



**BrokerCheck Report**

**RETIREMENT INVESTMENT GROUP**

CRD# 7421

Report # 561049 generated on Thursday, June 28, 2007.

## Dear Investor:

FINRA has generated the following BrokerCheck report for **RETIREMENT INVESTMENT GROUP**. The information contained within this report has been provided by a FINRA brokerage firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®).

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides include: regulatory actions, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the individual broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to [www.nasaa.org](http://www.nasaa.org) for a complete list of state securities regulators.

**Thank you for using FINRA BrokerCheck.**



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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)

## RETIREMENT INVESTMENT GROUP

CRD# 7421

SEC# 8-23050

### Main Office Location

1003 WIRT ROAD SUITE 302  
HOUSTON, TX 77055  
United States

### Mailing Address

1003 WIRT ROAD SUITE 302  
HOUSTON, TX 77055  
United States

## Report Summary for this Firm

This firm is no longer registered with FINRA. The firm's registration with FINRA was terminated (e.g., voluntarily withdrawn, cancelled, liquidated, expelled) prior to August 1999 when the enhanced Central Registration Depository System (i.e. Web CRD®) was implemented. As a result, since the firm was not required to update its CRD record via the submission of an electronic Form BD filing to Web CRD, FINRA's BrokerCheck program contains only limited information about this firm.

### Firm Profile

This firm is classified as CORPORATION.

This firm was formed in Texas on 8/24/1977.

Its fiscal year ends in December.

### Firm Operations

This firm is no longer registered with FINRA.

### Disclosure of Arbitration Awards, Disciplinary and Regulatory Events

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events range from disciplinary actions initiated by regulators to certain criminal charges and/or convictions, to financial disclosures such as bankruptcies, and summary information regarding arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms.



## **Firm Profile**

This firm is classified as a CORPORATION.

This firm was formed in Texas on 8/24/1977.

Its fiscal year ends in December.

## **Firm Names and Locations**

This section includes details, as reported by the firm on Form BD, regarding the firm's full legal name, business and mailing addresses, the firm's "doing business as" name (i.e. "DBA" name) if different from the full legal name, and any other name by which the firm conducts business and where such name is used.

### **RETIREMENT INVESTMENT GROUP**

**Doing business as RETIREMENT INVESTMENT GROUP**

**CRD#** 7421

**SEC#** 8-23050

### **Main Office Location**

1003 WIRT ROAD SUITE 302  
HOUSTON, TX 77055  
United States

### **Mailing Address**

1003 WIRT ROAD SUITE 302  
HOUSTON, TX 77055  
United States

### **Business Telephone Number**

713 465-6868



## **Firm Profile**

This section provides information relating to Direct Owners and Executive Officers as reported by the firm on Form BD.

### **Direct Owners and Executive Officers**

**Information not available – see Summary Page.**



## **Firm Profile**

This section provides information relating to Indirect Owners, if any, as reported by the firm on Form BD.

## **Indirect Owners**

**Information not available – see Summary Page.**



## **Firm History**

This section provides information relating to successions (e.g. mergers or acquisitions), if any, as reported by the firm on Form BD.

**Information not available – see Summary Page.**



## Firm Operations

### Registrations

This section provides information about the regulators (e.g. U.S. Securities and Exchange Commission (SEC), self-regulatory organizations, states and U.S. territories) the firm is currently registered with, the category of each registration, and the date on which the registration status became effective, as well as certain information about the firm's SEC registration.

**This firm is no longer registered with FINRA.**

**The firm's registration with FINRA was from 1/13/1976 to 4/30/1999.**

### SEC Registration Questions

This firm was registered with the SEC as:

A broker-dealer only: **Information not available – see Summary Page.**

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

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





## Types of Business

This section provides the types of business and any other business or other non-securities business the firm is engaged in or is expected to be engaged in as reported by the firm on Form BD.

**This firm conducted 6 types of business.**

|  |     |
|--|-----|
| Exchange member engaged in exchange commission business other than floor activities  | No  |
| Exchange member engaged in floor activities  | No  |
| Broker or dealer making inter-dealer markets in corporate securities over-the-counter  | No  |
| Broker or dealer retailing corporate equity securities over-the-counter  | No  |
| Broker or dealer selling corporate debt securities   | No  |
| Underwriter or selling group participant (corporate securities other than mutual funds)  | No  |
| Mutual fund underwriter or sponsor   | No  |
| Mutual fund retailer   | Yes |
| U.S. government securities dealer  | No  |
| U.S. government securities broker  | No  |
| Municipal securities dealer  | No  |
| Municipal securities broker  | Yes |
| Broker or dealer selling variable life insurance or annuities  | Yes |
| Solicitor of time deposits in a financial institution  | No  |
| Real estate syndicator   | No  |
| Broker or dealer selling oil and gas interests   | Yes |
| Put and call broker or dealer or option writer   | No  |
| Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds)                            | No  |
| Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)                                      | No  |
| Investment advisory services   | No  |
| Broker or dealer selling tax shelters or limited partnerships in primary distributions   | Yes |
| Broker or dealer selling tax shelters or limited partnerships in the secondary market  | No  |
| Non-exchange member arranging for transactions in listed securities by exchange member   | No  |
| Trading securities for own account   | No  |
| Private placements of securities   | Yes |
| Broker or dealer selling interests in mortgages or other receivables   | No  |
| Broker or dealer involved in a networking kiosk or similar arrangement with a bank, savings bank or association, or credit union | No  |
| Broker or dealer involved in a networking kiosk or similar arrangement with a Insurance company or agency                        | No  |



### **Other Types of Business**

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

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



## **Clearing Arrangements**

Information not available – see Summary Page

## **Introducing Arrangements**

Information not available – see Summary Page

## **Industry Arrangements**

Information not available – see Summary Page

## **Organization Affiliates**

Information not available – see Summary Page



## Disclosure of Arbitration Awards, Disciplinary and Regulatory Events

Firms are required to answer a series of disclosure questions on Form BD and provide the corresponding details to any reported events as part of the securities industry registration and licensing process. The disclosure questions concern criminal and regulatory events, civil actions, and certain financial disclosures such as bankruptcy or liquidation proceedings filed within the past ten years, bond actions and unpaid judgments and liens. The firm must answer either "yes" or "no" to each question as it applies to the firm itself or to any of its control affiliates (i.e., an individual, partnership, corporation, trust, or other organization that directly or indirectly controls, is under common control with, or is controlled by the firm). This section lists the various disclosure questions and their corresponding answers as reported by the firm on Form BD.



Possible multiple reporting sources – please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report.



## Disclosure Event Details

This section provides the specific details for each disclosure event, as reported by the firm on Form BD, that correspond with any "yes" answers to the various Form BD disclosure questions. It also includes summary information regarding arbitration awards in cases where the firm was named as a respondent in the arbitration proceeding, if any.

Nothing will be displayed in this section of the firm's BrokerCheck Report when the firm has no reported disclosure information.

If the firm does have reported disclosure events, please keep the following in mind when evaluating the disclosure event details. Items may involve pending actions or allegations that may be contested and have not been resolved or proven. The items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the firm and/or by securities industry regulators. Some of the specific data fields contained in this section of the report may be blank if the information was not provided to CRD.

Disclosure event details may be reported by more than one source (i.e., regulator and firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

|   |   |
|---|---|
| <b>Reporting Source:</b>                    | REGULATOR (U6)  |
| <b>Current Status:</b>                      | FINAL   |
| <b>Allegations:</b>                         | REVOKED BY THE SEC AFTER FAILED REASONABLY TO SUPERVISE A REGISTERED REPRESENTATIVE, GAIL GRISEUK, WHO VIOLATED THE ANTI-GRAUD PROVISIONS OF THE SECURITIES LAWS IN CONNECTION WITH THE UNSUITABLE PURCHASE AND SALE OF APPROXIMATELY \$325,000 OF LIMITED PARTNERSHIP INTERESTS IN 1991. |
| <b>Initiated By:</b>                        | ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION   |
| <b>Date Initiated:</b>                      | 9/17/1999   |
| <b>Docket/Case Number:</b>                  | S-03339A-99-0000  |
| <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>                          | Decision  |
| <b>Resolution Date:</b>                     | 9/17/1999   |
| <b>Sanctions Ordered:</b>                   | REVOCATION/EXPULSION/DENIAL;  |
| <b>Other Sanctions Ordered:</b>             |   |



**Sanction Details:** ORDER OF REVOCATION, DECISION NO.; 61966



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:** Renewal rosters from the NASD reflect firm had no agent registered as of 12/31/98.

**Initiated By:** Maryland Division of Securities

**Date Initiated:**

**Docket/Case Number:** 99-0040

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** ORDER

**Resolution Date:** 3/04/1999

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** An Order to Show Cause and Summary Suspension was issued giving Respondent until 2/28/99 to reply. No reply was received. Final Order of Revocation issued 3/4/99.





## Regulatory - Final

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### Disclosure

|   |  |
|---|--|
| <b>Reporting Source:</b>                    | REGULATOR (U6)   |
| <b>Current Status:</b>                      | FINAL  |
| <b>Allegations:</b>                         | RESPONDENTS SUNDANCE SYSTEMS, INC. AND RETIREMENT INVESTMENT GROUP WAS OFFERING AND SELLING UNREGISTERED SECURITIES  |
| <b>Initiated By:</b>                        | ILLINOIS SECURITIES DEPARTMENT   |
| <b>Date Initiated:</b>                      |  |
| <b>Docket/Case Number:</b>                  | 9600218  |
| <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>                          | DECISION   |
| <b>Resolution Date:</b>                     | 11/27/1996   |
| <b>Sanctions Ordered:</b>                   |  |
| <b>Other Sanctions Ordered:</b>             |  |
| <b>Sanction Details:</b>                    | TEMPORARY ORDER OF PROHIBITION ISSUED NOVEMBER 27, 1996.<br>RESPONDENTS HAVE THIRTY DAYS IN WHICH TO REQUEST A HEARING. IF NO SUCH REQUEST IS MADE WITHIN THAT TIME PERIOD THE TEMPORARY ORDER SHALL BECOME FINAL. NOTICE OF HEARING ISSUED DECEMBER 19, 1996. |



HEARING SET JANUARY 8, 1996. CONSENT ORDER OF PUBLIC CENSURE ISSUED MAY 13, 1997.

A TEMPORARY ORDER OF PROHIBITION, DATED NOVEMBER 27, 1996, THE RESPONDENTS HAVE THIRTY DAYS IN WHICH TO REQUEST A HEARING, IF NO SUCH REQUEST IS MADE WITHIIN THAT TIME PERIOD, THE TEMPORARY ORDER WILL BECOME FINAL. A NOTICE OF HEARING WAS ISSUED DECEMBER 19, 1996. THE HEARING IS SET FOR JANUARY 8, 1997. A CONSENT ORDER OF CENSURE WAS ISSUED MAY 13, 1997. THE RESPONDENTS SHALL PAY \$2,000 FOR CERTAIN COSTS OF INVESTIGATION.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** ORDER

**Resolution Date:** 2/02/1999

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** +7/29/96 SEC NEWS DIGEST ISSUE 96-141, DATED JULY 26, 1996, ENFORCEMENT PROCEEDINGS DISCLOSE; "ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JAMES THORNTON AND PAYNE & THORNTON, INC. D/B/A RETIREMENT INVESTMENT GROUP." THE COMMISSION ANNOUNCED THAT IT INSTITUTED PUBLIC ADMINISTRATIVE PROCEEDINGS AGAINST PAYNE & THORNTON, INC.



D/B/A RETIREMENT INVESTMENT GROUP (RETIREMENT), A BROKER-DEALER REGISTERED WITH THE COMMISSION SINCE OCTOBER 5, 1978, AND ITS PRESIDENT, JAMES THORNTON, PURSUANT TO SECTIONS 15(b) AND 19(h) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT). RETIREMENT IS HEADQUARTERED IN HOUSTON, TEXAS. THE ORDER ALLEGES THAT THORNTON AND RETIREMENT FAILED REASONABLY TO SUPERVISE A REGISTERED REPRESENTATIVE FORMERLY ASSOCIATED WITH RETIREMENT, WITHIN THE MEANING OF SECTIONS 15(b)(6) AND 15(b)(4)(E), RESPECTIVELY, OF THE EXCHANGE ACT. AMONG OTHER THINGS, THE REGISTERED REPRESENTATIVE ALLEGEDLY MADE FALSE AND MISLEADING STATEMENTS OF MATERIAL FACTS AND OMITTED TO STATE MATERIAL FACTS IN CONNECTION WITH SALES OF PARTNERSHIP INTERESTS TO HER CUSTOMERS. A HEARING WILL BE HELD TO DETERMINE WHETHER THE ALLEGATIONS ARE TRUE, TO OFFER THORNTON AND RETIREMENT AN OPPORTUNITY TO ESTABLISH ANY DEFENSES TO THE ALLEGATIONS, AND TO DETERMINE WHAT REMEDIAL SANCTIONS, IF ANY, ARE APPROPRIATE. (REL. 34-37477)

\*\*\*\*\* 03-26-97, SEC NEWS DIGEST  
ISSUE NO. 97-57, DATED MARCH 25, 1997, ENFORCEMENT PROCEEDINGS DISCLOSE: "IN THE MATTER OF JAMES THORNTON, AND PAYNE & THORNTON, INC., D/B/A RETIREMENT INVESTMENT GROUP"; AN ADMINISTRATIVE LAW JUDGE HAS (1) REVOKED THE REGISTRATION OF PAYNE & THORNTON, INC., A BROKER-DEALER HEADQUARTERED IN HOUSTON, TEXAS, DOING BUSINESS AS RETIREMENT INVESTMENT GROUP, AND BARRED THE FIRM'S PRESIDENT, JAMES THORNTON, FROM ASSOCIATION WITH A BROKER-DEALER, A MEMBER OF A NATIONAL SECURITIES EXCHANGE, OR REGISTERED SECURITIES ASSOCIATION, AND FROM PARTICIPATING IN AN OFFERING OF PENNY STOCK, AND (2) REQUIRED THE FIRM AND MR. THORNTON TO PAY CIVIL PENALTIES OF \$5,000 AND \$50,000, RESPECTIVELY. THE RECORD SHOWED PERSISTENT REGULATORY VIOLATIONS BY THE FIRM AND MR. THORNTON BEGINNING IN 1979, AND MR. THORNTON ADMITTED THAT HE FAILED REASONABLY TO SUPERVISE GAIL G. GRISEUK, A REGISTERED REPRESENTATIVE, WHO WILLFULLY VIOLATED THE ANTI-FRAUD PROVISIONS OF THE SECURITIES STATUTES IN CONNECTION WITH THE PURCHASE AND SALE OF APPROXIMATELY FIVE MILLION DOLLARS WORTH OF LIMITED PARTNERSHIPS IN 1991. (INITIAL DECISION NO. 109)

\*\*\*\*\* +03/03/99+ SEC NEWS DIGEST,  
ISSUE NO. 99-21, DATED FEBRUARY 2, 1999, ENFORCEMENT PROCEEDINGS DISCLOSES: "COMMISSION SANCTIONS PAYNE & THORNTON, D/B/A RETIREMENT INVESTMENT GROUP AND JAMES HARVEY THORNTON." The Commission has imposed sanctions on Payne & Thornton, d/b/a Retirement Investment Group (Retirement), a registered broker-dealer and James Harvey Thornton, its



president, general securities principal, financial operations principal, and compliance officer. Retirement's broker dealer registration was revoked. Thornton was permanently barred in a supervisory capacity and barred from association with any broker dealer or member of a national securities exchange or registered securities association with a right to reapply, in a non-supervisory and non-proprietary capacity, after three years. Retirement and Thornton were fined \$50,000 and \$5,000, respectively. The Commission found that Applicants failed reasonably to supervise a registered representative, Gail Griseuk, with a view to preventing violations of antifraud provisions of the securities laws. Applicants made no effort to observe internal procedures; to respond to explicit warnings about Griseuk's possible misconduct; to heighten supervision despite Griseuk's past misconduct and numerous "red flags;" and to conduct inspections of Griseuk's offices or interviews with her clients. (Rel. 34-41007; File No. 3-9046)



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 10/03/1983

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT TEX-352-SC FILED 09/27/83 DIST. #6 DECISION 10/03/83: CENSURED AND FINED \$1,000, J&S. \*\*\*\*10/13/83, SUMMARY COMPLAINT TEX-352-SC, PAID IN FULL.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 6/03/1994

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT NO. C06930021 FILED APRIL 29, 1993 BY DISTRICT NO. 6 AGAINST RETIREMENT INVESTMENT GROUP, JERRELL JAY COSBY AND JAMES HARVEY THORNTON ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 40 AND 43 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT COSBY FAILED TO GIVE WRITTEN NOTICE TO HIS MEMBER FIRM OF HIS EMPLOYMENT WITH ANOTHER



MEMBER FIRM; AND, RESPONDENT MEMBER, ACTING THROUGH RESPONDENT THORNTON, PERMITTED RESPONDENT COSBY TO SOLICIT AND SELL NONEXEMPT SECURITIES TO PUBLIC CUSTOMERS PRIOR TO BECOMING REGISTERED WITH THE FIRM, THEREBY CONSTITUTING PRIVATE SECURITIES TRANSACTIONS EFFECTED AWAY FROM COSBY'S MEMBER FIRM.

ON JUNE 3, 1994, THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS MEMBER, COSBY AND THORNTON WAS ISSUED; THEREFORE, RESPONDENTS MEMBER AND THORNTON ARE CENSURED AND FINED \$2,500, JOINTLY AND SEVERALLY; RESPONDENT COSBY IS CENSURED AND FINED \$2,500; AND, RESPONDENTS MEMBER, THORNTON AND COSBY ARE REQUIRED TO PAY \$6,787, JOINTLY AND SEVERALLY IN RESTITUTION AND/OR DISGORGEMENT. \*\*\*\$2,500 J&S PAID ON 8/19/94 INVOICE #94-06-422\*\*\*





## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

|   |   |
|---|---|
| <b>Reporting Source:</b>                    | REGULATOR (U6)  |
| <b>Current Status:</b>                      | FINAL   |
| <b>Allegations:</b>                         | SUBJECT FIRM AND ITS PRINCIPAL, JAMES HARVEY THORNTON, WERE FOUND TO HAVE FAILED TO PROPERLY SUPERVISE THE ACTIVITIES OF A REGISTERED SALESMAN LOCATED IN THE STATE OF GEORGIA. |
| <b>Initiated By:</b>                        | GEORGIA SECURITIES DIVISION   |
| <b>Date Initiated:</b>                      | 9/09/1992   |
| <b>Docket/Case Number:</b>                  | 50-92-0268(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>                          | ORDER   |
| <b>Resolution Date:</b>                     | 9/09/1992   |
| <b>Sanctions Ordered:</b>                   |   |
| <b>Other Sanctions Ordered:</b>             |   |
| <b>Sanction Details:</b>                    | AN ORDER OF SUSPENSION AND CIVIL PENALTY WAS ISSUED AGAINST SUBJECT FIRM AND ITS PRINCIPAL. THEY WERE JOINTLY FINED \$2,500.  |



## Regulatory - Final

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### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

**Initiated By:** VIRGINIA

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** ORDER

**Resolution Date:** 12/29/1988

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** AN ORDER WAS ISSUED AGAINST HOUSTON INVESTMENT GROUP, INC., FOR FAILURE TO MAINTAIN THE REQUIRED NET WORTH PURSUANT TO RULE 307 OF THE VIRGINIA SECURITIES ACT. AS AN OFFER TO SETTLE ALL MATTERS, HOUSTON INVESTMENT GROUP PAID THE COMMONWEALTH OF VIRGINIA A PENALTY IN THE AMOUNT OF \$1,000.00 PURSUANT TO SECTION 13.1-521 OF



THE CODE. DOCKET/CASE NO. SEC880135, DATED DECEMBER 29, 1988.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 6/03/1994

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT NO. C06930008 FILED JULY 7, 1993 BY DISTRICT NO. 6 AGAINST RETIREMENT INVESTMENT GROUP AND JAMES H. THORNTON ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 27 AND 35 OF THE RULES OF FAIR PRACTICE CONCERNING ADVERTISING IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENT THORNTON, FAILED TO MAINTAIN BOOKS AND



RECORDS; PLACED AND CAUSED TO BE RUN AN ADVERTISEMENT OFFERING TO SELL CERTAIN SECURITIES BY WAY OF A PRIVATE PLACEMENT AND INVITED ACCREDITED INVESTORS TO A MEETING SPONSORED BY RESPONDENT MEMBER AND THE PRESIDENT OF THE POTENTIAL ISSUER OF SUCH SECURITIES THEREBY FAILING TO COMPLY WITH SECTION 5 UNDER THE SECURITIES ACT OF 1933; FAILED TO MAINTAIN A COPY OF ONE OF TWO ADVERTISEMENTS; ALLOWED OFF-SITE REPRESENTATIVES OF RESPONDENT MEMBER LOCATED AT BRANCH OFFICES NOT REGISTERED WITH THE NASD TO USE FIRM LETTERHEAD STATIONERY WHICH FAILED TO MEET NASD REQUIREMENTS; AND, FAILED TO FILE AMENDED FORM U-5'S TO DISCLOSE A STATE INVESTIGATION OF AND A CUSTOMER COMPLAINT AGAINST TWO EMPLOYEES OF RESPONDENT MEMBER. ON JUNE 3, 1994, THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS MEMBER AND THORNTON WAS ISSUED; THEREFORE, THEY ARE CENSURED AND FINED \$5,000, JOINTLY AND SEVERALLY; AND, RESPONDENT THORNTON IS SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY PRINCIPAL CAPACITY FOR THREE DAYS.

\*\*\*\*\* \$5,000.00 J&S FULLY PAID ON  
6/9/95 INVOICE NO. 94-06-420\*\*\*



## Regulatory - Final

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### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 10/19/1987

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** ON OCTOBER 19, 1987, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. TEX-470-AWC (DISTRICT NO. 6) SUBMITTED BY RESPONDENTS HOUSTON INVESTMENT GROUP, JAMES THORNTON AND MICHAEL S. BROWN WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$3,000.00, JOINTLY AND SEVERALLY (ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR



PRACTICE- IN CONNECTION WITH THE SALE OF LIMITED PARTNERSHIP UNITS, RESPONDENT BROWN PAID FOR THREE INVESTOR PURCHASES ON THE CLOSING DATE OF THE OFFERING AND WAS SUBSEQUENTLY REIMBURSED BY THE INVESTORS, SUCH PURCHASES, THEREFORE, NOT BONA FIDE PURCHASES; AND RESPONDENTS MEMBER AND THORNTON FAILED TO EVIDENCE WRITTEN SUPERVISORY APPROVAL OF THE SUBSCRIPTION DOCUMENTS AS REQUIRED BY THE FIRM'S INTERNAL SUPERVISORY PROCEDURES). \*\*\*\*\* \$3,000 PAID J&S 11-9-87.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 7/15/1987

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** ON JULY 15, 1987, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. TEX-519-AWC (DISTRICT NO. 6) SUBMITTED BY RESPONDENTS HOUSTON INVESTMENT GROUP AND JAMES THORNTON WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$1,000.00, JOINTLY AND SEVERALLY (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - IN CONNECTION WITH THE





OFFER AND SALE OF LIMITED PARTNERSHIP INTERESTS, FAILED TO REFUND  
SUBSCRIBERS FUNDS WHEN THE REQUISTE NUMBER OF UNITS HAD NOT BEEN  
SOLD BY THE TERMINATION DATE). \*\*\*\*\* \$1,000 PAID J&S 12-22-87.



## Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 12/02/1981

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT #AWC-43 FILED 12/02/81 DISTRICT #6 DECISION 12/02/81:  
CENSURED & FINED \$500.00 12/02/81: ALL RIGHTS WAIVED 12/02/81: DECISIONS  
FINAL FINES & COSTS FC #8110 PD J&S 12/16/81



## Regulatory - Final

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### Disclosure

**Reporting Source:** REGULATOR (U6)

**Current Status:** FINAL

**Allegations:**

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

**Date Initiated:**

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** DECISION

**Resolution Date:** 7/12/1979

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** COMPLAINT #AWC-35 FILED 07/12/79 DIST. #6 DECISION 07/12/79: LETTER OF ADMISSION, WAIVER & CONSENT WAS ACCEPTED: CENSURED: FINED \$500 J & S. 07/12/79: FINAL FINES & COSTS 07/26/79 FC #7368 PD. J&S



## About this BrokerCheck Report

BrokerCheck reports are part of a FINRA initiative to disclose information about FINRA-registered firms and brokers to help investors determine whether to conduct, or continue to conduct, business with these firms and brokers. The information contained within these reports is collected through the securities industry's registration and licensing process.

### Who provides the information in BrokerCheck?

Information made available through FINRA BrokerCheck is derived from the Central Registration Depository (CRD®) as reported on the industry registration and licensing forms brokerage firms and brokers are required to complete.

The forms used by brokerage firms, Forms BD and BDW, are established by the Securities and Exchange Commission (SEC) and adopted by all state securities regulators and self-regulatory organizations (SROs). FINRA and the North American Securities Administrators Association (NASAA) establish the Forms U4 and U5, the forms that collect broker information. Regulators provide information via Form U6, which is used primarily to report certain history about brokerage firms and brokers. These forms are approved by the SEC.

### How current is the information contained in BrokerCheck?

Brokerage firms and brokers are required to keep this information accurate and up-to-date (updates typically are required not later than 30 days after the broker/brokerage firm learns of an event). The report data is updated when a firm, broker, or regulator submits new or revised information to CRD. Generally, updated information is available on BrokerCheck Monday through Friday.

### What information is NOT disclosed through BrokerCheck?

Information that has not been reported to the CRD system, or that is not required to be reported, is not disclosed through FINRA BrokerCheck. Examples of events that are not required to be reported or are no longer reportable include: judgments and liens originally reported as pending that subsequently have been satisfied and bankruptcy proceedings filed more than 10 years ago. Conversely, certain customer complaint information that is not required to be reported may be disclosed provided certain criteria are met.

Additional information not disclosed through BrokerCheck includes Social Security Numbers, residential history information, and physical descriptive information. On a case-by-case basis, FINRA reserves the right to exclude information that contains confidential customer information, offensive and potentially defamatory language or information that raises significant identity theft or privacy concerns that are not outweighed by investor protection concerns. NASD Interpretive Material 8310-2 describes in detail what information is and is not disclosed through BrokerCheck.

Under FINRA's current public disclosure policy, in certain limited circumstances, most often pursuant to a court order, information is expunged from the CRD system. Further information about expungement from the CRD system is available in NASD Notices to Members 99-09, 99-54, 01-65, and 04-16 at [www.finra.org](http://www.finra.org).

For further information regarding FINRA's BrokerCheck program, please visit FINRA's Web Site at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or call the FINRA BrokerCheck Hotline at (800) 289-9999. The hotline is open Monday through Friday from 8 a.m. to 8 p.m., Eastern Time (ET).

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