

BrokerCheck Report

J. ALEXANDER SECURITIES, INC.

CRD# 7809

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

Please contact FINRA with any concerns.

About BrokerCheck®



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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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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)

J. ALEXANDER SECURITIES, INC.

CRD# 7809

SEC# 8-23204

Main Office Location

523 W. SIXTH ST.
SUITE 606
LOS ANGELES, CA 90014

Mailing Address

523 WEST SIXTH STREET
SUITE 606
LOS ANGELES, CA 90014

Business Telephone Number

213-687-8400

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 California on 09/06/1978.

Its fiscal year ends in April.

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 brokerage firm is no longer registered with FINRA or a national securities exchange.

**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	24
Arbitration	4
Judgment/Lien	1

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 07/22/2005

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 09/06/1978.

Its fiscal year ends in April.

Firm Names and Locations

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

J. ALEXANDER SECURITIES, INC.

Doing business as J. ALEXANDER SECURITIES, INC.

CRD# 7809

SEC# 8-23204

Main Office Location

523 W. SIXTH ST.
SUITE 606
LOS ANGELES, CA 90014

Mailing Address

523 WEST SIXTH STREET
SUITE 606
LOS ANGELES, CA 90014

Business Telephone Number

213-687-8400



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): ALEXANDER, JAMES

2762

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

Position PRESIDENT

Position Start Date 08/1981

Percentage of Ownership 75% or more

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

Is this a public reporting company? No

Legal Name & CRD# (if any): SIDNEY TARRANT

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

Position EQUITY OWNER

Position Start Date 07/2004

Percentage of Ownership 10% but less than 25%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): DRAWBAUGH, DARYL IRVIN

71778

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

Position FINANCIAL PRINCIPAL

Position Start Date 08/1981

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? Yes

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 no longer registered.

The firm's registration was from 01/17/1979 to 08/31/2005.

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 7 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Underwriter or selling group participant (corporate securities other than mutual funds)

Mutual fund retailer

Put and call broker or dealer or option writer

Trading securities for own account

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:	PENSON FINANCIAL SERVICES, INC.
CRD #:	25866
Business Address:	1700 PACIFIC AVENUE SUITE 1400 DALLAS, TX 75201
Effective Date:	05/10/1999
Description:	FULLY DISCLOSED CLEARING AGREEMENT FOR RETAIL BUSINESS

Firm Operations

Industry Arrangements



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

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

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

Name: PENSON FINANCIAL SERVICES, INC.
CRD #: 25866
Business Address: 1700 PACIFIC AVENUE
SUITE 1400
DALLAS, TX 75201
Effective Date: 05/20/2003
Description: FULLY DISCLOSED CLEARING AGREEMENT FOR PROPRIETARY
BUSINESS

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	24	0
Arbitration	N/A	4	N/A
Judgment/Lien	1	N/A	N/A

Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 24

Reporting Source: Regulator

Current Status: Final



Allegations: SEC RULE 17A-3 AND NASD RULE 3110 - RESPONDENT MEMBER ACTING THROUGH EMPLOYEES, FAILED TO MAKE AND PRESERVE ACCURATE BOOKS, ACCOUNTS AND RECORDS IN CONFORMITY WITH SEC RULES WHICH RESULTED IN THE FIRM'S OVERSTATEMENT OF ITS EXCESS NET CAPITAL.

Initiated By: NASD

Date Initiated: 09/23/2003

Docket/Case Number: C02030062

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: 09/23/2003

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, HANMI J. ALEXANDER SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, AND FINED \$5,000 JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Allegations: FAILED TO MAKE AND PRESERVE ACCURATE BOOKS, ACCOUNTS AND RECORDS IN CONFORMITY WITH SEC RULE 17A-3, WHICH RESULTED IN THE FIRM'S OVERSTATEMENT OF ITS EXCESS NET CAPITAL BY APPROXIMATELY \$467,000.00 FOR THE PERIOD ENDING MARCH 31, 2002.

Initiated By: NASD

Date Initiated: 08/08/2003

Docket/Case Number: C05030062



Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/22/2003

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

Other Sanctions Ordered:

Sanction Details: CENSURE AND A JOINT AND SEVERAL FINE IN THE AMOUNT OF \$5000.00

Disclosure 2 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULE 2110, AND NASD MARKETPLACE RULE 6620(A) - RESPONDENT MEMBER FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES. RESPONDENT MEMBER ALSO REPORTED TO ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES ON AN "AS OF" BASIS WHEN ELECTRONIC SUBMISSION ON THE TRADE DATE OF SUCH TRANSACTIONS WAS POSSIBLE THROUGH ACT. FURTHERMORE, RESPONDENT MEMBER FAILED WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE. IN ADDITION, RESPONDENT MEMBER INCORRECTLY DESIGNATED AS ".SD" THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES REPORTED TO ACT WITHIN 90 SECONDS OF EXECUTION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 05/08/2003

Docket/Case Number: CMS030116

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: 05/08/2003

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000.

Reporting Source: Firm

Current Status: Final

Allegations: ALEX FAILED WITHIN 90 SECONDS AFTER EXECUTION TO TRANSMIT THROUGH ACT 214 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; CONDUCT CONSTITUTES PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110; ALEX REPORTED TO ACT 35 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES ON AN "AS OF" BASIS WHEN ELECTRONIC SUBMISSION ON THE TRADE DATE OF SUCH TRANSACTIONS WAS POSSIBLE THROUGH ACT; THIS CONSTITUTES VIOLATION OF NASD RULE 6620(A); ALEX FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE IN VIOLATION OF NASD RULE 6620(A); ALEX INCORRECTLY DESIGNATED AS ".SLD" THROUGH ACT 16 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES REPORTED TO ACT WITHIN 90 SECONDS OF EXECUTION IN VIOLATION OF NASD RULE 6620(A)

Initiated By: NASD

Date Initiated: 02/04/2002

Docket/Case Number: MRD200233283/ CMS030116 AWC

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:	05/08/2003
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	ALEX CONSENTED TO THE IMPOSITION, AT MAXIMUM, OF A CENSURE AND A \$20,000.00 FINE

Disclosure 3 of 24

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 15C2-11, NASD RULES 2110, 3010,6740 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT PUBLISHED QUOTATIONS FOR OTC EQUITY SECURITIES OR DIRECTLY OR INDIRECTLY SUBMITTED SUCH QUOTATIONS FOR PUBLICATION IN A QUOTATION MEDIUM AND DID NOT HAVE IN ITS RECORDS THE DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A), DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THE PARAGRAPH (A) INFORMATION WAS ACCURATE IN ALL MATERIAL RESPECTS, OR THAT THE SOURCES OF THE PARAGRAPH (A) INFORMATION WERE RELIABLE; FOR EACH QUOTATION, THE FIRM FAILED TO FILE A FORM 211 WITH THE NASD AT LEAST THREE BUSINESS DAYS BEFORE THE FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM; AND THE FIRM'S SUPERVISORY SYSTEM FAILED TO PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE RULES AND REGULATONS CONCERNING SEC RULE 15C2-11 AND NASD MARKETPLACE RULE 6740 INCLUDING A STATEMENT OF THE STEPS TO BE TAKEN TO ENSURE COMPLIANCE AND A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AT THE FIRM.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	06/12/2002
Docket/Case Number:	CMS020103



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: 06/12/2002

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: CENSURED, FINED \$15,000, AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: ON APRIL 4, 2001, ALEX PUBLISHED QUOTATIONS FOR "FACQ", "PCBM", "EVSH", AND "USAT" WITHOUT HAVING IN ITS RECORDS DOCUMENTATION REQUIRED BY SEC RULE 15C2-11, REASONABLE BASIS FOR BELIEVING THE INFORMATION WAS ACCURATE IN ALL MATERIAL RESPECTS, AND THE QUOTATIONS DID NOT REPRESENT A CUSTOMER'S INDICATION OF UNSOLICITED INTEREST. ALSO, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RUL 15C2-11 AND NASD RULE 6740

Initiated By: NASD

Date Initiated: 03/21/2002

Docket/Case Number: MRD 200131585/ CMS020103 AWC

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: 06/12/2002

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: FIRM WAS CENSURED AND FINED \$15,000 (\$10,000 FOR 15C2-11 VIOLATIONS AND \$5,000 FOR SUPERVISION) AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Disclosure 4 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010 AND 6130(D) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING: ACT COMPLIANCE; BEST EXECUTION; LIMIT ORDER PROTECTION; LIMIT ORDER DISPLAY; FIRM QUOTE RULE; ONE PERCENT RULE; REGISTRATION OF TRADERS AND SUPERVISORS; TRADE REPORTING; BOOKS AND RECORDS; LOCKED AND CROSSED MARKETS; PRICING CONVENTION; SIZE CONVENTION; COORDINATION OF QUOTES; LATE AND INACCURATE TRADE REPORTING; EXCHANGE OF PROPRIETARY INFORMATION; IMPROPER COLLABORATION AND COORDINATION; FAILURE TO HONOR QUOTES; HARASSMENT; SHORT SALES; AND OATS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR THE IDENTIFICATION OF THE PERSON RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE APPLICABLE RULES; A STATEMENT OF THE STEPS THAT SUCH PERSON SHOULD TAKE TO ENSURE COMPLIANCE; A STATEMENT AS TO HOW OFTEN SUCH PERSON SHOULD TAKE SUCH STEPS; AND A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 01/15/2002

Docket/Case Number: CMS020004



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: 01/15/2002
Sanctions Ordered: Censure
 Monetary/Fine \$14,000.00
Other Sanctions Ordered: UNDERTAKE TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
Sanction Details: NONE

Reporting Source: Firm
Current Status: Final
Allegations: THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING: ACT COMPLIANCE; BEST EXECUTION; LIMIT ORDER PROTECTION; LIMIT ORDER DISPLAY; FIRM QUOTE RULE; ONE PERCENT RULE; REGISTRATION OF TRADERS AND SUPERVISORS; TRADE REPORTING; BOOKS AND RECORDS; LOCKED AND CROSSED MARKETS; PRICING CONVENTIONS; SIZE CONVENTIONS; COORDINATION OF QUOTES; LATE AND INACCURATE TRADE REPORTING; EXCHANGE OF PROPRIETARY INFORMATION; IMPROPER COLLABORATION AND COORDINATION; FAILURE TO HONOR QUOTES; HARASSMENT; SHORT SALES; AND OATS. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: THE IDENTIFICATION OF THE PERSONS RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH APPLICABLE RULES; A STATEMENT OF THE STEPS SUCH PERSON(S) SHOULD TAKE TO ENSURE COMPLIANCE THEREWITH; AND A STATEMENT AS TO HOW OFTEN SUCH PERSONS SHOULD TAKE SUCH STEPS; A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Initiated By: NASD
Date Initiated: 01/15/2002
Docket/Case Number: CMS020004 AWC



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:	01/15/2002
Sanctions Ordered:	Censure Monetary/Fine \$14,000.00
Other Sanctions Ordered:	CENSURE; AND AN UDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	CENSURE; A FINE OF \$14,000.00(COMPOSED OF A \$4,000.00 FINE FOR THE TRANSACTION REPORTING VIOLATIONS, A \$10,000.00 FINE FOR SUPERVISION); AND AN UDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES

Disclosure 5 of 24

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3110, 4632, 4642, 6620 AND SEC RULES 17A-3 AND 17A-4 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH AUTOMATED CONFIRMATION TRANSACTION SERVICE, LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ NATIONAL MARKET (NNM) SECURITIES AND FAILED TO DESIGNATE THROUGH ACT SUCH LAST SALE REPORTS AS LATE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REPORT THE TIME OF EXECUTION THROUGH ACT AND FAILED TO SHOW ON MEMORANDUM; LAST SALE REPORTS IN NNM, NASDAQ SMALLCAP, AND OTC EQUITY SECURITIES REPORTED OUTSIDE OF NORMAL MARKET HOURS WITH THE ?T? MODIFIER; FAILED TO SHOW THE CORRECT TIME OF EXECUTION; THE CORRECT ORDER ENTRY TIME; THE CORRECT PRICE OF EXECUTION; THE EXECUTION PRICE; AN ORDER ENTRY TIME; AND THAT THE ORDERS WERE SALES TRANSACTIONS. IN ADDITION, THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND



REGULATIONS CONCERNING TRADE REPORTING COMPLIANCE. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR THE IDENTIFICATION OF THE PERSON RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE APPLICABLE RULES; A STATEMENT OF THE STEPS THAT SUCH PERSON SHOULD TAKE TO ENSURE COMPLIANCE; A STATEMENT AS TO HOW OFTEN SUCH PERSON SHOULD TAKE SUCH STEPS; AND A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AT THE FIRM.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 01/15/2002

Docket/Case Number: CMS020005

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: 01/15/2002

Sanctions Ordered: Censure
Monetary/Fine \$40,000.00

Other Sanctions Ordered: REQUIRED TO REVISED ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO TRADE REPORTING COMPLIANCE WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC.

Sanction Details: NONE

Reporting Source: Firm

Current Status: Final

Allegations: ALEX'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING TRADE REPORTING COMPLIANCE. SPECIFICALLY, ALEX'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: A STATEMENT OF THE STEPS THAT THE COMPLIANCE OFFICER AT ALEX SHOULD TAKE TO ENSURE COMPLIANCE WITH THE



NASD AND SEC RULES REGARDING TRADE REPORTING; AND A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AT ALEX

Initiated By: NASD

Date Initiated: 01/15/2002

Docket/Case Number: CMS020005 AWC

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: AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/15/2002

Sanctions Ordered: Censure
Monetary/Fine \$40,000.00

Other Sanctions Ordered: AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: CENSURE; A FINE OF \$40,000.00(COMPOSED OF A \$25,000.00 FINE FOR THE TRANSACTION REPORTING VIOLATIONS, A \$10,000.00 FINE FOR THE RECORDKEEPING VIOLATIONS, AND A \$5,000.00 FINE FOR THE SUPERVISORY PROCEDURES VIOLATIONS); AND AN AN UDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES

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Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 1120, 2110, AND 3010 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS FINDINGS THAT IT PERMITTED AN INDIVIDUAL WHO WAS BARRED FROM ASSOCIATING WITH ANY NASD MEMBER IN ANY CAPACITY TO FUNCTION AS AN ASSOCIATED PERSON. THE FINDINGS ALSO STATED THAT THE FIRM, ACTING THROUGH ALEXANDER, FAILED TO TAKE TIMELY OR ADEQUATE SUPERVISORY ACTION DESIGNED TO EITHER TRACK THE STATUS OF THE DISCIPLINARY PROCEEDING AND APPEAL BEFORE THE NAC, ENSURE THAT THE FIRM COMPLIED WITH THE REQUIREMENTS OF ARTICLE III,



SECTION 3(B) OF THE NASD'S BY-LAWS, OR ENSURE THAT THE INDIVIDUAL'S ASSOCIATION WITH THE FIRM WAS TERMINATED UPON THE NAC'S IMPOSITION OF THE BAR, AND FAILED TO ESTABLISH, MODIFY OR REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO BE IN COMPLIANCE WITH NASD CONDUCT RULE 3010. FURTHERMORE, THE NASD DETERMINED THAT THE FIRM PERMITTED INDIVIDUALS ASSOCIATED WITH THE FIRM TO PERFORM THE DUTIES OF REGISTERED PERSONS WHILE THEIR REGISTRATION STATUS WITH THE NASD WAS INACTIVE DUE TO THEIR FAILURE TO TIMELY COMPLETE THE REGULATORY ELEMENT OF THE NASD'S CONTINUING EDUCATION REQUIREMENT.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 02/07/2002

Docket/Case Number: C02020007

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/07/2002

Sanctions Ordered: Monetary/Fine \$70,000.00

Other Sanctions Ordered:

Sanction Details: FINED \$62,500, JOINTLY AND SEVERALLY, AND FINED \$7,500, JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Allegations: J. ALEXANDER SECURITIES, ACTING THROUGH JAMES ALEXANDER, VIOLATED ARTICLE III, SECTION 3(B) OF THE NASD'S BY-LAWS WHEN, FROM ON OR ABOUT DECEMBER 20, 1999 THROUGH SEPTEMBER 25, 2000, IT PERMITTED AN INDIVIDUAL, WHO WAS BARRED FROM ASSOCIATING WITH ANY NASD MEMBER IN ANY CAPACITY, TO FUNCTION AS AN ASSOCIATED PERSON. JAS DIS NOT MODIFY OR REVISE THE WSP'S TO ENSURE THAT THEY WERE REASONABLY DESIGNED TO SUPERVISE THE ACTIVITIES OF REGISTERED REPRESENTATIVES AND ASSOCIATED



PERSONS AND ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES RULES AND REGULATIONS. ALSO, FROM JANUARY 20, 2000 THROUGH FEBRUARY 2001, J. ALEXANDER SECURITIES, ACTING THROUGH GEOFFREY CHURCH, PERMITTED ELEVEN (11) PERSONS ASSOCIATED WITH THE FIRM TO PERFORM THE DUTIES OF REGISTERED PERSONS WHILE THEIR REGISTRATION STATUS WITH THE NASD WAS INACTIVE DUE TO CONTINUING EDUCATION REQUIREMENT, AS SET FORTH IN THE NASD MEMBERSHIP AND REGISTRATION RULE 1120.

Initiated By: NASD

Date Initiated: 11/29/2001

Docket/Case Number: E02000124/ C02020007

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: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/12/2001

Sanctions Ordered: Censure
Monetary/Fine \$70,000.00
Suspension

Other Sanctions Ordered: IN ADDITION TO A FINE, JAMES ALEXANDER WAS SUSPENDED FOR A PERIOD OF 30 DAYS FROM ASSOCIATING WITH ANY NASD MEMBER FIRM IN A PRINCIPAL CAPACITY. IN ADDITION TO A FINE, GEOFFREY CHURCH WAS CENSURED.

Sanction Details: IN ADDITION TO A FINE, JAMES ALEXANDER WAS SUSPENDED FOR A PERIOD OF 30 DAYS FROM ASSOCIATING WITH ANY NASD MEMBER FIRM IN A PRINCIPAL CAPACITY. IN ADDITION TO A FINE, GEOFFREY CHURCH WAS CENSURED.

Reporting Source: Firm

Current Status: Final

Allegations: J. ALEXANDER SECURITIES, ACTING THROUGH JAMES ALEXANDER, VIOLATED ARTICLE III, SECTION 3(B) OF THE NASD'S BY-LAWS WHEN, FROM ON OR ABOUT DECEMBER 20, 1999 THROUGH SEPTEMBER 25, 2000,



IT PERMITTED AN INDIVIDUAL, WHO WAS BARRED FROM ASSOCIATING WITH ANY NASD MEMBER IN ANY CAPACITY, TO FUNCTION AS AN ASSOCIATED PERSON. JAS DIS NOT MODIFY OR REVISE THE WSP'S TO ENSURE THAT THEY WERE REASONABLY DESIGNED TO SUPERVISE THE ACTIVITIES OF REGISTERED REPRESENTATIVES AND ASSOCIATED PERSONS AND ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES RULES AND REGULATIONS. ALSO, FROM JANUARY 20, 2000 THROUGH FEBRUARY 2001, J. ALEXANDER SECURITIES, ACTING THROUGH GEOFFREY CHURCH, PERMITTED ELEVEN (11) PERSONS ASSOCIATED WITH THE FIRM TO PERFORM THE DUTIES OF REGISTERED PERSONS WHILE THEIR REGISTRATION STATUS WITH THE NASD WAS INACTIVE DUE TO CONTINUING EDUCATION REQUIREMENT, AS SET FORTH IN THE NASD MEMBERSHIP AND REGISTRATION RULE 1120.

Initiated By: NASD

Date Initiated: 11/29/2001

Docket/Case Number: E02000124/ C02020007

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: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/12/2001

Sanctions Ordered: Censure
Monetary/Fine \$70,000.00
Suspension

Other Sanctions Ordered: IN ADDITION TO A FINE, JAMES ALEXANDER WAS SUSPENDED FOR A PERIOD OF 30 DAYS FROM ASSOCIATING WITH ANY NASD MEMBER FIRM IN A PRINCIPAL CAPACITY. IN ADDITION TO A FINE, GEOFFREY CHURCH WAS CENSURED.

Sanction Details: IN ADDITION TO A FINE, JAMES ALEXANDER WAS SUSPENDED FOR A PERIOD OF 30 DAYS FROM ASSOCIATING WITH ANY NASD MEMBER FIRM IN A PRINCIPAL CAPACITY. IN ADDITION TO A FINE, GEOFFREY CHURCH WAS CENSURED.



Reporting Source: Regulator

Current Status: Final

Allegations: J. ALEXANDER SECURITIES, INC. WAS NOT REGISTERED AS A GA CORPORATION NOR AS A SECURITIES DEALER IN GA. WHILE UNREGISTERED, J. ALEXANDER SECURITIES, INC. OFFERED FOR SALE OR SOLD SECURITIES IN GA.

Initiated By: GA SECRETARY OF STATE,DIV.OF SECURITIES AND BUSINESS REGULATION

Date Initiated: 02/27/2001

Docket/Case Number: EN-17027

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): SECURITIES

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/09/2002

Sanctions Ordered: Monetary/Fine \$15,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: RESPONDENT NEITHER ADMITS NOR DENIES THE FINDINGS OF FACT LISTED IN THE PROPOSED ORDER.

Sanction Details: THE \$15,000.00 TOTAL FINE IS COMPRISED OF A \$10,000.00 CIVIL PENALTY AND \$5,000.00 AS REIMBURSEMENT OF INVESTIGATIVE COSTS. THE TOTAL FINE WAS PAID ON 5/21/2002.

Regulator Statement WHILE ACTING AS AN UNREGISTERED SECURITIES DEALER IN GA, THE RESPONDENT OFFERED FOR SALE OR SOLD SECURITIES TO 28 GA RESIDENTS.

Reporting Source: Firm

Current Status: Final

Allegations: J. ALEXANDER WAS UNREGISTERED AS A SECURITIES DEALER IN GEORGIA, IT OFFERED FOR SALE OR SOLD SECURITIES TO THE



FOLLOWING TWENTY EIGHT (28) GEORGIA RESIDENTS

Initiated By: STATE OF GEORGIA

Date Initiated: 11/16/2001

Docket/Case Number: EN-17027

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: Settled

Resolution Date: 05/03/2002

Sanctions Ordered: Monetary/Fine \$15,000.00
Cease and Desist/Injunction
Bar

Other Sanctions Ordered: J. ALEXANDER SHALL CEASE AND DESIST ALL VIOLATIONS OF THE ACT

Sanction Details: JAMES ALEXANDER AGREES TO BE BARRED FROM ASSOCIATION WITH A REGISTERED DEALER, A LIMITED DEALER, OR AN INVESTMENT ADVISOR IN THE STATE OF GEORGIA; AND J. ALEXANDER AND JAMES ALEXANDER SHALL CEASE AND DESIST ALL VIOLATIONS OF THE ACT

Disclosure 8 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 3010 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, CONTINUOUSLY FAILED TO SUPERVISE ADEQUATELY THE ACTIVITIES OF AN INDIVIDUAL BY NEGLECTING TO APPOINT APPROPRIATELY REGISTERED PRINCIPALS IN ITS FLORIDA OSJ WITH AUTHORITY TO SUPERVISE THE INDIVIDUAL AND FAILED TO ESTABLISH REASONABLE PROCEDURES TO PROVIDE FOR HEIGHTENED SUPERVISION OF ASSOCIATED PERSONS WITH DISCIPLINARY HISTORIES; ACTING THROUGH AN INDIVIDUAL, FAILED TO ACT DECISIVELY TO DETECT AND PREVENT VIOLATIONS OF FEDERAL SECURITIES LAWS AND NASD RULES BY DISREGARDING RED FLAGS OF IRREGULARITIES; AND FAILED TO DEVISE, MAINTAIN, AND ENFORCE WRITTEN PROCEDURES TO SUPERVISE THE ACTIVITIES OF EACH ASSOCIATED PERSON IN THE FIRM'S



FLORIDA OSJ THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/27/2001

Docket/Case Number: [CAF010021](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 09/14/2004

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

Sanctions Ordered: Monetary/Fine \$200,000.00

Other Sanctions Ordered: REQUIRED TO HIRE AN INDEPENDENT CONSULTANT WITH AN EXPERTISE IN MARKET-MAKING ACTIVITIES FOR A PERIOD OF THREE YEARS TO REVIEW ITS SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT FEDERAL SECURITIES LAW AND NASD RULE VIOLATIONS

Sanction Details: NAC DECISION RENDERED AUGUST 16, 2004, WHEREIN THE FINDINGS MADE AND THE SANCTIONS IMPOSED ARE MODIFIED, THEREFORE, RESPONDENT MEMBER IS FINED \$200,000, AND REQUIRED TO HIRE AN INDEPENDENT CONSULTANT WITH AN EXPERTISE IN MARKET-MAKING ACTIVITIES FOR A PERIOD OF THREE YEARS TO REVIEW ITS SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT FEDERAL SECURITIES LAW AND NASD RULE VIOLATIONS. THE FIRM IS ALSO ORDERED TO PREPARE A REPORT OUTLINING SUGGESTED CHANGES IN ITS SUPERVISORY POLICIES AND PROCEDURES, TO SUBMIT THE REPORT TO NASD DISTRICT NO. 2, AND TO SUBMIT QUARTERLY REPORTS TO THAT DISTRICT DETAILING THE FIRM'S EFFORTS TO IMPLEMENT THE RECOMMENDATIONS



CONTAINED IN THE REPORT, AND STATING WHETHER IT HAS ACHIEVED COMPLIANCE WITH THOSE RECOMMENDATIONS. IN ADDITION, THE FIRM IS ASSESSED HEARING COSTS OF \$8,521, JOINTLY AND SEVERALLY AND APPEAL COSTS OF \$1,656.98, JOINTLY AND SEVERALLY. DECISION BECAME FINAL SEPTEMBER 14, 2004.

Regulator Statement

NAC DECISION RENDERED AUGUST 16, 2004, WHEREIN THE FINDINGS AFFIRMED THAT RESPONDENT MEMBER FAILED TO SUPERVISE ADEQUATELY THE ACTIVITIES OF AN INDIVIDUAL BY NEGLECTING TO APPOINT AN ON-SITE PRINCIPAL TO SUPERVISE THE INDIVIDUAL; FAILED TO SUPERVISE ADEQUATELY THE ACTIVITIES OF THE INDIVIDUAL BY FAILING TO ESTABLISH WRITTEN PROCEDURES TO PROVIDE FOR HEIGHTENED SUPERVISION OF INDIVIDUALS WITH DISCIPLINARY HISTORIES; FAILED TO DETECT AND PREVENT THE INDIVIDUAL'S INVOLVMENT IN A MANIPULATIVE SCHEME BY DISREGARDING NUMEROUS RED FLAGS; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES TO PREVENT AND DETECT VIOLATIONS OF THE SECURITIES LAWS BY FAILING TO PROVIDE PROCEDURES TO ENSURE THAT THE INDIVIDUAL WOULD BE SUPERVISED BY AN ON-SITE PRINCIPAL AT THE FIRM'S FLORIDA OFFICE OF SUPERVISORY JURISDICTION. ** HEARING PANEL DECISION RENDERED MAY 7, 2003 WHEREIN RESPONDENT MEMBER IS FINED \$200,000 AND REQUIRED WITHIN 30 DAYS OF THE DATE THIS DECISION BECOMES FINAL TO HIRE, AT ITS EXPENSE, AN INDEPENDENT CONSULTANT ACCEPTABLE TO NASD FOR THREE YEARS TO REVIEW THE FIRM'S SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT FEDERAL SECURITIES LAWS AND NASD RULES VIOLATIONS, PREPARE A REPORT OUTLINING SUGGESTED CHANGES IN POLICIES AND PROCEDURES AND SUBMIT THE REPORT TO NASD FOR REVIEW AND COMMENT. FOLLOWING THE REVIEW, THE FIRM SHALL ADOPT AND IMPLEMENT SUGGESTED CHANGES. EVERY 120 DAYS THEREAFTER UNTIL THE EXPIRATION OF THE THREE-YEAR PERIOD, THE INDEPENDENT CONSULTANT SHALL CONDUCT FOLLOW-UP REVIEWS AND PREPARE REPORTS DETAILING THE FIRM'S EFFORTS TO IMPLEMENT CONSULTANT RECOMMENDATIONS. THE MARKET MAKING FUNCTIONS OF THE FIRM'S AVENTURA, FLORIDA OFFICE SHALL BE SUSPENDED FOR 60 DAYS FROM THE DATE THE DECISION BECOMES FINAL OR UNTIL CONSULTANT RECOMMENDATIONS ARE IMPLEMENTED, WHICHEVER IS LATER. THE FIRM IS ASSESSED \$8,521 IN COSTS, JOINTLY AND SEVERALLY. APPEALED TO THE NAC ON MAY 30, 2003
ENFORCEMENT FILED A CROSS APPEAL

Reporting Source: Firm

Current Status: Final



Appealed To and Date Appeal Filed:	APPEALED TO NASD ON OR BEFORE JUNE 2, 2003. APPELLING DECISION TO SEC. MOTION FOR STAY WAS FILED WITH THE SEC ON SEPTEMBER 14, 2004.
Allegations:	FAILED TO DEVISE, MAINTAIN AND ENFORCE WRITTEN PROCEDURES TO SUPERVISE THE ACTIVITIES ASSOCIATED PERSON IN ALEX'S FLORIDA OSJ.
Initiated By:	NASD DEPARTMENT OF ENFORCEMENT
Date Initiated:	08/27/2001
Docket/Case Number:	CAF010021
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:	Decision
Resolution Date:	08/16/2004
Sanctions Ordered:	Monetary/Fine \$200,000.00
Other Sanctions Ordered:	
Sanction Details:	<p>BASED ON THE NASD FINAL DECISION ON MAY 7, 2003, THE FIRM IS FINED \$200,000.00; ORDERED TO HIRE FOR A PERIOD OF THREE YEARS AN INDEPENDENT CONSULTANT SATISFACTORY TO THE NASD, AND TO IMPLEMENT THE CONSULTANT'S RECOMMENDATIONS FOR CHANGES IN ITS SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES TO DETECT AND PREVENT VIOLATIONS OF SECURITIES LAWS, REGULATIONS, AND RULES; AND ORDERED TO SUSPEND MARKET-MAKING ACTIVITIES IN ITS AVENTURA, FLORIDA OFFICE FOR 60 DAYS OR UNTIL THE RECOMMENDATIONS OF THE INDEPENDENT CONSULTANT ARE IMPLEMENTED; AND ASSESSED COSTS.</p> <p>ON AUGUST 16, 2004, THE NATIONAL ADJUDICATORY COUNCIL ORDERED THAT J. ALEXANDER SECURITIES BE FINED \$200,000.00, HEARING COST OF \$8,521.00, AND APPEAL COSTS OF \$1,656.98. JAMES ALEXANDER WAS ALSO FINED \$200,000., SUSPENDED FOR TWO YEARS FROM ASSOCIATION WITH ANY MEMBER FIRM IN ALL CAPACITIES, AND REQUIRED TO REQUIRED TO REQUALIFY AS A PRINCIPAL.</p>
Firm Statement	FIRM IS TO APPELLING TO NASD. FIRM IS FURTHER APPELLING



DECISION TO THE SEC. MOTION FOR STAY WAS FILED WITH THE SEC ON
SEPTEMBER 14, 2004

Disclosure 9 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: SECTION 5 OF THE SECURITIES ACT OF 1933, SECTIONS 10(B), SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, SEC RULE 10B-5, SEC RULE 15C2-11, NASD RULES 2110, 2120, 3010(A), 3010(B) AND 6740 THE FIRM PARTICIPATED, DIRECTLY OR INDIRECTLY, IN UNDERTAKINGS INVOLVING THE PURCHASE OF SECURITIES FROM ISSUERS WITH A VIEW TO THE DISTRIBUTION OF SUCH SECURITIES AND, THEREBY, ACTED AS UNDERWRITERS OF UNREGISTERED SECURITIES; THE FIRM'S TRADING, INCLUDING MATCHED TRADES, CREATED THE FALSE APPEARANCE OF TRADING VOLUME AND MARKET INTEREST IN THE SECURITIES THAT INDUCED OTHER MARKET MAKERS TO ENTER QUOTES THAT ARTIFICIALLY AFFECTED THE MARKET PRICE FOR THE SECURITIES; BY THE USE OF ANY MEANS OR INSTUMENTALITY OF INTERSTATE COMMERCE OR OF THE MAILS, KNOWINGLY OR RECKLESSLY ENGAGED IN MANIPULATIVE OR DECEPTIVE DEVICES OR CONTRIVANCES IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES, AND KNOWINGLY OR RECKLESSLY EFFECTED TRANSACTIONS IN, OR INDUCED THE PURCHASE OR SALE OF, SECURITIES BY MEANS OF MANIPULATIVE, DECEPTIVE, OR OTHER FRAUDULENT DEVICES OR CONTRIVANCES; AIDED AND ABETTED THE MANIPULATIVE TRADING OF OTHERS; FILED FALSE FORMS 211 WITH THE NASD CERTIFYING THAT NO ONE ASSOCIATED WITH THE FIRM WAS DIRECTLY OR INDIRECTLY AFFILIATED WITH THE ISSUER; FAILED TO SUPERVISE THE TRADING AND MARKET MAKING ACTIVITY CONDUCTED BY INDIVIDUALS AND FAILED TO REVIEW FORM 211 APPLICATIONS TO DISCERN THE PATTERN OF MATCHED TRADING IN REPRESENTATIVES' TRADING ACCOUNTS; AND FAILED TO DEVISE, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES TO INCLUDE ANY PROCEDURE TO FOCUS ON THE POTENTIAL FOR MANIPULATION BY THE TRADING IN THE SECURITIES OF NEWLY TRADED SHELL COMPANIES, TO OVERSEE THE SELECTON OF COMPANIES IN WHICH THE FIRM MADE MARKETS AND FOR WHICH IT FILED FORM 211 APPLICATIONS, OR TO REVIEW THE ACCURACY AND ADEQUACY OF THE INFORMATION IN THE FORM 211 APPLICATIONS.

Initiated By: NASD

Date Initiated: 05/23/2001

Docket/Case Number: [CAF010011](#)



Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 01/05/2007

Sanctions Ordered: Monetary/Fine \$112,000.00

Other Sanctions Ordered:

Sanction Details: HEARING PANEL DECISION ISSUED AUGUST 27, 2003 WHEREIN THE FIRM WAS FINED \$22,000, INDIVIDUALLY AND FINED \$90,000, JOINTLY AND SEVERALLY. THE FIRM IS ALSO REQUIRED TO RETAIN, AT ITS OWN EXPENSE, AN INDEPENDENT CONSULTANT FOR 18 MONTHS, DURING WHICH THE CONSULTANT AND THE FIRM WILL DEVELOP APPROPRIATE SUPERVISORY PROCEDURES. THE FIRM IS ALSO JOINTLY AND SEVERALLY RESPONSIBLE FOR \$13,510.28 IN COSTS. AMENDED HEARING PANEL DECISION ISSUED SEPTEMBER 3, 2003 WHEREIN THE FIRM WAS FINED \$22,000, INDIVIDUALLY, FINED \$90,000, JOINTLY AND SEVERALLY, AND REQUIRED TO RETAIN, AT ITS OWN EXPENSE, AN INDEPENDENT CONSULTANT FOR 18 MONTHS, DURING WHICH THE CONSULTANT AND THE FIRM WILL DEVELOP APPROPRIATE SUPERVISORY PROCEDURES. THE FIRM IS ALSO JOINTLY AND SEVERALLY RESPONSIBLE FOR \$13,510.28 IN COSTS. THE HEARING PANEL DECISION WAS APPEALED TO THE NAC ON SEPTEMBER 15, 2003. ON NOVEMBER 3, 2006 NASD FILED A MOTION REQUESTING THAT THE FIRM'S APPEAL TO THE NAC BE DISMISSED AS MOOT. ACCORDINGLY, THE FIRM'S APPEAL TO THE NAC IS DISMISSED AND THE HEARING PANEL DECISION IS THE FINAL DISCIPLINARY ACTION BY NASD.

Reporting Source: Firm

Current Status: On Appeal

Appealed To and Date Appeal Filed: RESPONDENTS HAVE UNTIL MONDAY, SEPTEMBER 22, 2003 TO APPEAL THE DECISION TO THE NATIONAL ADJUDICATORY COUNCIL. RESPONDENTS ARE IN THE PROCESS OF APPELLING.

Allegations: 05-25-01, SECTION 5 OF THE SECURITIES ACT OF 1933, SECTIONS 10(B), SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, SEC RULE 10B-5, SEC RULE 15C2-11, NASD RULES 2110, 2120, 3010(A), 3010(B), NASD



MARKETPLACE RULE 6740 - PARTICIPATED, DIRECTLY OR INDIRECTLY, IN UNDERTAKINGS INVOLVING THE PURCHASE OF SECURITIES FROM ISSUERS WITH A VIEW TO THE DISTRIBUTION OF SUCH SECURITIES AND, THEREBY, ACTED AS UNDERWRITERS OF UNREGISTERED SECURITIES;THE FIRM'S TRADING, INCLUDING MATCHED TRADES, CREATED THE FALSE APPEARANCE OF TRADING VOLUME AND MARKET INTEREST IN THE SECURITIES THAT INDUCED OTHER MARKET MAKERS TO ENTER QUOTES THAT ARTIFICIALLY AFFECTED THE MARKET PRICE FOR THE SECURITIES; BY THE USE OF ANY MEANS OR INSTRUMENTALITY OF INTERSTATE COMMERCE OR OF THE MAILS, KNOWINGLY OR RECKLESSLY ENGAGED IN MANIPULATIVE OR DECEPTIVE DEVICES OR CONTRIVANCES IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES, AND KNOWINGLY OR RECKLESSLY EFFECTED TRANSACTIONS IN, OR INDUCED THE PURCHASE OR SALE OF, SECURITIES BY MEANS OF MANIPULATIVE,DECEPTIVE, OR OTHER FRAUDULENT DEVICES OR CONTRIVANCES;AIDED AND ABETTED THE MANIPULATIVE TRADING OF OTHERS;FILED FALSE FORMS 211 WITH THE NASD CERTIFYING THAT NO ONE ASSOCIATED WITH THE FIRM WAS DIRECTLY OR INDIRECTLY AFFILIATED WITH THE ISSUER;FAILED TO SUPERVISE THE TRADING AND MARKET MAKING ACTIVITY CONDUCTED BY INDIVIDUALS AND FAILED TO REVIEW FORM 211 APPLICATIONS TO DISCERN THE PATTERN OF MATCHED TRADING IN REPRESENTATIVES' TRADING ACCOUNTS;AND FAILED TO DEVISE, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES TO INCLUDE ANY PROCEDURE TO FOCUS ON THE POTENTIAL FOR MANIPULATION BY THE TRADING IN THE SECURITIES OF NEWLY TRADED SHELL COMPANIES,TO OVERSEE THE SELECTON OF COMPANIES IN WHICH THE FIRM MADE MARKETS AND FOR WHICH IT FILED FORM 211 APPLICATIONS, OR TO REVIEW THE ACCURACY AND ADEQUACY OF THE INFORMATION IN THE FORM 211 APPLICATIONS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 05/23/2001

Docket/Case Number: [CAF010011](#)

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: RICHARD NEWBERG WAS BARRED
JAMES ALEXANDER WAS SUSPENDED FOR 90 DAYS

Resolution: Decision

Resolution Date: 08/27/2003



Sanctions Ordered:	Monetary/Fine \$125,510.28 Suspension
Other Sanctions Ordered:	THE FIRM WAS FINED \$10,000 EACH FOR THE DISTRIBUTION AND THE MANIPULATION; \$2,000 FOR THE FALSE FORMS; AND \$90,000 FOR THE SUPERVISORY VIOLATIONS. THE FIRM WAS REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO DEVELOP APPROPRIATE SUPERVISORY PROCEDURES
Sanction Details:	JAMES ALEXANDER WAS FINED \$90,000, JOINTLY AND SEVERALLY WITH THE FIRM, AND WAS SUSPENDED FOR 90 CALENDAR DAYS. RICHARD NEWBERG WAS BARRED FOR THE DISTRIBUTION, MANIPULATION, AND FALSE TESTIMONY.
Firm Statement	RESPONDENTS ARE APPEALING THE DECISION

Disclosure 10 of 24

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 2320, SEC RULES 11AC1-4 AND 10B-10 - RESPONDENT MEMBER FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS; FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED RESPONDENT MEMBER'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH RESPONDENT MEMBER'S BID OR OFFER IN EACH SUCH SECURITY; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THE CORRECT REPORTED TRADE PRICE WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT; AND FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THAT IT WAS A MARKET MAKER IN SUCH SECURITY WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	08/09/2000
Docket/Case Number:	CMS000187
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: 08/09/2000

Sanctions Ordered: Censure
Monetary/Fine \$5,500.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A FINE OF \$5,500.00.

Reporting Source: Firm

Current Status: Final

Allegations: 09/12/00EC:NASD RULE 2320, SEC RULES 11AC1-4 AND 10B-10 - RESPONDENT MEMBER FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS; FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED RESPONDENT MEMBER'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH RESPONDENT MEMBER'S BID OR OFFER IN EACH SUCH SECURITY; FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS THE CORRECT REPORTED TRADE PRICE WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT; AND FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THAT IT WAS A MARKET MAKER IN SUCH SECURITY WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT.

Initiated By: NASD

Date Initiated: 08/09/2000

Docket/Case Number: CMS000187 AWC

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: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/09/2000

Sanctions Ordered: Censure
Monetary/Fine \$5,500.00

Other Sanctions Ordered:

Sanction Details: A CENSURE AND A FINE OF \$5,500.00

Disclosure 11 of 24

Reporting Source: Firm

Current Status: Final

Allegations: INADEQUATE SUPERVISION

Initiated By: NASD

Date Initiated: 07/21/2000

Docket/Case Number:

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Reprimand

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 07/21/2000

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: TARGETED OF INADEQUATE SUPERVISION PROCEEDING.

Firm Statement NASD NOTIFIED J. ALEXANDER SEC. INC. ON 7/21/2000



Reporting Source: Firm
Current Status: Final
Allegations: INADEQUATE SUPERVISION
Initiated By: NASD
Date Initiated: 07/21/2000
Docket/Case Number:
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Reprimand
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 07/21/2000
Sanctions Ordered: Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: TARGETED OF INADEQUATE SUPERVISION PROCEEDING.
Firm Statement NASD NOTIFIED J. ALEXANDER SEC. INC. ON 7/21/2000

Disclosure 12 of 24

Reporting Source: Regulator
Current Status: Final
Allegations: NASD RULES 2110, 4632, 4642 AND 6620 - ENGAGED IN A PATTERN OR PRACTICE OF LATE TRANSACTION REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES BY FAILING TO REPORT WITHIN 90 SECONDS AFTER EXECUTION TRANSACTIONS IN ACT -ELIGIBLE SECURITIES TO ACT; AND, FAILED TO TRANSMIT THROUGH ACT WITHIN 90 SECONDS AFTER EXECUTION LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES AND NASDAQ NATIONAL MARKET SECURITIES, AND FAILED TO DESIGNATE EACH SUCH TRANSACTION AS LATE TO ACT.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 06/23/2000



Docket/Case Number: CMS000123

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: 06/23/2000

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$15,000.00.

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATION OF LATE TRADE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES.

Initiated By: NASD

Date Initiated: 06/23/2000

Docket/Case Number: CMS000123 AWC

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED \$15000.

Resolution: Other

Resolution Date: 06/23/2000

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

Sanction Details: ALEX WAS CENSURED AND FINED \$15000.00.

Firm Statement ON JUNE 23, 2000, AWC CMS000123 BECAME FINAL. ALEX WAS CENSURED AND FINED \$15000.00 IN AGREEING TO RULE VIOLATIONS IN LATE TRADE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES.

Disclosure 13 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 2320, 3110, 4632, 4642, 6130, 6420, 6620, AND SEC RULES 17A-3 AND 17A-4 - ACT VIOLATIONS - NASDAQ TRADE REPORTING VIOLATIONS; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN TRADING RECORDS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS REGARDING TRADE REPORTING, ACT REPORTING, LIMIT ORDER PROTECTION, REGISTRATION, BOOKS AND RECORDS, LOCKED AND CROSSED MARKET, THE ORDER HANDLING RULES, ANTI- COMPETITIVE PRACTICES AND BEST EXECUTION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 10/29/1999

Docket/Case Number: CMS990138

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: 10/29/1999

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

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$25,000.00.



Reporting Source: Firm

Current Status: Final

Allegations: LATE TRADE REPORTING, INCORRECT EXECUTION TIMES, INCORRECT VOLUME FIGURES, AND FAILURE TO MAINTAIN A RECORD OF OPEN ORDERS.

Initiated By: INITIATED BY NASD

Date Initiated: 10/29/1999

Docket/Case Number: CMS990138 AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS.

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/29/1999

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

Other Sanctions Ordered:

Sanction Details: THE FINE AND CENSURE RESULTED FROM LATE TRADE REPORTING, INCORRECT EXECUTION TIMES, INCORRECT VOULUME FIGURES, AND FAILURE TO MAINTAIN A RECORD OF OPEN ORDERS. FINE OF \$25,000.00 AND CENSURE.

Disclosure 14 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 6740 - TRADING THROUGH A TRADING HALT; AND, FAILED TO FILE A FORM 211 WITH NASD AT LEAST THREE DAYS BEFORE THE FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.



Date Initiated: 03/31/2000

Docket/Case Number: CMS000038

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: 03/31/2000

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

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

Other Sanctions Ordered: UNDERTAKE WITHIN 60 DAYS OF AWC ACCEPTANCE TO SUBMIT REVISED WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED OT PREVENT FUTURE VIOLATIONS OF SEC RULS 15C2-11 AND NASD RULE 6740.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J. ALEXANDER SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$7,500, AND REQUIRED TO UNDERTAKE WITHIN 60 DAYS OF AWC ACCEPTANCE TO SUBMIT REVISED WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED OT PREVENT FUTURE VIOLATIONS OF SEC RULS 15C2-11 AND NASD RULE 6740.

Reporting Source: Firm

Current Status: Final

Allegations: TRADING THROUGH A TRADING HALT.

Initiated By: INITIATED BY NASD.

Date Initiated: 10/25/1999



Docket/Case Number: MRD199805500 & MRD199915617

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): QUITTY-OTC, OPTIONS

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/25/1999

Sanctions Ordered: Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: FINED \$7,500.00 FOR TRADING THROUGH A TRADING HALT.

Disclosure 15 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 3010 - J. ALEXANDER SECURITIES FAILED TO SUPERVISE AN INDIVIDUAL ENGAGED IN ANTI-COMPETITIVE HARASSMENT OF ANOTHER MARKET MAKER BY MAKING A SERIES OF TELEPHONE CALLS TO THE BROKER OF A COMPETING MARKET-MAKER IN WHICH HE ATTEMPTED TO HARASS THE BROKER FOR ENGAGING IN COMPETITIVE TRADING AND ENTERING COMPETITIVE QUOTATIONS AND OTHERWISE ATTEMPTED TO IMPROPERLY INFLUENCE AND/OR INTERFERE WITH THE BROKER'S COMPETITIVE ACTIVITIES AND MADE CERTAIN THREATENING STATEMENTS TO THE BROKER; REFUSED TO DEAL WITH A BROKER AT A COMPETING MARKET MAKER AND REFUSED TO EXECUTE THE TRADE, AND ENGAGED IN INAPPROPRIATE CONVERSATION WITH THE BROKER; REFUSED TO DEAL WITH AN INDIVIDUAL AT A MEMBER FIRM AND REFUSED TO FILL THREE SPECIFIC ORDERS THE INDIVIDUAL PLACED AT HIS QUOTED BID OR OFFER IN A NASDAQ SMALL CAP SECURITY ("BACKING AWAY").

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/04/1997

Docket/Case Number: CMS970027

Principal Product Type: No Product

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Decision & Order of Offer of Settlement**Resolution Date:** 07/08/1998**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 \$5,000.00**Other Sanctions Ordered:****Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J. ALEXANDER SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$5,000.**Reporting Source:** Firm**Current Status:** On Appeal**Appealed To and Date Appeal Filed:** APPEALED TO THE NAC BY RESPONDENT ROSEN ON DECEMBER 23, 1998**Allegations:** VIOLATIONS OF NASD RULES 2110 AND 3010 IN THAT RESPONDENT ROSEN ENGAGED IN ANTI-COMPETITIVE HARASSMENT OF ANOTHER MARKET MAKER BY MAKING A SERIES OF TELEPHONE CALLS TO THE BROKER OF A COMPETING MARKET MAKER IN WHICH HE ATTEMPTED TO HARASS THE BROKER FOR ENGAGING IN COMPETITIVE TRADING AND ENTERING COMPETITIVE QUOTATIONS AND OTHERWISE ATTEMPTED TO IMPROPERLY INFLUENCE AND/OR INTERFERE WITH THE BROKER'S COMPETITIVE ACTIVITIES AND MADE CERTAIN THREATENING STATEMENTS TO THE BROKER; REFUSED TO DEAL WITH THE BROKER AS A COMPETING MARKET MAKER AND REFUSED TO EXECUTE THE TRADE, AND ENGAGED IN INAPPROPRIATE CONVERSATION WITH THE BROKER; REFUSED TO DEAL WITH AN INDIVIDUAL AT A MEMBER FIRM AND REFUSED TO FILL THREE SOECIFIC ORDERS THE INDIVIDUAL PLACED WITH ROSEN,



AT HIS QUOTED BID OR OFFER IN A NASDAQ SMALL CAP SECURITY ("BACKING AWAY"); AND, RESPONDENT MEMBER FAILED TO SUPERVISE ROSEN ADEQUATELY.

Initiated By:	INITIATED BY NASD.
Date Initiated:	08/04/1997
Docket/Case Number:	CMS970027 AWC
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	EQUITY-OTC,OPTIONS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINED \$62,000, SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR SIX MONTHS, AND ASSESSED \$1,700.50 IN COSTS.
Resolution:	Decision
Resolution Date:	11/30/1998
Sanctions Ordered:	Censure Monetary/Fine \$62,000.00 Suspension
Other Sanctions Ordered:	SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR SIX MONTHS, AND ASSESSED \$1,700.50 IN COSTS
Sanction Details:	RESPONDENT ROSEN IS CENSURED, FINED \$62,000.00, SUSPENDED FROM ASSOCIATING WITH ANY NASD MEMBER IN ANY CAPACITY FOR SIX MONTHS, AND ASSESSED \$1,700.50 IN COSTS.
Firm Statement	THE SECOND CUASE OF COMPLAINT WAS DISMISSED DUE TO INSUFFICIENT EVIDENCE AND THE THIRD CLAUSE OF COMPLAINT WAS DISMISSED IN THAT THE COMMITTEE FOUND THAT THE EVIDENCE DOES NOT SUSTAIN THE

Disclosure 16 of 24

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 1021 AND 2110 IN THAT J. ALEXANDER SECURITIES, ACTING UNDER THE DIRECTION AND CONTROL OF AN INDIVIDUAL, PERMITTED ANOTHER INDIVIDUAL TO BECOME AND REMAIN ASSOCIATED WITH THE FIRM AS A SECURITIES PRINCIPAL WHEN HE WAS STATUTORILY DISQUALIFIED FROM ACTING AS A PRINCIPAL BY THE SEC.



Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/04/1998

Docket/Case Number: C02980051

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 01/26/1999

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 \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J. ALEXANDER SECURITIES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000, JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS OF NASD RULES 1021 ANDD 2110 IN THAT RESPONDENT MEMBER, ACTING UNDER THE DIRECTION AND CONTROL OF RESPONDENT ALEXANDER, PERMITTED RESPONDENT KERR TO BECOME AND REMAIN ASSOCIATED WITH THE FIRM AS A SECURITIES PRINCIPAL WHEN HE WAS STATUTORILY DISQUALIFIED FROM ACTING AS A PRINCIPAL BY THE SEC.

Initiated By: INITIATED BY NASD.

Date Initiated: 01/26/1999



Docket/Case Number: C02980051

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC,OPTIONS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED \$20,000, JOINTLY AND SEVERALLY.

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 01/26/1999

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

Other Sanctions Ordered:

Sanction Details: THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS MEMBER AND ALEXANDER WAS ISSUED; THEREFORE, THEY ARE CENSURED AND FINED \$20,000.00, JOINTLY AND SEVERALLY.

Disclosure 17 of 24

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/25/1995

Docket/Case Number: C02950029

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/25/1995



Sanctions Ordered: Censure
Monetary/Fine \$14,641.50

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON SEPTEMBER 25, 1995, DISTRICT NO. 2 NOTIFIED RESPONDENTS J. ALEXANDER SECURITIES, INC. AND JAMES ALEXANDER THAT THE LETTER F ACCEPTANCE, WAIVER AND CONSENT NO. C02950029 WAS ACCEPTED; THEREFORE, THEY WERE CENSURED AND FINED \$14,641.50, JOINTLY AND SEVERALLY. IN ADDITION, RESPONDENT ALEXANDER IS ORDERED TO REQUALIFY BY EXAMINATION AS A GENERAL SECURITIES PRINCIPAL WITHIN 90 DAYS FROM THE DATE OF THE NOTICE OF ACCEPTANCE OF ACCEPTANCE, WAIVER AND CONSENT. SHOULD HE FAIL TO REQUALIFY WITHIN THE TIMEFRAME STATED HEREIN HE SHALL BE SUSPENDED AS SUCH UNTIL SUCH TIME AS HE HAS REQUALIFIED. - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT ALEXANDER, CAUSED THE ISSUANCE OF WRITTEN NOTIFICATIONS TO CUSTOMERS WHICH FALSELY DISCLOSED THAT THE FIRM WAS ACTING AS AGENT FOR SAID CUSTOMERS WHEN IN FACT, RESPONDENT MEMBER WAS ACTING AS PRINCIPAL FOR ITS OWN ACCOUNT).

\$14,641.50 J&S PAID ON 10/11/95, INVOICE# 95-02-649

Reporting Source: Firm

Current Status: Final

Allegations: RESPONDENT MEMBER, ACTING THROUGH RESPONDENT ALEXANDER, CAUSED THE ISSUANCE OF WRITTEN NOTIFICATION TO CUSTOMERS WHICH FALSELY DISCLOSED THAT THE FIRM WAS ACTING AS AGENT FOR SAID CUSTOMERS WHEN IN FACT, RESPONDENT MEMBER WAS ACTING AS PRINCIPLE FOR ITS OWN ACCOUNT.

Initiated By: INITIATED BY NASD

Date Initiated: 09/25/1995

Docket/Case Number: CO2950029

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS



Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/25/1995
Sanctions Ordered:	Censure Monetary/Fine \$14,641.50
Other Sanctions Ordered:	
Sanction Details:	FINED \$14,641.50, JOINTLY AND SEVERALLY. RESPONDENT ALEXANDER IS ORDERED TO REQUALIFY BY EXAMINATION AS A GENERAL SECURITIES PRINCIPAL WITHIN 90 DAYS FROM THE DATE OF THE NOTICE OF ACCEPTANCE OF ACCEPTANCE, WAIVER AND CONSENT.

Disclosure 18 of 24

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	12/17/1991
Docket/Case Number:	CMS910169 AWC(A)
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	03/25/1992
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	

**Regulator Statement**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS910169 AWC (A):
LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED DECEMBER 17,
1991 AGAINST RESPONDENT MEMBER J. ALEXANDER SECURITIES INC.
ALLEGING VIOLATIONS OF NMS TRADE REPORTING RULES, PART XII,
SECTION 2 OF SCHEDULE D OF THE ASSOCIATION'S BY-LAWS.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY
THE MARKET SURVEILLANCE COMMITTEE ON FEBRUARY 20, 1992 AND BY
THE NATIONAL BUSINESS CONDUCT COMMITTEE ON MARCH 25, 1992.

\$500.00

\$500.00 PAID ON 4/14/92 INVOICE #92-MS-364

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS OF NMS TRADE REPORTING RULES, PART XII, SECTION 2 OF SCHEDULE D OF THE ASSOCIATION'S BY-LAWS.

Initiated By: INITIATED BY NASD

Date Initiated: 03/25/1992

Docket/Case Number: CMS9101169 AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/25/1992

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: FINE 500.00.

Disclosure 19 of 24

Reporting Source: Regulator

Current Status: Final



Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/18/1980

Docket/Case Number: AWC-105

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 03/18/1980

Sanctions Ordered: Censure
Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement COMPLAINT: #AWC-105 FILED 03/18/80 IN DIST. #2S.
DECISION: 03/18/80: CENSURED; FINED \$500 J & S.
03/18/80: FINAL
FINES & COSTS: 04/16/80 FC 7588 PD J&S.

Reporting Source: Firm

Current Status: Final

Allegations: COMPLIANT FILED #AWC-105.

Initiated By: INITIATED BY NASD

Date Initiated: 03/18/1980

Docket/Case Number: #AWC-105

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS.

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought: FINED

Resolution: Decision

Resolution Date: 03/18/1980

Sanctions Ordered: Censure
Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: FINED: \$500.00 J&S AND CENSURED.

Disclosure 20 of 24

Reporting Source: Regulator

Current Status: Final

Allegations: UNLICENSED AGENT AND BROKER-DEALER ACTIVITY

Initiated By: WI SECURITIES COMMISSIONER

Date Initiated: 02/20/1995

Docket/Case Number: X--94096(E)

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: 02/20/1995

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: CONSENT ORDER OF PROHIBITION

Regulator Statement STAFF ALLEGED THAT, FROM AT LEAST 1991 THROUGH 1994, JOHN DAVID STEWART, ACTING AS AN AGENT FOR THE FIRM, EFFECTED TRANSACTIONS IN SECURITIES FOR THE ACCOUNT OF AT LEAST



ONE PERSON IN WISCONSIN, WHILE NEITHER HE NOR THE FIRM WERE LICENSED TO DO SO. THE FIRM WAS ALSO ORDERED TO RESOLVE ITS CIVIL LIABILITY UNDER SEC. 551.59, WIS. STATS., RESULTING FROM THE UNLAWFUL SALES OF SECURITIES, PRIOR TO FILING AN APPLICATION FOR A BROKER-DEALER LICENSE HERE. CONTACT: SUE KITTEL MOORE, (608) 266-9886

Reporting Source:	Firm
Current Status:	Final
Allegations:	UNLICENSED AGENT AND BROKER-DEALER ACTIVITY. FROM AT LEAST 1991 THROUGH 1994, JOHN DAVID STEWART, ACTING AS AN AGENT FOR THE FIRM, EFFECTED TRANSACTIONS IN SECURITIES FOR THE ACCOUNT OF AT LEAST ONE PERSON IN WISCONSIN, WHILE NEITHER HE NOR THE FIRM WERE LICENSED TO DO SO. THE FRIMS WAS ALSO ORDERED TO RESOLVE ITS CIVILLIABILTY UNDER SEC. 551,59, WIS. STATS., RESULTING FROM THE UNLAWFUL SALES OF SECURITIES, PRIOR TO FILING AN APPLICATION FOR A BROKER-DEALER LICENSE IN WISCONSIN,
Initiated By:	INITIATED BY THE STATE OF WISCONSIN.
Date Initiated:	02/20/1995
Docket/Case Number:	X-94096 (E)
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	EQUITY-OTC, OPTIONS
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/20/1995
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	CONSENT ORDER OF PROHIBITION. FINED \$500.00.

Disclosure 21 of 24

Reporting Source: Regulator



Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/07/1993

Docket/Case Number: CMS930038 AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 11/02/1993

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS930038 AWC (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED JULY 7, 1993 AGAINST RESPONDENT MEMBER J. ALEXANDER SECURITIES, INC. ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE RESPONDENT QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON SEPTMEBER 27. 1993 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON NOVEMBER 2, 1993.

\$500.00 FINE.

\$500.00 PAID ON 11/30/93 INVOICE #93-MS893

Reporting Source: Firm

Current Status: Final



Allegations: VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE RESPONDENT QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLITEN BOARD.

Initiated By: INITIATED BY NASD

Date Initiated: 11/02/1999

Docket/Case Number: CMS930038 AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/02/1993

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: FINED \$500.00.

Disclosure 22 of 24

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 10/20/1992

Docket/Case Number: CMS920101 AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Consent

Resolution Date: 01/29/1993

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement 2/3/93: MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS920101 AWC (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED OCTOBER 20, 1992 AGAINST RESPONDENT MEMBER J. ALEXANDER SECURITIES, INC. ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES FO FAIR PRACTICE IN THAT THE FOLLOWING RESPONDENTS UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OF ADR SECURITIES ON THE BULLETIN BOARD.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 11/23/92 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 1/29/93. FINED \$250.00
 \$250.00 PAID ON 2/16/93 INVOICE #93-MS-122

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS OF ARTICLE III. SECTION 1 OF THE ASSOCIATION'S RULS FOR FAIR PRACTICE IN THAT THE FOLLOWING RESPONDENTS UPDATED QUOTATIOONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD.

Initiated By: INITIATED BY NASD

Date Initiated: 01/29/1993

Docket/Case Number: CMS920101 AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS

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

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 01/29/1993
Sanctions Ordered: Monetary/Fine \$250.00
Other Sanctions Ordered:
Sanction Details: FINE \$250.00.

Disclosure 23 of 24

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 06/05/1991
Docket/Case Number: MS-1084-AWC(A)

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent
Resolution Date: 09/06/1991
Sanctions Ordered: Monetary/Fine \$250.00
Other Sanctions Ordered:
Sanction Details:

Regulator Statement

MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-1084-AWC (A)
 LETTER
 OF ACCEPTANCE, WAIVER AND CONSENT FILED JUNE 5, 1991 AGAINST
 RESPONDENT MEMBER J. ALEXANDER SECURITIES, INC. ALLEGING
 VIOLATIONS PART VI, SECTION 5(a) OF SCHEDULE D IN THAT
 RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME:

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY
 THE MARKET SURVEILLANCE COMMITTEE ON JULY 15, 1991 AND BY THE



NATIONAL BUSINESS CONDUCT COMMITTEE ON SEPTEMBER 6, 1991. \$250
FINED.

****\$250.00 PAID ON 9/27/91 INVOICE #91-MS-1070****

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS PART VI, SECTION 5(A) OF SCHEDULE D IN THAT
RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME.

Initiated By: INITIATED BY NASD.

Date Initiated: 06/05/1991

Docket/Case Number: MS-1084-AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/27/1991

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: \$250.00 FINE PAID ON 09/27/1991.

Disclosure 24 of 24

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/17/1987

Docket/Case Number: LA-4139

Principal Product Type:

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 07/26/1988**Sanctions Ordered:** Censure
Monetary/Fine \$2,500.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

COMPLAINT NO. LA-4139 FILED SEPTEMBER 17, 1987 BY DISTRICT NO. 2S AGAINST RESPONDENTS J. ALEXANDER SECURITIES, INC. AND JAMES ALEXANDER ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER ACTING THROUGH RESPONDENT ALEXANDER, PARTICIPATED IN A CONTINGENT OFFERING OF LIMITED PARTNERSHIP INTERESTS AND FUNDS RECEIVED WERE NOT PROMPTLY TRANSMITTED TO A SEPARATE ESCROW ACCOUNT; IN CONNECTION WITH THE OFFERING, RESPONDENT FAILED TO RETURN CONSIDERATION PAID BY PURCHASERS OF SUCH UNITS WHEN THE MINIMUM NUMBER OF UNITS WERE NOT SOLD BY THE STATED TERMINATION DATE; PERMITTED AN INDIVIDUAL WHOSE REGISTRATION WAS REVOKED FOR FAILURE TO PAY FINES ASSESSED IN PRIOR NASD DISCIPLINARY ACTIONS, TO ENGAGE IN THE SECURITIES BUSINESS FOR THE FIRM.

DECISION RENDERED JULY 26, 1988, WHEREIN THE OFFER OF SETTLEMENT WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$2,500.00, JOINTLY AND SEVERALLY AND ORDERED TO SUBMIT PROOF OF PAYMENT OF \$41,967.50 WHO ARE OWED SUCH SUM. FAILURE TO SUBMIT SUCH PROOF SHALL CAUSE THE NASD TO INSTITUTE PROCEEDINGS PURSUANT TO ARTICLE V, SECTION 2 OF THE RULES OF FAIR PRACTICE AS IF SUCH FAILURE CONSTITUTED THE FAILURE OF RESPONDENT AND ALEXANDER JOINTLY TO PROMPTLY PAY A FINE IMPOSED PURSUANT TO SECTION 1 OF ARTICLE V OF THE RULES OF FAIR PRACTICE.

*****\$2,500 FINE & COST PAID J&S 10/3/88 - DEPOSIT #005*****



Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER ACTING THROUGH RESPONDENT ALEXANDER, PARTICIPATED IN A CONTINGENT OFFERING OF LIMITED PARTNERSHIP INTERESTS AND FUNDS RECEIVED WERE NOT PROMPTLY TRANSMITTED TO A SEPERATE ESCROW ACCOUNT; IN CONNECTION WITH THE OFFERING, RESPONDENT FAILED TO RETURN CONSIDERATION PAID BY PURCHASERS OF SUCH UNITS WHEN THE MINIMUM NUMBER OF UNITS WERE NOT SOLD BY THE STATED TERMINATION DATE; PERMITTED AN INDIVIDUAL WHOSE REGISTRATION WAS REVOKED FOR FAILURE TO PAY FINES ASSESSED IN PRIOR NASD DISCIPLINARY ACTIONS, TO ENGAGE IN THE SECURITIES BUSINESS FOR THE FIRM.

Initiated By: INITIATED BY NASD.

Date Initiated: 09/17/1987

Docket/Case Number: LA-4139

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): EQUITY-OTC, OPTIONS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED, JOINTLY AND SEVERALLY AND ORDERED TO SUBMIT PROOF OF PAYMENT OF \$41,967.50 WHO ARE OWED SUCH SUM.

Resolution: Settled

Resolution Date: 07/26/1988

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

Other Sanctions Ordered: SETTLEMENT WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$2,500.00, JOINTLY AND SEVERALLY AND ORDERED TO SUBMIT PROOF OF PAYMENT OF \$41,967.50 WHO ARE OWED SUCH SUM. FAILURE TO SUBMIT SUCH PROOF SHALL CAUSE THE NASD TO INSTITUTE PROCEEDINGS PURSUANT TO ARTICLE V, SECTION 2 OF THE RULES OF FAIR PRACTICE AS IF SUCH FAILURE CONSTITUTED THE FAILURE OF RESPONDENT AND ALEXANDER JOINTLY TO PROMPTLY PAY A FINE IMPOSED PURSUANT TO SECTION1 OF ARTICLE V OF THE RULES OF FAIR PRACTICE.



Sanction Details:

FINED \$2,500.00.

Firm Statement

\$2,500 FINE AND COST PAID J&S 10/03/1988 - DEPOSIT #005



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 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum:	NASD
Case Initiated:	05/20/1991
Case Number:	91-00236
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$75,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/10/1992
Sum of All Relief Awarded:	\$54,000.00

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

Disclosure 2 of 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	12/31/1991
Case Number:	91-04098



Disputed Product Type:	COMMODITIES FUTURES; COMMON STOCK; MUNICIPAL BOND FUNDS; OPTIONS
Sum of All Relief Requested:	\$1,718,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/21/1993
Sum of All Relief Awarded:	\$38,250.00

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

Disclosure 3 of 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	03/15/1999
Case Number:	99-00939
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$24,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/21/2000
Sum of All Relief Awarded:	\$29,838.01

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:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE



Arbitration Forum: NASD
Case Initiated: 01/21/2000
Case Number: [99-05513](#)
Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$25,001.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/22/2000
Sum of All Relief Awarded: \$19,000.00

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



Judgment / Lien

This type of disclosure event involves an unsatisfied and outstanding judgment or lien against the brokerage firm.

Disclosure 1 of 1

Reporting Source:	Firm
Judgment/Lien Holder:	GEOTERMICA LTD, FRANCIS C. PIZZULLI INC. AND FRANCIS PIZZULLI
Judgment/Lien Type:	Civil
Judgment/Lien Amount:	\$1,394,248.55
Date Filed:	09/23/2003
Court Details:	SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES
Firm Statement	ON JULY 21, 2003, PLAINTIFFS FILED SUIT AGAINST J. ALEXANDER SECURITIES FOR BREACH OF CONTRACT, MISREPRESENTATION, INVALID MERGER VIA REGISTERED REPRESENTATIVE MICHAEL HURLEY (CRD# 1180889). ON SEPTEMBER 23, 2004, COURT ENTERED JUDGEMENT AGAINST J. ALEXANDER SECURITIES IN THE AMOUNT OF \$963,097.50 PLUS INTEREST OF \$431,151.05.

End of Report



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