

BrokerCheck Report
FMSBONDS, INC.

CRD# 7793

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About BrokerCheck®



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

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

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

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

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

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

- **How current is this information?**

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

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

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

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

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

Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



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

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



FMSBONDS, INC.

CRD# 7793

SEC# 8-23280

Main Office Location

4775 TECHNOLOGY WAY
BOCA RATON, FL 33431
Regulated by FINRA Florida Office

Mailing Address

4775 TECHNOLOGY WAY
BOCA RATON, FL 33431

Business Telephone Number

800-741-1103

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 08/11/1978.

Its fiscal year ends in June.

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
- 52 U.S. states and territories

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

This firm conducts 10 types of businesses.

This firm is not affiliated with any financial or investment institutions.

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

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	11
Arbitration	2



Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 08/11/1978.

Its fiscal year ends in June.

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.

FMSBONDS, INC.

Doing business as FMSBONDS, INC.

CRD# 7793

SEC# 8-23280

Main Office Location

4775 TECHNOLOGY WAY
BOCA RATON, FL 33431

Regulated by FINRA Florida Office

Mailing Address

4775 TECHNOLOGY WAY
BOCA RATON, FL 33431

Business Telephone Number

800-741-1103

Other Names of this Firm

Name	Where is it used
FMS BONDS	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

FMS BONDS, INC.

AK, AK, AL, AL, AR,
 AR, AZ, AZ, CA, CA,
 CO, CO, CT, CT, DC,
 DC, DE, DE, FL, FL,
 GA, GA, HI, HI, IA,
 IA, ID, ID, IL, IL, IN,
 IN, KS, KS, KY, KY,
 LA, LA, MA, MA, MD,
 MD, ME, ME, MI, MI,
 MN, MN, MO, MO,
 MS, MS, MT, MT, NC,
 NC, ND, ND, NE, NE

FMS,INC.

FL

FMSBONDS.COM

AK, AL, AR, AZ, CA,
 CO, CT, DC, DE, FL,
 GA, HI, IA, ID, IL, IN,
 KS, KY, LA, MA, MD,
 ME, MI, MN, MO,
 MS, MT, NC, ND, NE,
 NH, NJ, NM, NV, NY,
 OH, OK, OR, PA, PR,
 RI, SC, SD, TN, TX,
 UT, VA, VT, WA, WI,
 WV, WY

TAX-FREE BONDS

AK, AL, AR, AZ, CA,
 CO, CT, DC, DE, FL,
 GA, HI, IA, ID, IL, IN,
 KS, KY, LA, MA, MD,
 ME, MI, MN, MO,
 MS, MT, NC, ND, NE,
 NH, NJ, NM, NV, NY,
 OH, OK, OR, PA, PR,
 RI, SC, SD, TN, TX,
 UT, VA, VT, WA, WI,
 WV, WY

TAX-FREE BONDS.COM

AK, AL, AR, AZ, CA,
 CO, CT, DC, DE, FL,
 GA, HI, IA, ID, IL, IN,
 KS, KY, LA, MA, MD,
 ME, MI, MN, MO,
 MS, MT, NC, ND, NE,
 NH, NJ, NM, NV, NY,
 OH, OK, OR, PA, PR,
 RI, SC, SD, TN, TX,
 UT, VA, VT, WA, WI,
 WV, WY



Firm Profile

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

Direct Owners and Executive Officers

Legal Name & CRD# (if any): FEINSILVER, PAUL
500389

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

Position CHAIRMAN OF THE BOARD

Position Start Date 08/1978

Percentage of Ownership 50% but less than 75%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): KLOTZ, JAMES ARNOLD
500438

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

Position PRESIDENT

Position Start Date 08/1978

Percentage of Ownership 50% but less than 75%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): GUERRISE, MATTHEW ANTHONY
2673770

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

Position CHIEF COMPLIANCE OFFICER

Firm Profile



Direct Owners and Executive Officers (continued)

Position Start Date	08/2002
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): PARKER, ANNE MICHELLE
2226034

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

Position SROP AND CROP

Position Start Date 01/2000

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): SELIGSOHN, MICHAEL STEVEN
2189850

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

Position CHIEF OPERATIONS OFFICER, VICE PRESIDENT

Position Start Date 01/1994

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



Direct Owners and Executive Officers (continued)

Legal Name & CRD# (if any):	SWINARSKI, THEODORE ANTHONY 1584451
Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT - TRADING SUPERVISOR
Position Start Date	01/2015
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

No information reported.

Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	12/01/1978

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	01/24/1979



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/27/1994	North Carolina	Approved	03/09/1983
Alaska	Approved	04/23/1999	North Dakota	Approved	04/22/1999
Arizona	Approved	04/26/1995	Ohio	Approved	06/08/1994
Arkansas	Approved	07/19/1994	Oklahoma	Approved	06/06/1994
California	Approved	01/21/1983	Oregon	Approved	06/16/1994
Colorado	Approved	03/14/1991	Pennsylvania	Approved	03/09/1987
Connecticut	Approved	06/06/1994	Puerto Rico	Approved	04/22/1999
Delaware	Approved	05/19/1994	Rhode Island	Approved	05/03/1983
District of Columbia	Approved	11/23/1994	South Carolina	Approved	10/05/1994
Florida	Approved	04/27/1983	South Dakota	Approved	04/28/1999
Georgia	Approved	02/28/1984	Tennessee	Approved	07/21/1994
Hawaii	Approved	05/12/1999	Texas	Approved	09/26/1994
Idaho	Approved	04/09/1999	Utah	Approved	04/28/1999
Illinois	Approved	04/28/1983	Vermont	Approved	08/25/1994
Indiana	Approved	06/08/1994	Virginia	Approved	05/13/1983
Iowa	Approved	06/10/1999	Washington	Approved	07/06/1994
Kansas	Approved	09/02/1994	West Virginia	Approved	06/15/1983
Kentucky	Approved	05/05/1983	Wisconsin	Approved	06/14/1994
Louisiana	Approved	05/24/1994	Wyoming	Approved	04/19/1999
Maine	Approved	08/31/1994			
Maryland	Approved	03/31/1983			
Massachusetts	Approved	08/11/1994			
Michigan	Approved	07/20/1994			
Minnesota	Approved	07/06/1994			
Mississippi	Approved	06/10/1994			
Missouri	Approved	09/30/1994			
Montana	Approved	05/03/1999			
Nebraska	Approved	05/18/1999			
Nevada	Approved	10/24/1994			
New Hampshire	Approved	08/22/1994			
New Jersey	Approved	07/12/1983			
New Mexico	Approved	06/17/1994			
New York	Approved	01/02/1986			



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 10 types of businesses.

Types of Business

Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Trading securities for own account
Private placements of securities
Other - FMSBONDS, INC. OFFERS BANK ISSUED FDIC INSURED CERTIFICATES OF DEPOSIT.

Other Types of Business

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

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

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

Name: WELLS FARGO CLEARING SERVICES, LLC

CRD #: 19616

Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103

Effective Date: 02/06/2013

Description: WELLS FARGO CLEARING SERVICES, LLC (F.K.A.) FIRST CLEARING CORP., LLC., PROVIDES ACCESS TO QUALIFIED RETIREMENT ACCOUNTS, MARGIN, EQUITIES, & OPTIONS TRANSACTIONS TO CUSTOMERS OF FMSBONDS, INC. ON A FULLY DISCLOSED, INTRODUCED BASIS.

Firm Operations

Industry Arrangements



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

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does 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 not, 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.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	11	0
Arbitration	N/A	2	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 11

Reporting Source: Regulator
Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT EFFECTED 170 CUSTOMER TRANSACTIONS IN A MUNICIPAL SECURITY IN AN AMOUNT LOWER THAN THE MINIMUM DENOMINATION OF THE ISSUE WHICH WERE NOT SUBJECT TO AN EXCEPTION UNDER THE RULE. THE FINDINGS STATED THAT THE FIRM FAILED TO DISCLOSE ALL MATERIAL FACTS CONCERNING 51 MUNICIPAL SECURITIES TRANSACTIONS AT OR PRIOR TO THE TIME OF TRADE. SPECIFICALLY, THE FIRM FAILED TO INFORM ITS CUSTOMER THAT THE MUNICIPAL SECURITIES TRANSACTION WAS IN AN AMOUNT BELOW THE MINIMUM DENOMINATION OF THE ISSUE, OR THAT THE MUNICIPAL SECURITIES CONTAINED A RESALE RESTRICTION WHICH COULD AFFECT THE LIQUIDITY OF THE CUSTOMER'S POSITION.

Initiated By: FINRA

Date Initiated: 03/02/2017

Docket/Case Number: [2015043950501](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/02/2017

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

Sanctions Ordered: Censure
Monetary/Fine \$210,000.00

Other Sanctions Ordered: RESCISSION

Sanction Details: THE FIRM WAS CENSURED, FINED \$210,000 AND MUST OFFER RESCISSION TO CUSTOMERS WHO PURCHASED SECURITIES LISTED AT EITHER THE ORIGINAL PURCHASE PRICE OR THE CURRENT FAIR MARKET VALUE, WHICHEVER IS HIGHER. THE FIRM BEGAN THE PROCESS OF OFFERING RESCISSION TO AFFECTED CUSTOMERS BEFORE THE DATE OF THIS AWC. FINED PAID IN FULL ON 3/21/17.



Reporting Source: Firm

Current Status: Final

Allegations: FOR CERTAIN TRANSACTIONS DURING THE PERIOD 8/1/2013 THROUGH 12/31/2015, FINRA ALLEGED THE FIRM VIOLATED MSRB RULE G-15(F) BY EFFECTING TRADES IN MUNICIPAL SECURITIES IN AMOUNTS LOWER THAN THE ALLOWABLE MINIMUM DENOMINATION OF THE ISSUE. THE DEPARTMENT ALSO ALLEGED THAT IN 29% OF THE TRANSACTIONS THE FIRM DID NOT PROPERLY DISCLOSE THIS FACT IN WRITING TO THE CUSTOMER AT THE TIME OF THE TRADE, VIOLATING MSRB G-47.

Initiated By: FINRA DEPARTMENT OF MARKET REGULATION

Date Initiated: 02/13/2017

Docket/Case Number: 20150439505-01

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE, RESCISSION OFFER

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/02/2017

Sanctions Ordered: Censure
Monetary/Fine \$210,000.00

Other Sanctions Ordered: RESCISSION OFFER

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS AND TO THE SANCTIONS. THE \$210,000 FINE WAS PAID IN FULL MARCH 13TH, 2017.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WE ACKNOWLEDGE AND CONSENT TO THE FINDINGS AND SANCTIONS LISTED IN THIS LETTER. WE WOULD LIKE TO POINT OUT, IN THIS EXHIBIT, NEARLY 80% OF THE SALES TO RETAIL CUSTOMERS WERE MUNICIPAL BONDS THAT WERE RATED INVESTMENT GRADE AND OR INSURED AT THE TIME OF PURCHASE.
OF THE REMAINING 20% OF SALES TO RETAIL CUSTOMERS, MORE THAN 20% WERE ADDING TO EXISTING POSITIONS WHICH WERE IN EXCESS OF THE MINIMUM DENOMINATION.



IN ADDITION, THIS EXHIBIT ALSO INCLUDES 13 TRANSACTIONS IN WHICH THE FIRM WAS PROVIDING LIQUIDITY TO CUSTOMERS.

IT IS ALSO NOTABLE THAT ALL THESE ISSUERS HAVE MADE PARTIAL CALLS, OVER THE YEARS, FOR THESE BONDS WHICH INVARIABLY RESULTS IN PORTFOLIO HOLDINGS FALLING BELOW THE MINIMUM DENOMINATION.

ALTHOUGH WE AGREE THESE INSTANCES ARE VIOLATIONS IN THE STRICT APPLICATION OF THE RULE, WE BELIEVE OUR ACTIONS WERE CONSISTENT WITH OUR INTENTIONS TO ALWAYS PROTECT OUR CUSTOMERS AND PROVIDE THEM WITH A FAIR AND ORDERLY MARKET FOR THEIR BONDS.

Disclosure 2 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULES G-17, G-30(A) - FMSBONDS, INC. PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM CUSTOMERS AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO CUSTOMERS AT AN AGGREGATE PRICE (INCLUDING ANY MARKDOWN OR MARKUP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION.
Initiated By:	FINRA
Date Initiated:	12/06/2013
Docket/Case Number:	2010022721801
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)



Resolution Date: 12/06/2013

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

Sanctions Ordered: Censure
Monetary/Fine \$13,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$13,500 FOR THE MSRB RULE VIOLATIONS. THE FIRM HAS PREVIOUSLY PAID A TOTAL OF \$7,426.50 IN RESTITUTION TO ADDRESS THE MSRB RULE VIOLATIONS. FINE PAID IN FULL ON JANUARY 6, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA'S DEPARTMENT OF MARKET REGULATION ALLEGED THAT ON 10/15/09, THE FIRM PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM CUSTOMERS AT AN AGGREGATE PRICE (INCLUDING ANY MARK-DOWN OR MARK-UP) WHICH WAS DETERMINED TO BE NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS AT THE TIME OF THE TRANSACTION. THIS ACTION CONSTITUTES SEPARATE VIOLATIONS OF MSRB RULE G-17 AND G-30. IN ADDITION THEY ALLEGED THAT ON 10/6/09 AND ON 10/29/09 THE FIRM SOLD MUNICIPAL SECURITIES FROM ITS OWN ACCOUNT TO CUSTOMERS AT AGGREGATE PRICES (INCLUDING ANY MARK-DOWN OR MARK-UP) WHICH WERE DETERMINED TO BE NOT FAIR AND REASONABLE, TAKING INTO ACCOUNT ALL RELEVANT FACTORS AT THE TIME OF THE TRANSACTION. THIS ACTION CONSTITUTES SEPARATE VIOLATIONS OF MSRB RULE G-17 AND G-30.

Initiated By: FINRA MARKET REGULATION

Date Initiated: 12/26/2013

Docket/Case Number: 20100227218

Principal Product Type: Debt - Municipal

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/26/2013
Sanctions Ordered:	Censure Monetary/Fine \$13,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	\$13,500 WAS PAID IN FULL ON 12/26/2013.
Firm Statement	<p>FOUNDED IN 1978, FMSBONDS IS A FULL SERVICE BROKER DEALER SPECIALIZING IN MUNICIPAL BONDS. FOLLOWING THIS REVIEW, DURING WHICH OUR FIRM FULLY COOPERATED WITH FINRA STAFF, FMSBONDS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHOSE TO ACCEPT THE FINDINGS FOR THE FOUR TRADES IN QUESTION, AND CONSENT TO A CENSURE AND FINE.</p> <p>NOTWITHSTANDING THE ALLEGATIONS NOTED IN THE ABOVE DISCLOSURE, AND IN AN EFFORT TO PROVIDE CONTEXT TO THE FOUR TRANSACTIONS AT ISSUE, WE FEEL IT IS IMPORTANT TO NOTE CERTAIN FACTORS.</p> <p>THE FIRM CONDUCTED OVER 14,200 TRANSACTIONS IN THE PRINCIPAL CAPACITY DURING THIS REVIEW PERIOD AND FINRA DID NOT ALLEGE ANY WILLFUL OR FRAUDULENT CONDUCT BY THE FIRM.</p> <p>FMSBONDS IS DETERMINED TO ALWAYS PURSUE THE BEST AVAILABLE EXECUTIONS FOR ITS CLIENTS.</p>

Disclosure 3 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULES G-8, G-17, G-27, G-32: THE FIRM FAILED TO DELIVER OFFICIAL STATEMENTS BY SETTLEMENT DATE TO NUMEROUS CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES DURING THE PRIMARY OFFERING DISCLOSURE PERIOD. IN ALL OF THESE TRANSACTIONS, THE FIRM WAS NEITHER AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE. HOWEVER, THE FIRM WAS REQUIRED TO DELIVER AN OFFICIAL STATEMENT TO EACH CUSTOMER BY SETTLEMENT DATE. THE



FIRM FAILED TO KEEP A RECORD OF DELIVERIES OF OFFICIAL STATEMENTS TO PURCHASERS OF NEW ISSUE MUNICIPAL SECURITIES, AS REQUIRED BY MSRB RULE G-8(A)(XIII), WHICH REQUIRES BROKER-DEALERS TO KEEP A RECORD OF ALL DELIVERIES OF OFFICIAL STATEMENTS TO PURCHASERS OF NEW ISSUE MUNICIPAL SECURITIES REQUIRED TO BE PROVIDED UNDER MSRB RULE G-32. THE FIRM FAILED TO ADOPT, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES PERTAINING TO: (1) THE FIRM'S OFFICIAL STATEMENT DELIVERY REQUIREMENTS TO CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES FOR SECONDARY MARKET TRANSACTIONS THAT OCCURRED DURING THE PRIMARY OFFERING DISCLOSURE PERIOD, INCLUDING THOSE TRANSACTIONS IN WHICH THE FIRM WAS NOT AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE, AS REQUIRED BY MSRB RULE G-32; AND (2) THE FIRM'S REQUIREMENTS TO MAINTAIN VARIOUS RECORDS PERTAINING TO ITS OBLIGATIONS TO DELIVER OFFICIAL STATEMENTS TO CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES, INCLUDING THOSE TRANSACTIONS IN WHICH THE FIRM WAS NOT AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE, AS REQUIRED BY MSRB RULE G-8.

Initiated By: FINRA

Date Initiated: 05/10/2011

Docket/Case Number: [2009019191401](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/10/2011

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

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered:



Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$100,000.

Reporting Source: Firm

Current Status: Final

Allegations: AT VARIOUS TIMES DURING THE PERIOD FROM 7/1/2007 THROUGH 5/31/2009, FINRA ALLEGED THAT THE FIRM NON-WILLFULLY VIOLATED MSRB RULE G-32(A) BY FAILING TO MAIL HARDCOPIES OF OFFICIAL STATEMENTS, FOR CERTAIN MUNICIPAL SECURITIES SOLD DURING THE NEW ISSUE PERIOD. IN THE INSTANCES MENTIONED ABOVE THE FIRM DID NOT PARTICIPATE IN THE UNDERWRITING OR SELLING GROUP FOR THESE NEW ISSUES. THE FIRM WAS ALSO SUBSEQUENTLY ALLEGED TO BE IN NON-WILLFUL VIOLATION OF MSRB RULES G-8(A)(XIII) AND G-27 WHICH RESPECTIVELY REQUIRE FIRMS TO KEEP CERTAIN RECORD DETAILS, AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES IN RELATION TO THE PROVISIONS OUTLINED IN RULE G-32.

Initiated By: FINRA DEPARTMENT OF ENFORCEMENT

Date Initiated: 05/10/2011

Docket/Case Number: [2009019191401](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/10/2011

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered: NONE.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND FINE IN THE AMOUNT DETAILED ABOVE. THE FINE WAS PAID IN FULL BY FMSBONDS ON 5/20/2011.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FMSBONDS

CONTENDS THAT FOR THE PERIOD IN QUESTION THE FIRM MAINTAINED COMPLIANCE WITH MSRB G-32, IN INSTANCES WHERE WE HAVE ACTED AS THE UNDERWRITER OF A NEW MUNICIPAL SECURITY.

IN ADDITION AND AS ACKNOWLEDGED BY FINRA WITHIN THE AWC LETTER, "MSRB RULE G-32 WAS AMENDED (EFFECTIVE JUNE 1, 2009) TO PERMIT BROKER-DEALERS TO SATISFY THIS DELIVERY OBLIGATION BY NOTIFYING CUSTOMERS HOW THEY MAY OBTAIN A COPY OF THE ISSUES' OFFICIAL STATEMENT ELECTRONICALLY." THIS AMENDMENT ESSENTIALLY ADOPTED THE "ACCESS EQUALS DELIVERY" STANDARD PREVIOUSLY ESTABLISHED BY THE SEC IN DECEMBER 2005.

TO THAT END, BEGINNING IN 2008 AND CONTINUING THROUGH THE PRESENT DATE, FMSBONDS HAS BEEN POSTING THE OFFICIAL STATEMENTS FOR ALL NEW ISSUE MUNICIPAL SECURITIES THAT WE CARRY IN OUR INVENTORY ON OUR WEBSITE. THIS WEBPAGE WITHIN OUR SITE ALLOWS OFFICIAL STATEMENTS TO BE SEARCHED, DOWNLOADED AND PRINTED; THE PAGE ALSO CONTAINS A LINK TO THE HOMEPAGE OF MSRB'S EMMA WEBSITE.

Disclosure 4 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 2320, 3010, 6230(C)(8) - FMS BONDS, INC. IN CORPORATE BOND TRANSACTIONS FOR OR WITH A CUSTOMER, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING BEST EXECUTION OF CORPORATE DEBT SECURITIES. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT TRADE EXECUTION TIME FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.
Initiated By:	FINRA
Date Initiated:	03/08/2011
Docket/Case Number:	2006005350301
Principal Product Type:	Debt - Corporate



Other Product Type(s): TRACE-ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/08/2011

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

Sanctions Ordered: Censure
Monetary/Fine \$45,000.00

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 \$45,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING BEST EXECUTION OF CORPORATE DEBT SECURITIES WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THE FIRM VIOLATED NASD RULE 2320 AND 2110 WITH RELATION TO NINE CORPORATE BOND TRANSACTIONS OCCURING DURING THE PERIOD FROM 4/1/2005 THROUGH 6/30/2005. IN ADDITION FINRA ALLEGED SEVEN VIOLATIONS OF RULE 6230(C)(8) DURING THE SAME PERIOD.

Initiated By: FINRA MARKET REGULATION

Date Initiated: 03/08/2011

Docket/Case Number: REVIEW 2006005350301

Principal Product Type: Debt - Corporate

Other Product Type(s): TRACE ELLIGIBLE SECURITIES



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	NONE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/09/2011
Sanctions Ordered:	Censure Monetary/Fine \$45,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS THE FIRM CONSENTED TO A CENSURE AND FINE. THE FINE WAS PAID IN FULL BY FMSBONDS ON 3/18/2011. FIRM HAS ALSO UPATED ITS PROCEEDURES WITH REGARD TO BEST EXECUTION RULES.
Firm Statement	IN NINE CORPORATE BOND TRANSACTIONS OCCURRING DURING THE PERIOD FROM APRIL 1, 2005 THROUGH JUNE 30, 2005, FINRA STAFF ALLEGED THAT THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTERDEALER MARKET AND FAILED TO BUY OR SELL IN SUCH A MARKET SO THAT THE RESULTANT PRICE TO THE CUSTOMER WAS AS FAVORABLE AS POSSIBLE. FINRA ALSO ALLEGED THAT ON SEVEN CORPORATE BOND TRANSACTIONS DURING THE SAME PERIOD THE FIRM REPORTED AN INCORRECT TIME OF EXECUTION TO THE TRADE REPORTING AND COMPLIANCE ENGINE "TRACE" SYSTEM.

Disclosure 5 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, SEC RULE 10B-10, NASD RULE 2110, MSRB RULE G-15: THE FIRM ISSUED CORPORATE BOND CONFIRMATIONS THAT DISCLOSED TO THE CUSTOMER AN ERRONEOUS FIRM CAPACITY ON THE TRADES; SPECIFICALLY, THE CONFIRMATIONS INCORRECTLY STATED THAT THE FIRM WAS ACTING AS AN AGENT INSTEAD OF IN A PRINCIPAL CAPACITY. THE FIRM ISSUED MUNICIPAL BOND CONFIRMATIONS THAT DISCLOSED TO THE CUSTOMER AN ERRONEOUS FIRM CAPACITY ON THE TRADES; SPECIFICALLY, THE CONFIRMATIONS INCORRECTLY STATED THAT THE FIRM WAS ACTING AS AN AGENT INSTEAD OF IN A PRINCIPAL CAPACITY.
Initiated By:	FINRA
Date Initiated:	05/21/2010



Docket/Case Number: [2008011689301](#)

Principal Product Type: Other

Other Product Type(s): CORPORATE BOND AND MUNICIPAL BOND

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/21/2010

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

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT THE FIRM THROUGH ITS FULLY DISCLOSED INTRODUCING CLEARING FIRM, RIDGE CLEARING, VIOLATED SEC RULE 10B-10, NASD RULE 2110, AND MSRB RULE G-15 BY ISSUING CERTAIN CONFIRMATIONS THAT CONTAINED AN INCORRECT CAPACITY CODE.

Initiated By: FINRA DEPT OF ENFORCEMENT

Date Initiated: 05/21/2010

Docket/Case Number: [2008011689301](#)

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:	NONE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/21/2010
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS THE FIRM ACCEPTS AND CONSENTS TO THE ADMINISTRATIVE FINE.
Firm Statement	DURING THE PERIOD FROM JULY 15, 2008 THROUGH OCTOBER 14, 2008 THE FIRM INCORRECTLY REPORTED THE CAPACITY CODE "AS AGENT" INSTEAD OF "AS PRINCIPAL" ON A LIMITED AMOUNT OF CONFIRMATIONS ISSUED THROUGH ITS FULLY DISCLOSED, INTRODUCED CLEARING FIRM, RIDGE CLEARING. THIS UNINTENTIONAL CODING OCCURRED AS A RESULT OF AN UPGRADE TO A NEW TRADING PLATFORM AND HAS SINCE BEEN CORRECTED.

Disclosure 6 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 6230(A) - FMSBONDS, INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS REQUIRED TO REPORT WITHIN 15 MINUTES OF THE TIME OF EXECUTION.
Initiated By:	FINRA
Date Initiated:	02/05/2009
Docket/Case Number:	2007011198101
Principal Product Type:	Other
Other Product Type(s):	TRACE-ELIGIBLE SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/05/2009

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

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THE FIRM VIOLATED NASD RULE 6230(A)AND RULE 2110, LATE REPORTING OF TRACE ELLIGIBLE TRANSACTIONS DURING THE PERIOD OF JULY 1, 2007 THROUGH SEPT. 30, 2007.

Initiated By: FINRA MARKET REGULATION

Date Initiated: 11/19/2007

Docket/Case Number: REVIEW 2007011198101

Principal Product Type: Debt - Corporate

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: 02/05/2009

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: ADMINISTRATIVE FINE WAS ISSUED, ACCEPTED AND PAID IN FULL ON



02/18/2009.

Firm Statement

FOLLOWING A FIRM-WIDE COMPUTER SYSTEM CONVERSION IN JULY 2007, FINRA ALLEGED THE FIRM VIOLATED NASD RULE 6230(A) AND RULE 2110, BY REPORTING A CERTAIN NUMBER OF TRANSACTIONS PAST THE 15 MINUTE REPORTING REQUIREMENT TO THE TRACE SYSTEM DURING THE PERIOD OF JULY 1, 2007 THROUGH SEPT. 30, 2007.

Disclosure 7 of 11**Reporting Source:** Regulator**Current Status:** Final**Allegations:****Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**Date Initiated:** 06/20/1994**Docket/Case Number:** C07940043**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 06/20/1994**Sanctions Ordered:** Censure
Monetary/Fine \$5,000.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

ON JUNE 20, 1994, DISTRICT NO. 7 NOTIFIED FIRST MIAMI SECURITIES, INC. AND JAMES A. KLOTZ THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C07940043 WAS ACCEPTED; THEREFORE, RESPONDENTS MEMBER AND KLOTZ ARE CENSURED AND FINED \$5,000, JOINTLY AND SEVERALLY - (SECTION 8(c)(1)(A) OF THE NASD'S GOVERNMENT SECURITIES RULES - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT KLOTZ, CAUSED TO BE PUBLISHED

ADVERTISEMENTS
WHICH WERE NOT FILED PRIOR TO USE WITH THE NASD'S ADVERTISING
DEPARTMENT).

\$5,000 J&S PAID ON 7/27/94 INVOICE #94-07-451

Reporting Source: Firm

Current Status: Final

Allegations: NASD ALLEGED VIOLATIONS OF SECTIONS 8(C)(1)(A) OF THE ASSOCIATION'S GOVERNMENT SECURITIES RULES - FAILING TO FILE ADVERTISEMENTS WITH THE ASSOCIATIONS ADVERTISING DEPARTMENT WITHIN 10 DAYS OF FIRST USE.

Initiated By: NASD

Date Initiated: 03/23/1994

Docket/Case Number: C07940043-AWC

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE OF \$5,000

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/02/1994

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

Other Sanctions Ordered:

Sanction Details: FINE OF \$5,000.00 WAS PAID IN FULL.

Disclosure 8 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: THE BROKER-DEALER AGAIN FAILED TO COMPLY WITH THE PROVISIONS OF SECTION 13.1-518.1 IN THAT IT FAILED TO FILE ITS JUNE 30, 1991 ANNUAL AUDITED STATEMENT WITH THE DIVISION



WITHIN THE PRESCRIBED TEN DAY TIME LIMIT.

Initiated By: VIRGINIA - STATE CORPORATION COMMISSION -
DIVISION *See FAQ #1*

Date Initiated: 03/11/1992

Docket/Case Number: SEC920025

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: 03/11/1992

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: AS AN OFFER TO SETTLE ALL MATTERS ARISING FROM
THE ALLEGATIONS MADE AGAINST IT, THE BROKER-DEALER AGREES TO
REFRAIN FROM ANY CONDUCT WHICH VIOLATES VIRGINIA CODE SECTION
13.1-518.1 AS LONG AS REGISTERED UNDER THE ACT AND AGREES TO
PAY A PENALTY IN THE AMOUNT OF \$500.00.

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

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED NON-COMPLIANCE WITH VIRGINIA'S CODE SECTION 13.1-518-1,
FAILURE TO FILE THE FIRM'S JUNE 30TH, 1990, ANNUAL AUDITED
STATEMENT WITHIN TEN DAYS OF PUBLICATION.

Initiated By: COMMONWEALTH OF VIRGINIA, EX REL. STATE CORPORATION
COMMISSION

Date Initiated: 09/10/1991

Docket/Case Number: SEC920025



Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: FIRST MIAMI SECURITIES, INC. PAID A PENALTY OF \$500.00.
Resolution: Dismissed
Resolution Date: 03/11/1992
Sanctions Ordered: Monetary/Fine \$500.00
Other Sanctions Ordered:
Sanction Details: THE \$500.00 PENALTY WAS PAID IN FULL.

Disclosure 9 of 11

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 09/21/1990
Docket/Case Number: ATL-1219-AWC
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 09/21/1990
Sanctions Ordered: Censure
 Monetary/Fine \$1,000.00
Other Sanctions Ordered:
Sanction Details:



Regulator Statement

ON SEPTEMBER 21, 1990, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. ATL-1219-AWC (DISTRICT NO. 7) SUBMITTED BY RESPONDENTS FIRST MIAMI SECURITIES, INC. AND JAMES A. KLOTZ WAS ACCEPTED THEREFORE, THEY ARE CENSURED AND FINED \$1,000, JOINTLY AND SEVERALLY - (ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER FAILED, AND RESPONDENT KLOTZ PERMITTED IT TO FAIL, TO HAVE WRITTEN SUPERVISORY PROCEDURES WITH REGARD TO THE BRANCH OFFICE ACTIVITIES AND ANNUAL INSPECTION OF THE FIRM'S BRANCH OFFICE, ANNUAL COMPLIANCE RELATED MEETINGS WITH REGISTERED PERSONNEL AND ASSIGNMENT OF EACH REGISTERED PERSON TO AN INDIVIDUAL RESPONSIBLE FOR SUPERVISION, AND THE FIRM'S WRITTEN SUPERVISORY PROCEDURES DESIGNATED AN INDIVIDUAL NOT ASSOCIATED WITH THE FIRM WITH RESPONSIBILITY FOR SUPERVISION OF THE GENERAL SECURITIES ACTIVITIES).

\$1,000.00 J&S PAID ON 10/9/90 INVOICE #90-07-1106***

Reporting Source: Firm

Current Status: Final

Allegations: THE NASD ALLEGED VIOLATION OF ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE.

Initiated By: NASD

Date Initiated: 09/21/1990

Docket/Case Number: ATL-1219-AWC

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/21/1990

Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

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

WITHOUT ADMITTING OR DENYING THE COMPLAINT ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS AND TO THE CENSURE AND A \$1,000.00 FINE. THE \$1,000.00 FINE WAS PAID IN FULL OCTOBER 9TH, 1990.

Disclosure 10 of 11**Reporting Source:**

Regulator

Current Status:

Final

Allegations:**Initiated By:**

SECURITIES AND EXCHANGE COMMISSION

Date Initiated:

03/08/1983

Docket/Case Number:**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:**

Consent

Resolution Date:

03/08/1983

Sanctions Ordered:

Censure

Other Sanctions Ordered:**Sanction Details:****Regulator Statement**

SEC NEWS DIGEST, MARCH 8, 1983, ISSUE 83-45
 THE COMMISSION HAS AUTHORIZED AND ACCEPTED THE SETTLEMENT OFFER
 IN A PUBLIC ADMINISTRATIVE PROCEEDING AGAINST FIRST MIAMI SECURITIES, INC., A NORTH MIAMI BEACH, FL MUNICIPAL SECURITIES FIRM, ITS PRESIDENT, JAMES A. KLOTZ, AND ITS CHAIRMAN, PAUL FEINSILVER. FIRST MIAMI AND FEINSILVER WERE CENSURED AND KLOTZ WAS SUSPENDED FROM ASSOCIATION WITH ANY BROKER, DEALER OR MUNICIPAL SECURITIES DEALER FOR 20 BUSINESS DAYS. RESPONDENTS NEITHER ADMITTED NOR DENIED THE ALLEGATIONS AGAINST THEM. THE COMMISSION'S ORDER FOR PROCEEDINGS ALLEGED VIOLATIONS OF RECORDKEEPING PROVISIONS AND OF CERTAIN ANTIFRAUD PROVISIONS

OF
 THE SECURITIES LAWS AND THE PRICING REGULATORY PROVISIONS OF
 THE MSRB FOR CHARGING TWO CUSTOMERS EXCESSIVE PRICES TO
 SUCH
 CUSTOMERS. THE COMMISSION'S ORDER FOR PROCEEDING ALSO
 ALLEGED
 THAT FEINSILVER FAILED TO REASONABLY SUPERVISE PERSONS UNDER
 HIS SUPERVISION WITH A VIEW TO PREVENTING VIOLATIONS OF MSRB
 RULES RELATING TO CUSTOMER ACCOUNT INFORMATION AND A REVIEW
 OF
 CUSTOMER ACCOUNTS. (REL. 34-19552) (SEE LR-9919)

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSION ALLEGED VIOLATIONS OF SECTIONS 17(A)(2) AND 17 (A)(3) OF THE SECURITIES ACT OF 1933, SECTIONS 17(A), 15(B)(1) AND 15(C)(1) OF THE 1934 ACT, AND RULES G-8, G-26 AND G-30 OF THE MSRB.

Initiated By: SECURITIES EXCHANGE COMMISSION

Date Initiated: 08/03/1983

Docket/Case Number: 3-6160

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 03/08/1983

Sanctions Ordered: Censure
Suspension

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS JAMES A. KLOTZ CONSENTED TO A 20 DAY SUSPENSION.



Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 01/28/1982
Docket/Case Number: ATL-662
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 06/25/1982
Sanctions Ordered: Censure
 Monetary/Fine \$2,500.00
Other Sanctions Ordered:
Sanction Details:
Regulator Statement COMPLAINT #ATL-662 FILED 1/28/82
 DISTRICT #7
 6/25/82: CAF \$2,500, J & S
 FC #8248 J & S PAID 7-6-82

Reporting Source: Firm
Current Status: Final
Allegations: THE NASD'S COMPLAINT ALLEGED VIOLATIONS OF RULE G-30 AND RULE G-8 (A)(XI) OF MUNICIPAL SECURITIES RULEMAKING BOARD.
Initiated By: NASD
Date Initiated: 06/25/1982
Docket/Case Number: ATL-662
Principal Product Type: Debt - Municipal



Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 06/25/1982

Sanctions Ordered: Censure
Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: THE FINE OF \$2,500.00 WAS PAID IN FULL.



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	02/12/2015
Case Number:	15-00304
Disputed Product Type:	MUNICIPAL BONDS
Sum of All Relief Requested:	\$2,500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/19/2016
Sum of All Relief Awarded:	\$218,600.00

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 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA
Case Initiated:	04/27/2017



Case Number: [17-01038](#)
Disputed Product Type: GOVERNMENT SECURITIES; MUNICIPAL BONDS
Sum of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/10/2020
Sum of All Relief Awarded: \$455,000.00

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

End of Report



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