BrokerCheck Report

ALLERTON TOWNE

CRD# 1212315

Section Title	Page(s)
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	5 - 6
Disclosure Events	7

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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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.

ALLERTON TOWNE

CRD# 1212315

This broker is not currently registered.

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 0 Principal/Supervisory Exams
- 2 General Industry/Product Exams
- 1 State Securities Law Exam

Registration History

This broker was previously registered with the following securities firm(s):

B **SOURCE CAPITAL GROUP, INC.**
CRD# 36719
BOCA RATON, FL
12/2001 - 09/2006

B **MERIT CAPITAL ASSOCIATES, INC.**
CRD# 30576
WESTPORT, CT
06/1998 - 12/2001

B **ARGENT SECURITIES, INC.**
CRD# 15297
ATLANTA, GA
02/1998 - 05/1998

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3
Customer Dispute	1

Broker Qualifications

Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.

Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

	Exam	Category	Date
	No information reported.		

General Industry/Product Exams

	Exam	Category	Date
B	General Securities Representative Examination	Series 7	12/17/1983
B	National Commodity Futures Examination	Series 3	01/21/1983

State Securities Law Exams

	Exam	Category	Date
B	Uniform Securities Agent State Law Examination	Series 63	03/23/1984

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications

Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.

Registration and Employment History

Registration History

The broker previously was registered with the following securities firms:

	Registration Dates	Firm Name	CRD#	Branch Location
B	12/2001 - 09/2006	SOURCE CAPITAL GROUP, INC.	36719	BOCA RATON, FL
B	06/1998 - 12/2001	MERIT CAPITAL ASSOCIATES, INC.	30576	WESTPORT, CT
B	02/1998 - 05/1998	ARGENT SECURITIES, INC.	15297	ATLANTA, GA
B	01/1998 - 01/1998	NICHOLS, SAFINA, LERNER & CO. INC.	35476	NEW YORK, NY
B	07/1997 - 12/1997	THOMAS GREEN SECURITIES, INC.	571	LOS ANGELES, CA
B	09/1996 - 06/1997	BARBER & BRONSON INCORPORATED	26582	MIAMI, FL
B	03/1995 - 09/1996	LAIDLAW EQUITIES, INC.	19018	NEW YORK, NY
B	09/1991 - 03/1995	COMPREHENSIVE CAPITAL CORP.	6215	GREAT NECK, NY
B	02/1989 - 09/1991	G. K. SCOTT & CO., INC.	3305	PLAINVIEW, NY
B	11/1988 - 01/1989	SHEFFIELD SECURITIES, INC.	16475	
B	03/1988 - 10/1988	JW CHARLES SECURITIES, INC.	6631	
B	12/1987 - 02/1988	INTERSTATE SECURITIES CORPORATION	431	
B	10/1985 - 12/1987	E. F. HUTTON & COMPANY INC	235	
B	12/1983 - 10/1985	OPPENHEIMER & CO., INC.	630	
B	12/1983 - 01/1984	CONTISECURITIES, INC.	6926	

Employment History

Registration and Employment History

Employment History, continued

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
12/2001 - Present	SOURCE CAPITAL GROUP, INC.	REGISTERED REP	Y	BOCA RATON, FL, United States

Disclosure Events

What you should know about reported disclosure events:

1. **Disclosure events in BrokerCheck reports come from different sources:**
   - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Final	On Appeal
Regulatory Event	3	0
Customer Dispute	1	N/A

Disclosure Event Details

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	06/20/2008
Docket/Case Number:	2005003031001
Employing firm when activity occurred which led to the regulatory action:	PLYMOUTH CAPITAL, INC. /SOURCE CAPITAL GROUP, INC.
Product Type:	
Allegations:	NASD RULES 2110, 2330, 3030, 8210 - ALLERTON TOWNE MADE IMPROPER USE OF FUNDS BELONGING TO A PUBLIC CUSTOMER; TOWNE INTENTIONALLY AND WITHOUT AUTHORIZATION CONVERTED MONEY BELONGING TO THE CUSTOMER BY WIRING $4,181.81 FROM THE CUSTOMER'S ACCOUNT TO A BANK ACCOUNT IN THE NAME OF A CORPORATION HE CONTROLLED; ENGAGED IN OUTSIDE BUSINESS ACTIVITY, FOR COMPENSATION, OUTSIDE THE SCOPE OF HIS RELATIONSHIP WITH HIS MEMBER FIRM AND FAILED TO GIVE HIS FIRM NOTICE OF THE ACTIVITIES; AND FAILED TO RESPOND TO FINRA REQUESTS FOR DOCUMENTS.
Current Status:	Final
Resolution:	Decision

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	02/27/2009
Sanctions Ordered:	Bar (Permanent)
Regulator Statement	DEFAULT DECISION RENDERED JANUARY 27, 2009 WHEREIN TOWNE IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY. AMENDED DEFAULT DECISION RENDERED JANUARY 30, 2009 WHEREIN TOWNE IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY. DECISION AMENDED TO ADD INADVERTENTLY OMITTED REFERENCES TO RESPONDENT'S VIOLATIONS OF RULE 2330 FOR THE MISUSE OF FUNDS. DECISION IS FINAL FEBRUARY 27, 2009.

Disclosure 2 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	IN
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	04/09/1999
Docket/Case Number:	99-0102
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	
Other Product Type(s):	
Allegations:	DISCIPLINARY HISTORY RAISED QUESTIONS REGARDING ISSUING AN AGENT REGISTRATION IN INDIANA.
Current Status:	Final
Resolution:	Order
Resolution Date:	04/09/1999

Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	FILED AN ORDER OF RESTRICTIVE AGREEMENT 4/9/1999
Regulator Statement	ON OR ABOUT 3/22/99, THE AGENT APPLIED FOR REGISTRATION IN INDIANA. AFTER REVIEW OF THE AGENTS DISCIPLINARY HISTORY, THE AGENT'S REGISTRATION WAS APPROVED WITH THE RESTRICTIONS PURSUANT TO AN ORDER OF RESTRICTIVE AGREEMENT THAT INCLUDES BUT NOT LIMITED TO: 1) STRICT SUPERVISION, 2) NO DISCIPLINARY AUTHORITY OVER INDIANA ACCOUNTS, 3) APPROVAL BY THE BRANCH MANAGER OF NEW ACCOUNTS, 4) NOTIFICATION TO THE DIVISION OF ANY COMPLAINTS, AND 5) COMPLIANCE WITH ALL STATE/FEDERAL SECURITIES LAWS. CONTACT: CASSANDRA WRIGHT (317) 232-6681

Reporting Source:	Broker
Regulatory Action Initiated By:	STATE OF INDIANA
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	04/09/1999
Docket/Case Number:	99-0102
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	
Other Product Type(s):	
Allegations:	NONE
Current Status:	Final
Resolution:	Order
Resolution Date:	04/09/1999
Sanctions Ordered:	
Other Sanctions Ordered:	

Sanction Details:	SUPERVISION BY MANAGER, NO DISCRETIONARY ACCOUNTS, NOTIFICATION OF INDIANA COMPLAINTS, MANAGER APPROVAL OF NEW ACCOUNTS, NOT TO ENGAGE IN ANY PROHIBITABLE BUSINESS PRACTICES AS DEFINED BY INDIANA LAW.
Broker Statement	N/A

Disclosure 3 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	PENNSYLVANIA
Sanction(s) Sought:	Revocation
Other Sanction(s) Sought:	
Date Initiated:	02/09/1977
Docket/Case Number:	8502-13
Employing firm when activity occurred which led to the regulatory action:	DREXEL LEASING CORP., INC
Product Type:	Other
Other Product Type(s):	
Allegations:	FINDINGS OF FACT,CONCLUSIONS OF LAW AND ORDER ISSUED TO TOWNE DENYING FOR FIVE YEARS FROM THE DATE OF THE COMMISSION'S ORDER ANY EXEMPTION PURSUANT TO SECTIONS 202 OR 203 OFFERING OR SELLING SECURITIES IN PENNSYLVANIA, OF WHICH TOWNE IS AN OFFICER, DIRECTOR, PROMOTER, AFFILIATE OR ASSOCIATE AND ALSO DENIED ANY APPLICATION FOR REGISTRATION PURSUANT TO SECTION 301 OF THE PA SECURITIES ACT OF TOWNE FOR FIVE YEARS FROM THE DATE OF THE COMMISSION'S ORDER.
Current Status:	Final
Resolution:	Order
Resolution Date:	02/09/1977
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	

Sanction Details:	FINDINGS OF FACT,CONCLUSIONS OF LAW AND ORDER ISSUED TO TOWNE DENYING FOR FIVE YEARS FROM THE DATE OF THE COMMISSION'S ORDER ANY EXEMPTION PURSUANT TO SECTIONS 202 OR 203 OFFERING OR SELLING SECURITIES IN PENNSYLVANIA, OF WHICH TOWNE IS AN OFFICER, DIRECTOR, PROMOTER, AFFILIATE OR ASSOCIATE AND ALSO DENIED ANY APPLICATION FOR REGISTRATION PURSUANT TO SECTION 301 OF THE PA SECURITIES ACT OF TOWNE FOR FIVE YEARS FROM THE DATE OF THE COMMISSION'S ORDER.

Reporting Source:	Broker
Regulatory Action Initiated By:	STATE OF PENNSYLVANIA
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	02/09/1977
Docket/Case Number:	8502-13
Employing firm when activity occurred which led to the regulatory action:	DREXEL LEASING CORP., INC
Product Type:	
Other Product Type(s):	
Allegations:	ALLEGED OFFERING OR SELLING SECURITIES TO PENNSYLVANIA RESIDENTS WITHOUT EXEMPTION
Current Status:	Final
Resolution:	Order
Resolution Date:	02/09/1977
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	REGISTRATION DENIED FOR 5 YEARS.
Broker Statement	NEITHER I OR DREXEL LEASING CORP RECEIVED A FINDINGS OF FACT, CONCLUSION OF LAW & ORDER DATED 2/9/77 FROM

THE STATE OF PENNSYLVANIA. WHEN I APPLIED FOR REGISTRATION AS A SECURITIES SALEPERSON LATER ON, I DID NOT DISCLOSE THE EVENT ON MY FORM U-4, AS I WAS UNAWARE IT EXISTED. AFTER THE PENNSYLVANIA SECURITIES DIVISION REVIEWED THE MATTER, THEY IMMEDIATELY ACCEPTED MY REGISTRATION.

Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the named broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

Reporting Source: Regulator

Employing firm when activities occurred which led to the complaint: G. K. SCOTT & CO., INC

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE; ACCOUNT RELATED-OTHER

Product Type:

Alleged Damages: $18,750.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD - CASE #90-03117

Date Notice/Process Served: 12/03/1990

Arbitration Pending? No

Disposition: Other

Disposition Date: 07/23/1991

Disposition Detail: AWARD AGAINST PARTY
ACTUAL/COMPENSATORY DAMAGES, RELIEF HAS
BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT $2,800.00 JOINTLY
AND SEVERALLY; INTEREST, RELIEF HAS BEEN AWARDED (PARTIAL OR
FULL), AWARD AMOUNT $266.96 JOINTLY AND SEVERALL

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: G. K. SCOTT & CO., INC

Allegations: CLAIMANT ALLEGED THAT RESPONDENTS TOWNE AND G.K. SCOTT & CO., SOLD 40000 SHARES OF A PENNY STOCK AFTER THE SELL ORDER EXPIRED. CLAIMANT REQUESTED DAMAGES OF $18,750.00 PUNITIVE DAMAGES, COSTS AND ATTORNEY'S FEELS.

Product Type:	
Alleged Damages:	$18,750.00

Customer Complaint Information

Date Complaint Received:	
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	
Settlement Amount:	
Individual Contribution Amount:	

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.; 90-03117
Date Notice/Process Served:	12/03/1990
Arbitration Pending?	No
Disposition:	Award to Customer
Disposition Date:	07/23/1991
Monetary Compensation Amount:	$3,066.96
Individual Contribution Amount:	
Broker Statement	AWARD WAS MADE BY BOTH RESPONDENTS OF $2800.00 PLUS INTEREST OF $266.96 FOR A TOTAL OF $3066.96. CLAIMANTS REQUEST FOR ATTORNEY'S FEES, COSTS, AND PUNITIVE DAMAGES WERE DENIED. RESPONDENTS DENIED ALL ALLEGATIONS OF WRONGDOING AND ALLEGED THAT CLAIMANTS INSTRUCTIONS TO SELL THE STOCK WERE FOLLOWED; THE TRADE WAS AUTHORIZED AND RATIFIED; AND THAT CLAIMANT ONLY COMPLAINED WHEN THE PRICE OF THE STOCK ROSE WELL AFTER THE TRADE.

End of Report

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