM TO POTENTIAL INVESTORS THAT DID NOT INCLUDE CERTAIN MATERIAL FACTS AND RELIED ON A FLAWED METHODOLOGY FOR PROJECTING RETURN ON INVESTMENT. THE FIRM FAILED TO ADEQUATELY SUPERVISE A REPRESENTATIVE'S PARTICIPATION IN AN OFFERING AND FAILED TO ENSURE THAT THE OFFERING DOCUMENTS WERE APPROPRIATELY FILED WITH FINRA. INDEPENDENTLY, A SECOND REPRESENTATIVE OF THE FIRM PARTICIPATED IN PRIVATE SECURITIES TRANSACTIONS AWAY FROM THE FIRM, WHICH THE FIRM DID NOT ADEQUATELY SUPERVISE. THE FIRM ALLOWED ITS REPRESENTATIVES TO SEND CONSOLIDATED REPORTS TO ITS CUSTOMERS, BUT FAILED TO ADEQUATELY SUPERVISE THOSE REPORTS. TRAINING WAS LIMITED TO BLAST EMAILS TO REGISTERED REPRESENTATIVES ADVISING THEM THAT CONSOLIDATED STATEMENTS NEEDED TO BE SUBMITTED TO THE HOME OFFICE FOR REVIEW AS CORRESPONDENCE. THE FIRM ALSO DID NOT REQUIRE THAT REGISTERED REPRESENTATIVES SEND BACK-UP DATA TO ITS COMPLIANCE DEPARTMENT TO VERIFY THE SUBSTANTIVE ACCURACY OF THE DATA.

**Initiated By:** FINRA

**Date Initiated:** 11/10/2014

**Docket/Case Number:** [2013035055101](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/10/2014



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$175,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$175,000.  
FINE PAID IN FULL ON NOVEMBER 17, 2014.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRMS CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IN THE COURSE OF TWO ROUTINE EXAMINATIONS, FINRA STAFF FOUND CERTAIN DEFICIENCIES THAT OCCURRED AT VARIOUS TIMES DURING A FOUR-YEAR PERIOD. THE FINDINGS STATED THAT WITH RESPECT TO PRIVATE PLACEMENTS OFFERINGS, THE FIRM FAILED TO EXERCISE ADEQUATE DUE DILIGENCE BEFORE ALLOWING A REGISTERED REPRESENTATIVE TO RECOMMEND THE OFFERING TO FOUR ACCREDITED INVESTORS AND DISTRIBUTED A PRIVATE-PLACEMENT MEMORANDUM TO POTENTIAL INVESTORS THAT DID NOT INCLUDE CERTAIN MATERIAL FACTS AND RELIED ON A FLAWED METHODOLOGY FOR PROJECTING RETURN ON INVESTMENT. THE FIRM FAILED TO ADEQUATELY SUPERVISE A REPRESENTATIVE'S PARTICIPATION IN AN OFFERING AND FAILED TO ENSURE THAT THE OFFERING DOCUMENTS WERE APPROPRIATELY FILED WITH FINRA. INDEPENDENTLY, A SECOND REPRESENTATIVE OF THE FIRM PARTICIPATED IN PRIVATE SECURITIES TRANSACTIONS AWAY FROM THE FIRM, WHICH THE FIRM DID NOT ADEQUATELY SUPERVISE. THE FIRM ALLOWED ITS REPRESENTATIVES TO SEND CONSOLIDATED REPORTS TO ITS CUSTOMERS, BUT FAILED TO ADEQUATELY SUPERVISE THOSE REPORTS. TRAINING WAS LIMITED TO BLAST EMAILS TO REGISTERED REPRESENTATIVES ADVISING THEM THAT CONSOLIDATED STATEMENTS NEEDED TO BE SUBMITTED TO THE HOME OFFICE FOR REVIEW AS CORRESPONDENCE. THE FIRM ALSO DID NOT REQUIRE THAT REGISTERED REPRESENTATIVES SEND BACK-UP DATA TO ITS COMPLIANCE DEPARTMENT TO VERIFY THE SUBSTANTIVE ACCURACY OF THE DATA.

**Initiated By:** FINRA



**Date Initiated:** 11/10/2014

**Docket/Case Number:** [2013035055101](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/10/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$175,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$175,000.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO SANCTIONS AND FINDINGS RESULTING FROM CERTAIN DEFICIENCIES FOUND BY FINRA STAFF DURING TWO ROUTINE EXAMS COVERING A FOUR YEAR PERIOD. THE ALLEGED DEFICIENCIES CONCERNED (A) A SMALL, LIMITED OFFERING TO FOUR ACCREDITED INVESTORS ABOUT WHICH THE FIRM DID NOT INVESTIGATE COMPLETELY; (B) A FLAWED SUMMARY OF FINANCIAL PROJECTIONS IN A PPM; (C) INSUFFICIENT SUPERVISION OF TWO REGISTERED REPRESENTATIVES ENGAGED IN PRIVATE SECURITIES TRANSACTIONS OUTSIDE THE FIRM; AND (D) AN INADEQUATE SYSTEM IN PLACE TO ENSURE CERTAIN REPRESENTATIVES ISSUING CONSOLIDATED REPORTS FOLLOWED PROSCRIBED PROCEDURES. THESE DEFICIENCIES RESULTED IN VIOLATION OF NASD RULES 2010, 3010, 3040 AND 5122.

#### Disclosure 2 of 15

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA STAFF HAS MADE A PRELIMINARY DETERMINATION TO RECOMMEND DISCIPLINARY ACTION. THE NATURE OF THE POTENTIAL VIOLATIONS, SPECIFICALLY, NASD RULES 3010(B) AND 2210(D) AND FINRA RULE 2010.

**Initiated By:** FINRA



**Date Initiated:** 02/25/2013  
**Docket/Case Number:** 20120313414  
**Principal Product Type:** Other  
**Other Product Type(s):** PRIVATE PLACEMENTS-SEAT EXCHANGE & REVITALIGHT  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Other  
**Resolution Date:** 11/10/2014

### Disclosure 3 of 15

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC ADMIN RELEASE 34-68118, IA RELEASE 3494, OCTOBER 29, 2012: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"), AGAINST LASALLE ST. SECURITIES, LLC.

THE COMMISSION FOUND THAT FROM OCTOBER 1, 2007 THROUGH MARCH 22, 2012, A REGISTERED INVESTMENT ADVISER ("IA") OBTAINED UNDISCLOSED COMPENSATION BY CHARGING INCREASED COMMISSIONS ON TRADES FOR ITS CLIENTS THROUGH ITS AFFILIATED REGISTERED BROKER-DEALER, LASALLE ST. SECURITIES, LLC ("LASALLE"). THE IA INACCURATELY TOLD CLIENTS THEY RECEIVED A DISCOUNT TO LASALLE'S COMMISSION RATES WHEN ACTUALLY THE IA SET THOSE COMMISSION RATES AT INCREASED LEVELS.

MOST TRADES FOR THE IA'S CLIENTS ARE EXECUTED BY LASALLE. FROM OCTOBER 1, 2007 THROUGH MARCH 22, 2012, THE IA'S CLIENTS PAID COMMISSIONS AT LASALLE THAT AVERAGED MORE THAN \$143 PER TRADE, EVEN THOUGH THE MAJORITY OF TRADES CONSISTED OF BUYS AND SELLS OF LARGE CAP EQUITIES. THE IA DID NOT TELL ITS CLIENTS THE TRUE NATURE OF THE COMMISSIONS THEY WERE CHARGED BY STATING IN ITS FORMS ADV THAT CLIENTS OBTAINED A SIGNIFICANT



"DISCOUNT" TO LASALLE'S SCHEDULED RETAIL BROKERAGE CHARGES. HOWEVER, LASALLE HAD NO SCHEDULED RETAIL BROKERAGE CHARGES OR COMMISSION SCHEDULES. INSTEAD, UNBEKNOWNST TO THE IA'S CLIENTS, THE IA SET LASALLE'S COMMISSION CHARGES AT RATES EXCEEDING LASALLE'S CHARGE TO IA TO EXECUTE A TRADE AND THE "DISCOUNT" WAS IN REALITY ONLY A PRICE LOWER THAN THOSE REFLECTED ON A COMMISSION SCHEDULE USED BY THE IA THAT DATED TO AT LEAST 1988. THE IA'S UNDISCLOSED COMPENSATION PRACTICES NETTED IT MORE THAN \$186,000 IN HIGHER COMMISSIONS PAID BY ADVISORY CLIENTS. THE IA'S FORMER SENIOR VICE-PRESIDENT ("SVP"), WHO ALSO SERVED AS A REGISTERED REPRESENTATIVE OF LASALLE, SHARED IN THESE COMMISSIONS.

THE SVP WAS AWARE OF THE INACCURATELY DISCLOSED COMPENSATION ARRANGEMENT. WHEN FORMING THE IA IN 1991, THE SVP IMPLEMENTED THE IA'S COMPENSATION STRUCTURE WITH LASALLE. THE SVP WAS RESPONSIBLE FOR REVIEWING AND APPROVING THE FORMS ADV THAT CONTAINED THE INCOMPLETE STATEMENTS.

BY SETTING COMMISSION RATES THAT EXCEEDED LASALLE'S CHARGE TO EXECUTE A TRADE, THE IA FAILED TO SEEK BEST EXECUTION FOR ITS CLIENTS' SECURITIES TRANSACTIONS. FURTHER, THE IA MADE MISLEADING STATEMENTS IN ITS FORMS ADV CONCERNING THE STEPS IT WOULD TAKE TO EVALUATE EXECUTION OF CLIENT TRADES AND ENSURE THAT COMMISSION RATES WERE REASONABLE.

AS A RESULT OF THE CONDUCT, LASALLE, THROUGH THE SVP, CAUSED THE IA'S VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 10/29/2012

**Docket/Case Number:** 3-15081

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 10/29/2012

**Does the order constitute a** Yes



**final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

**Sanctions Ordered:** Monetary/Fine \$100,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:** PREJUDGMENT INTEREST

**Sanction Details:** THE COMMISSION DEEMED IT APPROPRIATE, IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN LASALLE'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT AND SECTIONS 203(E), 203(F) AND 203(K) OF THE ADVISERS ACT, IT IS HEREBY ORDERED THAT LASALLE CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT. LASALLE SHALL JOINTLY AND SEVERALLY PAY DISGORGEMENT OF \$170,319.94 AND PREJUDGMENT INTEREST OF \$16,531.06, AND LASALLE SHALL JOINTLY AND SEVERALLY PAY DISGORGEMENT OF \$16,288.18 AND PREJUDGMENT INTEREST OF \$1,579.43. LASALLE SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000 TO THE UNITED STATES TREASURY.

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

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CAUSING TLW IN PART TO FAIL TO MEET ITS BEST EXECUTION OBLIGATIONS AND DISCLOSURES.



**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
**Date Initiated:** 10/29/2012  
**Docket/Case Number:** 3-15081  
**Principal Product Type:** Other  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:** CEASE AND DESIST  
**Resolution:** Settled  
**Resolution Date:** 10/29/2012  
**Sanctions Ordered:** Monetary/Fine \$286,608.12  
 Disgorgement/Restitution  
 Cease and Desist/Injunction  
**Other Sanctions Ordered:**  
**Sanction Details:** PURSUANT TO AN OFFER OF SETTLEMENT, IN WHICH IT DID NOT ADMIT ANY VIOLATIONS, THE SEC ENTERED AN ORDER DATED OCTOBER 29, 2012, FINDING LASALLE ST. SECURITIES, L.L.C. ("LSS") CAUSED TILDEN LOUCKS & WOODNORTH, LLC ("TLW") VIOLATIONS OF SECTION 206(2) OF THE ADVISOR'S ACT. LSS WAS REQUIRED TO PAY A CIVIL MONETARY PENALTY OF \$100,000, DISGORGEMENT JOINTLY WITH TLW OF \$170,319.94 AND DISGORGEMENT JOINTLY WITH TLW AND RALPH LOUCKS OF \$16,288.18, PLUS INTEREST ON BOTH AMOUNTS AND OTHERWISE AGREED TO A CEASE AND DESIST ORDER.

#### Disclosure 4 of 15

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** FAILURE TO SUPERVISE  
**Initiated By:** ILLINOIS  
**Date Initiated:** 09/25/2006  
**Docket/Case Number:** 0500043  
**URL for Regulatory Action:**  
**Principal Product Type:** No Product





**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Undertaking

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 03/01/2008

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Regulator Statement** IF YOU HAVE ANY QUESTIONS PLEASE CONTACT JIM NIX AT 312-793-3384.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** REGULATORY ACTION COMMENCED BY STATE OF ILLINOIS SEEKING AN UNDERTAKING BY LSS TO IMPROVE SUPERVISION PROCEDURES BASED ON A FAILURE TO SUPERVISE ONE REGISTERED REP.

**Initiated By:** STATE OF ILLINOIS

**Date Initiated:** 09/25/2006

**Docket/Case Number:** 0500043

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** UNDERTAKING

**Resolution:** Consent

**Resolution Date:** 04/18/2007

**Sanctions Ordered:** Censure

**Other Sanctions Ordered:**



**Sanction Details:** REGULATORY NOTICE OF HEARING FROM THE SECRETARY OF STATE, SECURITIES DEPARTMENT, DISMISSED WITHOUT FURTHER PROCEEDINGS PURSUANT TO CONSENT ORDER OF CENSURE ENTERED BETWEEN LASALLE ST. SECURITIES AND SECRETARY OF STATE, SECURITIES DEPARTMENT ON 04/18/2007. THE ORDER REQUIRED CERTAIN PAYMENTS TO FOUR CUSTOMERS OR PURPORTED CUSTOMERS OF LSS.

**Firm Statement** REGULATORY NOTICE OF HEARING FROM THE SECRETARY OF STATE, SECURITIES DEPARTMENT, DISMISSED WITHOUT FURTHER PROCEEDINGS PURSUANT TO CONSENT ORDER OF CENSURE ENTERED BETWEEN LASALLE ST. SECURITIES AND SECRETARY OF STATE, SECURITIES DEPARTMENT ON 04/18/2007. THE ORDER REQUIRED CERTAIN PAYMENTS TO FOUR CUSTOMERS OR PURPORTED CUSTOMERS OF LSS.

### Disclosure 5 of 15

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASAD RULES 2110, 3010 - DESPITE ITS KNOWLEDGE OF AN NASD INVESTIGATION REGARDING AN INDIVIDUAL, LASALLE SECURITIES, LLC PERMITTED HIM TO WORK WITHOUT ON-SITE SUPERVISION WITH THE KNOWLEDGE HE WAS INVOLVED IN OUTSIDE BUSINESS ACTIVITIES; FAILED TO HAVE ANY WRITTEN SUPERVISORY PROCEDURES RELATING TO THE HIRING OF REPRESENTATIVES WITH A DISCIPLINARY HISTORY OTHER THAN THOSE SUBJECT TO STATUTORY DISQUALIFICATION; FAILED TO HAVE WRITTEN PROCEDURES FOR SPECIFYING WHEN HIEGHTENED SUPERVISION WAS APPROPRIATE OR WHAT CONSTITUTED HEIGHTENED SUPERVISION; FAILED TO ESTABLISH A SUPERVISORY SYSTEM TO ENSURE THAT NON-BRANCH OFFICES WERE COMPLYING WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES. THE FIRM FAILED TO PROVIDE SUPERVISORS WITH SUFFICIENT TRAINING RELATING TO SUPERVISION OF REGISTERED REPRESENTATIVES AND HOW TO SUPERVISE REPS WORKING IN REMOTE, NON-BRANCH OFFICE LOCATIONS. THE FIRM IGNORED "RED FLAGS" REGARDING AN INDIVIDUAL WHOSE PRODUCTION DECLINED PRECIPITOUSLY; AND FAILED TO HAVE REASONABLE SUPERVISORY SYSTEMS AND PROCEDURES SUFFICIENT TO MONITOR AN INDIVIDUAL'S OUTSIDE ACTIVITIES THAT HAD NOT BEEN DISCLOSED TO THE FIRM.

**Initiated By:** NASD

**Date Initiated:** 05/30/2006

**Docket/Case Number:** [EAF0401410001](#)

**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:** 05/30/2006**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure  
Monetary/Fine \$200,000.00**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$200,000 AND REQUIRED TO RETAIN WITHIN 60 DAYS OF THE DATE OF ACCEPTANCE OF THIS AWC, AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES AND TRAINING RELATING TO THE FIRM'S SUPERVISION AND AUDIT OF REPS WORKING IN SMALL, UNREGISTERED AND GEOGRAPHICALLY DISPERSED OFFICE LOCATIONS; THE FIRM'S PROCESS FOR REVIEWING DISCLOSURES OF OUTSIDE BUSINESS ACTIVITIES OR THE EXISTENCE OF OTHER BUSINESS ACCOUNTS; AND THE FIRM'S ASSESSMENT OF REPS HIRED WITH A DISCIPLINARY HISTORY, COMPLAINTS, OR ARBITRATIONS, OR WHO DEVELOP SUCH A HISTORY WHILE EMPLOYED, AND DETERMINING THE APPROPRIATE METHOD OF SUPERVISING SUCH INDIVIDUALS. WITHIN 90 DAYS OF THE NOTICE OF ACCEPTANCE, THE CONSULTANT SHALL SUBMIT A WRITTEN REPORT TO THE FIRM AND NASD ADDRESSING FINDINGS OF REVIEW WHICH THE FIRM SHALL ADOPT AND IMPLEMENT WITHIN 30 DAYS OR SUBMIT ALTERNATIVES IN WRITING TO THE CONSULTANT AND NASD. WITHIN 30 DAYS AFTER ISSUANCE OF THE WRITTEN REPORT OR WRITTEN DETERMINATION REGARDING ALTERNATIVE PROCEDURES, THE FIRM SHALL PROVIDE NASD WITH A WRITTEN IMPLEMENTATION REPORT CERTIFIED BY AN OFFICER OF THE FIRM. UNTIL THE FIRM ADOPTS AND IMPLEMENTS THE CONSULTANT'S RECOMMENDATIONS, THE FIRM SHALL NOT ALLOW A PERSON TO BECOME ASSOCIATED WITH THE FIRM WHO



HAS BEEN THE SUBJECT OF A PENDING, ADJUDICATED, OR SETTLED REGULATORY ACTION OR INVESTIGATION; BEEN THE SUBJECT OF A TERMINATION FOR CAUSE OR INTERNAL REVIEW FOR ALLEGED INVESTMENT RELATED MISCONDUCT WITHOUT APPROVAL FROM THE CONSULTANT WITH NOTICE TO NASD. NO LATER THAN 30 DAYS AFTER ACCEPTANCE OF THIS AWC, THE PRESIDENT OF THE FIRM SHALL CERTIFY THAT THE FIRM HAS COMPLIED WITH THE ASSOCIATION UNDERTAKING AND SHALL RE-CERTIFY EVERY 30 DAYS THEREAFTER UNTIL THE ADOPTION AND IMPLEMENTATION OF THE CONSULTANT'S RECOMMENDATIONS.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT LASALLE ST. SECURITIES FAILED TO SUPERVISE ONE OF ITS REPRESENTATIVES, FRANK DEVINE; FAILED TO HAVE WRITTEN SUPERVISORY PROCEDURES RELATING TO THE HIRING OF REPRESENTATIVES WITH DISCIPLINARY HISTORY, FAILED TO HAVE WRITTEN SUPERVISORY PROCEDURES FOR HEIGHTENED SUPERVISION, FAILED TO HAVE REASONABLE SUPERVISORY SYSTEMS AND PROCEDURES TO MONITOR OUTSIDE BUSINESS ACTIVITY.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)

**Date Initiated:** 05/30/2006

**Docket/Case Number:** [EAF0401410001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/30/2006

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

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANTIIONS AND TO ENTRY OF FINDINGS, THEREFORE



THE FIRM IS CENSURED, FINED \$200,000 AND REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES AND TRAINING RELATING TO THE FIRM'S SUPERVISION AND AUDIT OF REPS, THE FIRM'S PROCESS OF REVIEWING OUTSIDE BUSINESS ACTIVITIES AND THE FIRM'S ASSESSMENT OF REPS HIRED WITH A DISCIPLINARY HISTORY. AFTER THE CONSULTANT'S REPORT TO THE NASD AND FIRM, THE FIRM SHALL PROVIDE NASD WITH A WRITTEN IMPLEMENTATION REPORT CERTIFIED BY AN OFFICER OF THE FIRM. UNTIL THE FIRM ADOPTS AND IMPLEMENTS THE CONSULTANT'S RECOMMENDATIONS, THE FIRM SHALL NOT ALLOW A PERSON TO BECOME ASSOCIATED WITH THE FIRM WHO HAS BEEN A SUBJECT OF A PENDING, ADJUDICATED, OR SETTLED REGULATORY ACTION OR INVESTIGATION; BEEN THE SUBJECT OF A TERMINATION FOR CAUSE OR INTERNAL REVIEW FOR ALLEGED INVESTMENT RATED MISCONDUCT WITHOUT APPROVAL FROM THE CONSULTANT WITH NOTICE TO THE NASD. PRESIDENT OF THE FIRM SHALL CERTIFY THAT THE FIRM HAS COMPLIED WITH NASD UNDERTAKING WITHIN 30 DAYS OF ACCEPTANCE OF THE AWC AND EVERY 30 DAYS UNTIL THE ADOPTION AND IMPLEMENTATION OF THE CONSULTANT'S RECOMMENDATIONS.

#### **Firm Statement**

NASD ALLEGED THAT LASALLE ST. SECURITIES FAILED TO SUPERVISE ONE OF ITS REPRESENTATIVES, FRANK DEVINE; FAILED TO HAVE WRITTEN SUPERVISORY PROCEDURES RELATING TO THE HIRING OF REPRESENTATIVES WITH DISCIPLINARY HISTORY, FAILED TO HAVE WRITTEN SUPERVISORY PROCEDURES FOR HEIGHTENED SUPERVISION, FAILED TO HAVE REASONABLE SUPERVISORY SYSTEMS AND PROCEDURES TO MONITOR OUTSIDE BUSINESS ACTIVITY. WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANTIONS AND TO ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, FINED \$200,000 AND REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES AND TRAINING RELATING TO THE FIRM'S SUPERVISION AND AUDIT OF REPS, THE FIRM'S PROCESS OF REVIEWING OUTSIDE BUSINESS ACTIVITIES AND THE FIRM'S ASSESSMENT OF REPS HIRED WITH A DISCIPLINARY HISTORY. AFTER THE CONSULTANT'S REPORT TO THE NASD AND FIRM, THE FIRM SHALL PROVIDE NASD WITH A WRITTEN IMPLEMENTATION REPORT CERTIFIED BY AN OFFICER OF THE FIRM. UNTIL THE FIRM ADOPTS AND IMPLEMENTS THE CONSULTANT'S RECOMMENDATIONS, THE FIRM SHALL NOT ALLOW A PERSON TO BECOME ASSOCIATED WITH THE FIRM WHO HAS BEEN A SUBJECT OF A PENDING, ADJUDICATED, OR SETTLED REGULATORY ACTION OR INVESTIGATION; BEEN THE SUBJECT OF A TERMINATION FOR CAUSE OR INTERNAL REVIEW FOR ALLEGED INVESTMENT RATED MISCONDUCT WITHOUT APPROVAL FROM THE CONSULTANT WITH NOTICE TO THE NASD. PRESIDENT OF THE FIRM



SHALL CERTIFY THAT THE FIRM HAS COMPLIED WITH NASD UNDERTAKING WITHIN 30 DAYS OF ACCEPTANCE OF THE AWC AND EVERY 30 DAYS UNTIL THE ADOPTION AND IMPLEMENTATION OF THE CONSULTANT'S RECOMMENDATIONS.

#### Disclosure 6 of 15

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** STATE OF RHODE ISLAND ALLEGED LASALLE ST. SECURITIES LLC. FAILED TO SUPERVISE ONE OF ITS REGISTERED REPRESENTATIVE IN RHODE ISLAND

**Initiated By:** STATE OF RHODE ISLAND

**Date Initiated:** 05/12/2006

**Docket/Case Number:** 05-151

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 05/23/2005

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

**Other Sanctions Ordered:**

**Sanction Details:** CIVIL PENALTY OF \$20,000

**Firm Statement** LSS AGREED TO A CONSENT ORDER WITH THE STATE IF RHODE ISLAND REGARDING A FAILURE TO SUPERVISE A REGISTERED REPRESENTATIVE, TERRY CORSAIR. LSS, IN ADDITION TO A CEASE AND DESIT ORDER FROM ANY FURTHER VIOLATIONS OF RIUSA, PAID A CIVIL PENATLY IN THE AMOUNT OF \$20,000

#### Disclosure 7 of 15

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** NASD CONDUCT RULES 2110, 3010, 3010(A), 3010(B), 3110, SEC RULES 17A-3 AND 17A-4: LASALLE, THROUGH A LASALLE REPRESENTATIVE, FACILITATED DECEPTIVE PRACTICES REGARDING MARKET TIMING IN THE SUB-ACCOUNTS OF VARIABLE ANNUITIES FOR A HEDGE FUND CLIENT THAT PURPORTED TO MANAGE MONEY FOR WEALTHY INDIVIDUALS AND CORPORATE ENTITIES THEY ESTABLISHED FOR THAT PURPOSE. LASALLE AND A LASALLE REPRESENTATIVE ENABLED THE HEDGE FUND CLIENT TO USE ACCOUNTS TO CARRY OUT FREQUENT TRANSFERS AMONG THE SUB-ACCOUNTS OF VARIABLE ANNUITIES WITHOUT BEING DETECTED, DESPITE THEIR ATTEMPTS TO ENFORCE RESTRICTIONS ON MARKET TIMING TO PROTECT THE INTERESTS OF LONG-TERM INVESTORS; CONTINUED TO SELL VARIABLE ANNUITY POLICIES TO THE HEDGE FUND CLIENT AFTER RECEIVING WRITTEN NOTICE THAT THE CLIENT'S TRADING STRATEGY WAS CONSIDERED DISRUPTIVE AND CONTRARY TO THE INTERESTS OF LONG-TERM INVESTORS. AS A RESULT, LASALLE'S HEDGE FUND CLIENT WAS ABLE TO EXECUTE TRANSFERS IN THE SUB-ACCOUNTS THAT YIELDED PROFITS IN EXCESS OF \$46,000 AT THE EXPENSE OF LONG-TERM INVESTORS; LASALLE FAILED TO SUPERVISE THE ACTIVITIES OF THE FIRM AND OF THE LASALLE REPRESENTATIVE WITH REGARD TO MARKET TIMING; FAILED TO MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES TO ADDRESS MARKET TIMING, AND FAILED TO IMPLEMENT A SUPERVISORY SYSTEM DESIGNED TO MONITOR THE ACTIVITY OF ITS ASSOCIATED PERSONS WITH REGARD TO MARKET TIMING. FAILED TO PRESERVE FOR THREE YEARS, AND/OR TO PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC MAIL COMMUNICATIONS RECEIVED AND SENT BY ITS AGENTS AND EMPLOYEES THAT RELATED TO ITS BUSINESS AS A BROKER OR DEALER. LASALLE ALSO LACKED ADEQUATE SYSTEMS OR PROCEDURES FOR THE PRESERVATION OF ALL ELECTRONIC MAIL COMMUNICATIONS.

**Initiated By:** NASD

**Date Initiated:** 06/22/2005

**Docket/Case Number:** [CE2050012](#)

**Principal Product Type:** Annuity(ies) - Variable

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/22/2005



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

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

**Other Sanctions Ordered:** AN UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$125,000, ORDERED TO PAY DISGORGEMENT IN THE AMOUNT OF \$46,500., RESTITUTION OF \$46,281.84, AND WITHIN 90 DAYS AFTER ISSUANCE OF THE AWC, AN OFFICER OF LASALLE SHALL CERTIFY TO NASD THAT IS HAS REVIEWED ITS PROCEDURES REGARDING MARKET TIMING AND PRESERVATION AND RETENTION OF ELECTRONIC MAIL COMMUNICATIONS AND THAT THE FIRM HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE LAWS REGULATIONS, AND RULES RELATING TO MARKET TIMING ACTIVITIES AND TO THE PRESERVATION AND RETENTION OF ELECTRONIC MAIL COMMUNICATIONS

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AN AWC ACCEPTING A FINDING THE THE FIRM VIOLATED NASD CONDUCT RULES 3010,3110,2110 REGARDING THE MARKET TIMING ACTIVITIES OF A CUSTOMER AND ONE REGISTERED REPRESENTATIVE. FAILURE TO MAINTAIN BOOKS AND RECORDS REGARDING EMAIL RESULTING IN A CENSURE, DISGORGEMENT OF 46,500.00,46,281.84 FOR RESITITUTION, A FINE OF 125,000.00, AND AN AGREEMENT TO RECERTIFY PROCEDURES REGARDING MARKET TIMING AND ALSO PROCEDURES REGARDING THE RETENTION OF EMAIL.

**Initiated By:** N.A.S.D. REGULATION, INC

**Date Initiated:** 06/22/2005

**Docket/Case Number:** [CE2050012](#)

**Principal Product Type:** Annuity(ies) - Variable



**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/22/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$217,781.84  
Disgorgement/Restitution

**Other Sanctions Ordered:** AN UNDERTAKING

**Sanction Details:** CENSURE DISGORGEMENT OF 46,500.00, 46,281.84 FOR RESTITUTION AND FINE IN AMOUNT OF 125,000.00 FOR A TOTAL FINE IN AMOUNT 217,781.84 SUSPENDED FROM 07/18/2005-10/15/2005

**Disclosure 8 of 15**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULES 2110, 3010, 3110 AND 6240, NASD MARKETPLACE RULES 4632(C) AND 6130(D), AND SEC RULE 17A-3 - RESPONDENT MEMBER ("FIRM") ACTING THROUGH REGISTERED REPRESENTATIVE, FAILED TO CREATE OR ACCURATELY PREPARE ORDER TICKETS IN THAT: THE FIRM PARTICIPATED IN SECURITIES TRANSACTIONS WHILE FAILING TO CREATE OR MAINTAIN ORDER TICKETS OR DOCUMENTATION TO MEMORIALIZE THE TRANSACTIONS; SEVEN ORDER TICKETS FOR SECURITIES TRANSACTIONS HAD NO TIME OF ENTRY OR AN INACCURATE TIME OF ENTRY; SEVEN ORDER TICKETS FOR SECURITIES TRANSACTIONS HAD NO TIME OF EXECUTION OR AN INACCURATE TIME OF EXECUTION; AND, TWO TICKETS FOR BROKERAGE SELL ORDERS FOR SECURITIES IN WHICH THE FIRM MAKES A MARKET FAILED TO BE MARKED LONG. THE FIRM ALSO FAILED TO ACCURATELY REPORT TRANSACTION, IN THAT IT WAS REPORTED AS A SELL TRANSACTION INSTEAD OF A BUY TRANSACTION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY AND PROPERLY ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES TO PREVENT THE VIOLATIONS NOTED ABOVE, IN THAT THE FIRM FAILED TO ENSURE THAT ORDER TICKETS WERE PREPARED FOR EACH TRADE THAT WAS ENTERED INTO BY THE TRADING DEPARTMENT ON BEHALF OF THE FIRM. FURTHERMORE, THE FIRM FAILED TO ACCURATELY REPORT TO THE FIXED INCOME PRICING SYSTEM, IN THAT: SEVEN AGENCY TRADES WERE



REPORTED AS PRINCIPAL TRADES; TEN AGENCY TRADES WERE REPORTED WITH THE CUSTOMER AS THE CONTRA PARTY, AND IN FIVE OF THOSE INSTANCES THE TRADES WERE REPORTED TWICE, ONE WHICH IDENTIFIED THE FIRM EXECUTING THE TRADE ON BEHALF OF THE CUSTOMERS AS AGENT AND CUSTOMER AS CONTRA PARTY, AND THE SECOND WHICH SHOWED THE FIRM EXECUTING THE TRANSACTION ON BEHALF OF THE CUSTOMER AND DISPLAYING THE CONTRA BROKER/DEALER EXECUTING THE TRANSACTION ON BEHALF OF THE CUSTOMER; AND, FOUR TRADES WERE REPORTED AS "SELL," WHEN THEY SHOULD HAVE BEEN REPORTED AS A "BUY."

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 03/25/2003

**Docket/Case Number:** C8A030020

**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:** 03/25/2003

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000, JOINTLY AND SEVERALLY, AND FINED AN ADDITIONAL \$15,000.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** N.A.S.D. ALLEGED CERTAIN INFRACTIONS OF CONDUCT RULES 2110 AND 3110, MARKETPLACE RULES 4632(C) AND 6130(D) AND SEC RULES 17A-3. IT WAS ALSO ALLEGED THAT THERE WAS A FAILURE TO ACCURATELY REPORT TO THE FIPS SYSTEM.

**Initiated By:** N.A.S.D. REGULATION, INC.



**Date Initiated:** 03/25/2003  
**Docket/Case Number:** C8A030020  
**Principal Product Type:** Equity - OTC  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 04/21/2003  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$25,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** MEMBER WAS CENSURED AND FINED 10,000.00 JOINTLY AND SEVERALLY AND MEMBER WAS FINED 15,000.00 FOR A TOTAL SUM OF 25,000. PAID 04/21/2003.  
**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM EXECUTED AN ACCEPTANCE WAIVER AND CONSENT AGREEMENT FOR FAILING TO COMPLETELY PREPARE ORDER TICKETS IN VIOLATION OF NASD CONDUCT RULES 2110, 3110 SEC RULE 17A-3. IN ADDITION, ALLEGATIONS OF VIOLATING RULE 6240 FOR FAILURE TO ACCURATELY REPORT TRANSACTIONS TO FIPS.

#### Disclosure 9 of 15

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** NASD RULES 2110 AND 6240(A)(2) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT TO FIXED INCOME PRICING SYSTEM (FIPS) TRANSACTIONS IN FIPS SECURITIES WITHIN FIVE MINUTES AFTER EXECUTION CONSTITUTING A PATTERN OR PRACTICE OF LATE REPORTING.  
**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS  
**Date Initiated:** 10/02/2001  
**Docket/Case Number:** CMS010148



**Principal Product Type:** Equity - OTC  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 10/02/2001  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$7,500.00  
**Other Sanctions Ordered:**  
**Sanction Details:** N/A

---

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** WE HAVE BEEN ADVISED BY N.A.S.D. REGULATION, INC. STAFF THAT THEY HAVE INSTITUTED FORMAL ACTION AGAINST THE FIRM FOR INCORRECTLY REPORTING TRANSACTIONS TO THE FIXED INCOME PRICING SYSTEM.  
**Initiated By:** N.A.S.D. REGULATION, INC.  
**Date Initiated:** 07/24/2001  
**Docket/Case Number:** CMS010148  
**Principal Product Type:** Debt - Corporate  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 10/01/2001  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$7,500.00  
**Other Sanctions Ordered:**



**Sanction Details:** A CENSURE AND FINE OF 7500.00 LEVIED AGAINST APPLICANT.

**Firm Statement** A LETTER OF ACCEPTANCE, WAIVER AND CONSENT SUBMITTED AND APPROVED; IT RELATED TO CERTAIN INFRACTIONS OF N.A.S.D. MARKETPLACE RULE 6240(A)(2) AND N.A.S.D CONDUCT RULE 2110. IT IS ALSO ALLEGED FAILURE TO REPORT CERTAIN FIXED INCOME PRICING SYSTEM BONDS THROUGH THE FIPS SYSTEM.

### Disclosure 10 of 15

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 6240 - RESPONDENT INCORRECTLY REPORTE TO FIXED INCOME PRICING SYSTEM (FIPS) NINE TRANSACTOINS IN FIPS SECURITIES; AND, INCORRECTLY REPORTED TO FIPS TRANSACTIONS IN HIGH YIELD SECURITIES NOT DESIGNATED FOR QUOTATION IN FIPS.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:** 06/30/2000

**Docket/Case Number:** CMS000129

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/30/2000

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$5,000 PAID 8/02/00, INVOICE 00-MS-476

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WE HAVE BEEN ADVISED BY N.A.S.D. REGULATION, INC. STAFF THAT THEY HAVE INSTITUTED FORMAL ACTION AGAINST THE FIRM FOR INCORRECTLY



REPORTING TRANSACTIONS TO THE FIXED INCOME PRICING SYSTEM (FIPS).

**Initiated By:** N.A.S.D REGULATION, INC.

**Date Initiated:** 06/30/2000

**Docket/Case Number:** CMS000129

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/30/2000

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINE OF 5,000.00 LEVIED AGAINST APPLICANT.

#### Disclosure 11 of 15

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 2210(F), 3010, 3110, 6130(B) AND 6240 AND SEC RULE 15B3-1 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, OPERATED A BRANCH OFFICE AND FAILED AND NEGLECTED TO DESIGNATE SAID BRANCH AS AN OFFICE OF SUPERVISORY JURISDICTION ON THE FIRM'S FORM BD; FAILED AND NEGLECTED TO CONDUCTED AN INSPECTION OF THE FIRM'S OFFICE OF SUPERVISORY JURISDICTION; RESPONDENT MEMBER, CAUSED TO BE PUBLISHED A NEWSPAPER ADVERTISEMENT THAT FAILED TO PROVIDE A SOUND BASIS FOR EVALUATING THE SERVICES PROVIDED BY THE FIRM AND INCLUDED EXAGGERATED AND UNWARRANTED STATEMENTS THAT WERE POTENTIALLY MISLEADING; WITH RESPECT TO ACCOUNTS ACCEPTED BY THE FIRM FOR CUSTOMERS WHO INTENDED TO ENGAGE IN DAY-TRADING, FAILED AND NEGLECTED TO MAINTAIN THE SIGNATURE OF THE MEMBER, PARTNER, OFFICER, OR MANAGER OF THE FIRM WHO ACCEPTED THE ACCOUNTS; IN TRANSACTIONS EXECUTED DURING A REVIEW PERIOD, THE FIRM ACTED AS ORDER ENTRY FIRM AND FAILED TO ACCEPT OR



DECLINE TRADES IN THE AUTOMATED CONFIRMATIONS TRANSACTION REPORTING SERVICE WITHIN 20 MINUTES AFTER EXECUTION; AND FAILED TO REPORT TO THE FIXED INCOME PRICING SYSTEM TRANSACTIONS IN HIGH YIELD SECURITIES EXECUTED DURING THE REVIEW PERIOD.

**Initiated By:** THE NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:** 02/17/2000

**Docket/Case Number:** C8A000015

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 02/17/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,500.00

**Other Sanctions Ordered:** A CENSURE AGAINST RESPONDENT MEMBER AND A FINE IN THE AMOUNT OF \$13,000, \$2,500 OF WHICH IS TO BE ASSESSED JOINTLY AND SEVERALLY, AND \$10,500 OF WHICH IS TO BE ASSESSED AGAINST RESPONDENT MEMBER.

**Sanction Details:** \$2,500 PAID J&S 3/14/00, INVOICE #00-8A-164  
\$10,500 PAID 3/14/00, INVOICE #00-8A-165

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** N.A.S.D. REGULATION ALLEGED CERTAIN SUPERVISION INFRACTIONS OF RULES 2110, 2210 AND 3010 RELATING TO ONE OF ITS BRANCH OFFICES. ALSO, N.A.S.D.R. ALLEGED VILATION OF THE AUTOMATED CONFIRMATION TRANSACTION REPORTING SERVICE AND FAILURE TO REPORT CERTAIN FIXED INCOME PRICING SYSTEM BONDS THROUGH THE FIPS SYSTEM.

**Initiated By:** N.A.S.D. REGULATION, INC.

**Date Initiated:** 02/23/2000



**Docket/Case Number:** C8A000015

**Principal Product Type:** Equity - OTC

**Other Product Type(s):** EQUITY LISTED(PREFERRED AND COMMON STOCK)

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 02/23/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$13,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURE AGAINST LASALLE ST. SECURITIES, L.L.C. AND A FINE IN THE AMOUNT OF 13,000.00, 2500.00 OF WHICH IS TO BE ASSESSED JOINTLY AND SEVERALLY AGAINST LASALLE ST. SECURITIES, L.L.C. AND SCOTT E. BARLOW-CRD 1121249, AND 10,500.00 OF WHICH IS TO BE ASSESSED AGAINST LASALLE ST. SECURITIES,L.L.C. \*FINE PAID IN FULL FEBRUARY 15, 2000.

**Firm Statement** A LETTER OF ACCEPTANCE, WAIVER AND CONSENT SUBMITTED AND APPROVED; IT RELATED TO CERTAIN SUPERVISION INFRACTIONS OF RULES 2110, 2210 AND 3010 RELATING TO ONE OF ITS BRANCH OFFICES. ALSO, N.A.S.D.R. ALLEGED VIOLATION OF THE AUTOMATED CONFIRMATION TRANSACTION REPORTING SERVICE AND FAILURE TO REPORT CERTAIN FIXED INCOME PRICING SYSTEM BONDS THROUGH THE FIPS SYSTEM.

#### Disclosure 12 of 15

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110 AND 3010 - EFFECTED OR CAUSED TO BE EFFECTED FOR THE ACCOUNT OF A PUBLIC CUSTOMER SHARES OF STOCK THAT TRADED A PREMIUM IN THE SECONDARY MARKET IN CONTRAVENTION OF THE NASD'S FREE-RIDING AND WITHHOLDING INTERPRETATION; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE NASD'S FREE-RIDING AND WITHHOLDING INTERPRETATION.





**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS  
**Date Initiated:** 07/20/2000  
**Docket/Case Number:** C8A000042  
**Principal Product Type:** Equity Listed (Common & Preferred Stock)  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 07/20/2000  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$2,000.00  
**Other Sanctions Ordered:** \$2,000 OF WHICH IS TO BE ASSESSED JOINTLY AND SEVERALLY AND \$224.50 OF WHICH IS TO BE ASSESSED SOLELY AGAINST THE FIRM.  
 11-07-00, \$2,000 PAID J&S ON 8/10/00, INVOICE 00-8A-496.  
 11-07-00, \$224.50 PAID IN FULL AS OF 8/10/00, INVOICE 00-8A-497  
**Sanction Details:** NONE

---

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** WE HAVE BEEN ADVISED BY N.A.S.D. REGULATION, INC. STAFF THAT THEY MAY RECOMMEND FORMAL ACTION AGAINST THE FIRM FOR NOT ADEQUATELY MAINTAINING SUFFICIENT CUSTOMER ACCOUNT INFORMATION TO ENSURE CUSTOMERS WERE PROPERLY RESTRICTED FROM PURCHASES OF "HOT ISSUES" UNDER N.A.S.D. CONDUCT RULE 2110 AND 3010(B).  
**Initiated By:** N.A.S.D. REGULATION, INC.  
**Date Initiated:** 01/26/2000  
**Docket/Case Number:** C8A000042  
**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/20/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,224.50

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURE AND A FINE OF 2224.50. 2,000.00 OF WHICH IS TO BE ASSESSED JOINTLY AND SEVERALLY AGAINST LASALLE ST. SECURITIES AND OUR EMPLOYEE, SCOTT BARLOW- CRD 1121249, AND 224.50 SOLELY AGAINST LASALLE ST. SECURITIES.  
\*FINE PAID IN FULL AUGUST 8, 2000.

**Firm Statement** A LETTER OF ACCEPTANCE, WAIVER AND CONSENT SUBMITTED AND APPROVED; IT RELATED TO INFRACTIONS OF THE N.A.S.D'S FREE-RIDING AND WITHHOLDING INTERPRETATION, IM-2110-1, AND INFRACTIONS OF N.A.S.D. CONDUCT RULES 2110 AND 3010(B).

**Disclosure 13 of 15**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** THE FLORIDA DEPARTMENT OF BANKING AND FINANCE ALLEGED THAT LASALLE ST. SECURITIES, INC. CONDUCTED SECURITIES BUSINESS IN THIS STATE THROUGH SEVEN OR MORE BRANCH OFFICES WITHOUT BENEFIT OF LAWFUL REGISTRATION.

**Initiated By:** FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION

**Date Initiated:** 01/16/1998

**Docket/Case Number:** 2595-S-12/97

**URL for Regulatory Action:**

**Principal Product Type:**

**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Stipulation and Consent  
**Resolution Date:** 01/16/1998  
**Sanctions Ordered:** Monetary/Fine \$10,000.00  
 Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** ON 1/16/98, THE FLORIDA DEPARTMENT OF BANKING AND FINANCE ISSUED A FINAL ORDER ENTERING INTO A STIPULATION AND CONSENT AGREEMENT REGARDING RESPONDENT LASALLE ST. SECURITIES, INC. THE FINAL ORDER INCORPORATED THE STIPULATION AND CONSENT AGREEMENT DATED 1/14/98, IN WHICH THE RESPONDENT LASALLE ST. SECURITIES AGREED TO PAY AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$10,000 AND TO CEASE AND DESIST ALL PRESENT AND FUTURE VIOLATIONS OF CHAPTER 517, F.S. AND THE RULES PROMULGATED THEREUNDER. PURSUANT TO THE AGREEMENT THE DEPARTMENT AGREED TO APPROVE THE APPLICATIONS FILED BY LASALLE ST. SECURITIES FOR REGISTRATION OF ITS BRANCH OFFICES IN FLORIDA.

**Regulator Statement** CONTACT: NANCY WOOD AT (850) 488-9530.

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** CONDUCTED BUSINESS AT BRANCH OFFICE LOCATIONS BEFORE OFFICAL STATE APPROVAL OF BRANCHES  
**Initiated By:** STATE OF FLORIDA  
**Date Initiated:** 11/11/1997  
**Docket/Case Number:** 2595-S-12/97  
**Principal Product Type:** Other  
**Other Product Type(s):** GENERAL SECURITIES  
**Principal Sanction(s)/Relief Sought:** Other



<b>Other Sanction(s)/Relief Sought:</b>	CIVAL AND ADMINISTRATIVE PENALTY(IES)FINE(S)
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	01/16/1998
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	CENSURE AND MONETARY/FINE WITH A AMOUNT OF 10000.00. FIRM WAS TO IMMEDIATELY REGISTER ALL OF ITS STATE BRANCHES AND WAS NOT TO CONDUCT FUTURE BUSINESS IN FLORIDA BRANCH OFFICES WITHOUT FIRST BEING REGISTERED THERE.
<b>Sanction Details:</b>	MONETARY/FINE WITH A AMOUNT OF 10000.00
<b>Firm Statement</b>	PAID FINE AND EXECUTED STIPULATION AND CONSENT AGREEMENT EFFECTIVE JAN. 1998. AGREEMENT BASICALLY STATED THAT THE FIRM WOULD NOT CONDUCT BUSINESS IN THE STATE OF FLORIDA WITHOUT FIRST BEING REGISTERED THERE.

#### Disclosure 14 of 15

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	DEFENDANT BROKER-DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT FOR THE THIRD YEAR.
<b>Initiated By:</b>	VIRGINIA - STATE CORPORATION COMMISSION DIVISION OF SECURITIES
<b>Date Initiated:</b>	11/18/1994
<b>Docket/Case Number:</b>	SEC940126
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent



<b>Resolution Date:</b>	11/18/1994
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS DEFENDANT AGREED TO BE PERMANENTLY ENJOINED FROM ANY CONDUCT WHICH CONSTITUTES A VIOLATION OF SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT AND TO PAY A PENALTY OF \$1,000 WHICH WAS TENDERED CONTEMPORANEOUSLY WITH THE ENTRY OF THE ORDER.
<b>Regulator Statement</b>	CONTACT: RHEA SHELTON, CHIEF OF REGISTRATION, 804-371-9610.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	DEFENDANT BROKER- DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT FOR THE THIRD YEAR.
<b>Initiated By:</b>	VIRGINIA - STATE CORPORATION COMMISSION DIVISION OF SECURITIES.
<b>Date Initiated:</b>	11/18/1994
<b>Docket/Case Number:</b>	SEC940126
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/18/1994
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS DEFENDANT AGREED TO BE PERMANENTLY ENJOINED FROM ANY CONDUCT WHICH CONSTITUTES A VIOLATION OF SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT AND TO PAY A PENALTY OF \$1,000 WHICH WAS TENDERED CONTEMPORANEOUSLY WITH THE ENTRY OF THE ORDER.

#### Disclosure 15 of 15

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** THE DIVISION ALLEGES THE BROKER-DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENT IN COMPLIANCE WITH SECTION 13.1-518.1 FOR THE SECOND YEAR. THE BROKER-DEALER NEITHER ADMITS NOR DENIES THESE ALLEGATIONS.

**Initiated By:** VIRGINIA - STATE CORPORATION COMMISSION  
DIVISION OF SECURITIES

**Date Initiated:** 07/21/1992

**Docket/Case Number:** SEC920076

**URL for Regulatory Action:**

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 07/21/1992

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:**

**Sanction Details:** AS AN OFFER TO SETTLE THE MATTER, THE BROKER-DEALER AGREED TO REFRAIN FROM ANY FUTURE CONDUCT WHICH VIOLATES SECTION 13.1-518.1 AND PAID A PENALTY IN THE AMOUNT OF \$500.00.

**Regulator Statement** CONTACT SHERYL DEVAUN, SENIOR EXAMINER  
804-786-7753.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE DIVISION ALLEGES THE BROKER DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENT IN COMPLIANCE WITH SECTION 13.1-518.1 FOR THE SECOND YEAR. THE BROKER-DEALER NEITHER ADMITS NOR DENIES THE ALLEGATIONS

**Initiated By:** VIRGINIA- SATE CORPERATION COMMISSION DIVISION OF SECURITIES

**Date Initiated:** 07/21/1992

**Docket/Case Number:** SEC920076

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 07/21/1992

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:**

**Sanction Details:** AS AN OFFER TO SETTLE THE MATTER, THE BROKER-DEALER AGREED TO REFRAIN FROM ANY FUTURE CONDUCT WHICH VIOLATES SECTION 13.1-518.1 AND PAID A PENALTY IN THE AMOUNT OF \$500.00.



## 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](http://www.finra.org/awardsonline).

### Disclosure 1 of 4

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	04/30/2004
<b>Case Number:</b>	<a href="#">04-03101</a>
<b>Disputed Product Type:</b>	ANNUITIES; NO OTHER TYPE OF SEC INVOLVE
<b>Sum of All Relief Requested:</b>	\$1,000,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	01/27/2006
<b>Sum of All Relief Awarded:</b>	\$56,200.02

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

### Disclosure 2 of 4

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	03/18/1993
<b>Case Number:</b>	<a href="#">92-04206</a>





**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES  
**Sum of All Relief Requested:** \$3,968,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 02/28/1994  
**Sum of All Relief Awarded:** \$500,000.00

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

#### Disclosure 3 of 4

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; NO OTHER CONTROVERSY INVOLVED  
**Arbitration Forum:** NASD  
**Case Initiated:** 04/02/1996  
**Case Number:** [96-00702](#)  
**Disputed Product Type:** CORPORATE BONDS; NO OTHER TYPE OF SEC INVOLVE  
**Sum of All Relief Requested:** \$68,853.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/11/1997  
**Sum of All Relief Awarded:** \$14,250.00

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

#### Disclosure 4 of 4

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED  
**Arbitration Forum:** NASD  
**Case Initiated:** 09/05/1999



**Case Number:** [99-03185](#)  
**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES  
**Sum of All Relief Requested:** \$4,700.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 10/09/2000  
**Sum of All Relief Awarded:** \$1,278.76

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



## Civil Bond

This type of disclosure event involves a civil bond for the brokerage firm that has been denied, paid, or revoked by a bonding company.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Policy Holder:</b>	LASALLE ST. SECURITIES LLC
<b>Bonding Company Name:</b>	ST. PAUL FIRE AND MARINE INSURANCE COMPANY
<b>Disposition:</b>	Payout
<b>Disposition Date:</b>	11/23/2004
<b>Payout Details:</b>	\$322,906 DATE:11/4/05
<b>Firm Statement</b>	LOSS OF MONIES OF THE FIRM OR CUSTOMER. LOST THROUGH EMBEZZLEMENT OR DEFALCATION A REGISTERED REPRESENTATIVE

## End of Report



**This page is intentionally left blank.**