

BrokerCheck Report

MICHAEL SALVATORE STANTON

CRD# 1448072

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About BrokerCheck®

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

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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)

MICHAEL S. STANTON

CRD# 1448072

Currently employed by and registered with the following Firm(s):**WORDEN CAPITAL MANAGEMENT LLC**

40 Wall Street, Floor 7

New York, NY 10005

CRD# 148366

Registered with this firm since: 12/14/2016

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 registered with:**

- 1 Self-Regulatory Organization
- 1 U.S. state or territory

This broker has passed:

- 2 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):****LEGEND SECURITIES, INC.**

CRD# 44952

NEW YORK, NY

02/2013 - 12/2016

OBSDIAN FINANCIAL GROUP, LLC

CRD# 104255

NEW YORK, NY

12/2011 - 03/2013

NATIONAL SECURITIES CORPORATION

CRD# 7569

ISELIN, NJ

09/2005 - 11/2011

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2
Customer Dispute	4
Financial	2
Judgment/Lien	7



Broker Qualifications

Registrations

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

This individual is currently registered with 1 SRO and is licensed in 1 U.S. state or territory through his or her employer.

Employment 1 of 1

Firm Name: **WORDEN CAPITAL MANAGEMENT LLC**
 Main Office Address: **100 RING ROAD WEST
 SUITE 210
 GARDEN CITY, NY 11530**
 Firm CRD#: **148366**

SRO	Category	Status	Date
FINRA	General Securities Principal	APPROVED	12/14/2016
FINRA	General Securities Representative	APPROVED	12/14/2016
FINRA	Registered Options Principal	APPROVED	12/14/2016

U.S. State/ Territory	Category	Status	Date
New York	Agent	APPROVED	12/14/2016

Branch Office Locations

WORDEN CAPITAL MANAGEMENT LLC
 40 Wall Street, Floor 7
 New York, NY 10005



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.

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

Principal/Supervisory Exams

Exam	Category	Date
Registered Options Principal Examination	Series 4	06/17/2011
General Securities Principal Examination	Series 24	01/11/1999

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination	SIE	10/01/2018
General Securities Representative Examination	Series 7	01/18/1986

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	04/11/1986

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/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
02/2013 - 12/2016	LEGEND SECURITIES, INC.	44952	NEW YORK, NY
12/2011 - 03/2013	OBSIDIAN FINANCIAL GROUP, LLC	104255	NEW YORK, NY
09/2005 - 11/2011	NATIONAL SECURITIES CORPORATION	7569	ISELIN, NJ
09/2003 - 09/2005	SUMMIT BROKERAGE SERVICES, INC.	34643	BOCA RATON, FL
03/2003 - 09/2003	INDIANAPOLIS SECURITIES, INC.	10399	VALLEY STREAM, NY
07/2001 - 03/2003	CGF SECURITIES, LLC	41040	BOCA RATON, FL
05/2001 - 07/2001	DALTON KENT SECURITIES GROUP, INC.	38813	NEW YORK, NY
03/2001 - 06/2001	BLUESTONE CAPITAL CORP.	13516	NEW YORK, NY
09/1998 - 03/2001	BLUESTONE CAPITAL SECURITIES, INC.	36189	NEW YORK, NY
04/1998 - 09/1998	BARINGTON CAPITAL GROUP, L.P.	29383	NEW YORK, NY
05/1994 - 04/1998	D. H. BLAIR & CO., INC.	6833	NEW YORK, NY
12/1992 - 04/1994	THOMAS JAMES ASSOCIATES, INC.	15609	ROCHESTER, NY
12/1990 - 12/1992	GRUNTAL & CO. INCORPORATED	372	NEW YORK, NY
05/1989 - 12/1990	D. H. BLAIR & CO., INC.	6833	
01/1987 - 12/1990	D. H. BLAIR & CO., INC.	6833	NEW YORK, NY
07/1988 - 05/1989	COMMONWEALTH ASSOCIATES	20833	NEW YORK, NY
01/1986 - 01/1987	BEAR, STEARNS & CO. INC.	79	

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 Dates	Employer Name	Employer Location
12/2016 - Present	WORDEN CAPITAL MANAGEMENT LLC	New York, NY
02/2013 - 12/2016	LEGEND SECURITIES, INC	NEW YORK, NY
12/2011 - 02/2013	OBSIDIAN FINANCIAL GROUP	NEW YORK, NY
09/2005 - 11/2011	NATIONAL SECURITIES CORPORATION	STATEN ISLAND, NY

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

No information reported.



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all 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.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage 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.

For your convenience, below is a matrix of the number and status of 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.

	Pending	Final	On Appeal
Regulatory Event	0	2	0



Customer Dispute	1	3	N/A
Financial	1	1	N/A
Judgment/Lien	7	N/A	N/A



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

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 may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 11/30/2016

Docket/Case Number: [2015048048801](#)

Employing firm when activity occurred which led to the regulatory action: Legend Securities, Inc.

Product Type: No Product

Allegations: Stanton was named a respondent in a FINRA complaint alleging that he and his member firm failed to establish, maintain and enforce a reasonable supervisory system, and failed to enforce the firm's WSPs, to prevent a registered representative from churning and excessively trading a customer's brokerage accounts. The complaint alleges that Stanton and the firm failed to adequately investigate red flags demonstrating that the registered representative was churning the customer's accounts. Stanton and the firm also failed to adequately investigate, or simply ignored, that the registered representative engaged in aggressive, "in-and-out" trading, repeatedly purchasing securities and then selling them after relatively short holding periods to purchase other securities, for no



apparent reason. Such in-and-out trading is a hallmark of excessive trading and churning.

Current Status:	Final
Resolution:	Decision & Order of Offer of Settlement
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:	05/25/2017
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	Yes
(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?	No



(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

No

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Yes

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	principal capacity
Duration:	seven months
Start Date:	06/19/2017
End Date:	01/18/2018



Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 10/05/2017

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

Without admitting or denying the allegations, Stanton consented to the sanctions and to the entry of findings that he failed to establish, maintain and enforce a reasonable supervisory system, and failed to enforce his member firm's Written Supervisory Procedures (WSPs), to prevent a registered representative from churning and excessively trading a senior customer's, (blind and physically disabled widow), brokerage accounts. The findings stated that specifically, Stanton failed to reasonably implement the firm's procedures in connection with his supervision of the representative's activities concerning the customer's accounts to ensure that the account activities were suitable for the customer. Stanton failed to consider the information set forth in the firm's procedures concerning the accounts for senior investors, including the customer's income needs to meet future expenses and her health insurance and future requirements to fund her health costs. Stanton also failed to review the customer's new account forms and review the transactions in those accounts for consistency with investment objectives, as required by the WSPs for supervising Individual Retirement Accounts (IRAs). Stanton failed to review or request to be provided with active account reports to identify accounts for further review, including the customer's accounts, failed to consult with the representative regarding account activity, and failed to contact the customer, as required by the firm's WSP relating to active accounts. Stanton failed to reasonably supervise the customer's investments for suitability by reviewing monthly transaction records, conferring with the representative regarding suitability questions, conferring with compliance, or contacting the customer to confirm her understanding of and her agreement with transactions in her account. The findings also stated that Stanton failed to adequately investigate red flags demonstrating that the registered representative was churning the customer's IRA accounts and investment account. Stanton failed to adequately investigate or simply ignored, that the representative engaged in aggressive, "in-and-out" trading, repeatedly purchasing securities and then selling them after relatively short holding periods to



purchase other securities, for no apparent reason. Such in-and-out trading is a hallmark of excessive trading and churning. Stanton ignored that the representative consistently charged commissions of 3.5 percent - 5 percent, on both purchases and sales. Commission rates at this level, coupled with a high volume of trading, resulted in high overall commissions being paid to the representative and made it highly unlikely that the customer's accounts would be profitable. Stanton was aware that the representative's trading in the customer's accounts was excessive.

Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	11/30/2016
Docket/Case Number:	2015048048801
Employing firm when activity occurred which led to the regulatory action:	Legend Securities, Inc.
Product Type:	No Product
Allegations:	Stanton was named a respondent in a FINRA complaint alleging that he and his member firm failed to establish, maintain and enforce a reasonable supervisory system, and failed to enforce the firm's WSPs, to prevent a registered representative from churning and excessively trading a customer's brokerage accounts. The complaint alleges that Stanton and the firm failed to adequately investigate red flags demonstrating that the registered representative was churning the customer's accounts. Stanton and the firm also failed to adequately investigate, or simply ignored, that the registered representative engaged in aggressive, "in-and-out" trading, repeatedly purchasing securities and then selling them after relatively short holding periods to purchase other securities, for no apparent reason. Such in-and-out trading is a hallmark of excessive trading and churning.
Current Status:	Final
Resolution:	Decision & Order of Offer of Settlement



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: 05/25/2017

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)
Suspension

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: principal capacity

Duration: 7 months

Start Date: 06/19/2017

End Date: 01/18/2018

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 10/05/2017

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

Without admitting or denying the allegations, I consented to the sanctions and to the entry of findings that I failed to enforce my former employer's Written Supervisory Procedures (WSPs), to prevent a registered representative from churning and excessively trading a disabled senior customer's brokerage accounts. I decided to settle this matter to avoid costly litigation.

I became the RR's supervisor towards the end of his time at my former employer. When I became the RR's supervisor, I was never informed about the client's



disabilities. In order to conduct even routine supervision, it was a process to obtain exception reports, which I requested on multiple occasions to no avail. The client refused each of the calls I made to speak with them, but activity letters sent to them were promptly returned, signed and acknowledging all activity in the account. Red flags of activity were not ignored; in fact, they were brought to the attention of both Compliance and the RR, as even the RR attested to in his testimony to FINRA. All corrective suggestions made to Compliance and Senior Management were denied and not implemented by the Firm, allowing the RR to continue to manage the account as he had for several years prior to my becoming his supervisor.

Disclosure 2 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	MONTANA STATE AUDITOR'S OFFICE SECURITIES DEPARTMENT
Sanction(s) Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s) Sought:	
Date Initiated:	09/07/2005
Docket/Case Number:	08-09-05-148 I
Employing firm when activity occurred which led to the regulatory action:	SUMMIT BROKERAGE SERVICES, INC.
Product Type:	Equity - OTC
Other Product Type(s):	
Allegations:	FAILURE TO REASONABLY SUPERVISE REPRESENTATIVE GREGG LORENZO
Current Status:	Final
Resolution:	Consent
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:	01/24/2006



Sanctions Ordered: Monetary/Fine \$9,000.00

Other Sanctions Ordered:

Sanction Details: REFRAIN FROM APPLYING FOR SECURITIES REGISTRATION IN MONTANA FOR A PERIOD OF ONE YEAR.

Reporting Source: Broker

Regulatory Action Initiated By: MONTANA STATE AUDITORS OFFICE SECURITIES DEPARTMENT

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

Other Sanction(s) Sought:

Date Initiated: 09/07/2005

Docket/Case Number: 08-09-05-148 I

Employing firm when activity occurred which led to the regulatory action: SUMMIT BROKERAGE SERVICES INC

Product Type: Equity - OTC

Other Product Type(s):

Allegations: FAILURE TO REASONABLY SUPERVISE REPRESENTATIVE GREGG LORENZO.

Current Status: Final

Resolution: Consent

Resolution Date: 01/24/2006

Sanctions Ordered: Monetary/Fine \$9,000.00

Other Sanctions Ordered:

Sanction Details: RR TO REFRAIN FROM APPLYING FOR SECURITIES REGISTRATION IN MONTANA FOR A PERIOD OF ONE YEAR.



Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Legend Securities, Inc.
Allegations:	Failure to supervise representative's alleged activities (excessive trading, unsuitable recommendations). Approx. Activity dates are
Product Type:	Annuity-Variable Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$214,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA Dispute Resolution
Docket/Case #:	16-03695
Date Notice/Process Served:	03/06/2017
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	07/09/2018
Monetary Compensation Amount:	\$20,000.00
Individual Contribution Amount:	\$20,000.00
Broker Statement	RR settled out of the arbitration to avoid additional attorney cists.

Disclosure 2 of 2

Reporting Source:	Firm
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Employing firm when activities occurred which led to the complaint: SUMMIT BROKERAGE SERVICES INC

Allegations: NON- SPECIFIC ALLEGATIONS (INAPPROPRIATE CONDUCT, COERCION) CONCERNING PAYMENT FOR MARGIN CALLS.

Product Type: Equity - OTC

Alleged Damages: \$20,883.00

Customer Complaint Information

Date Complaint Received: 10/21/2005

Complaint Pending? No

Status: Settled

Status Date: 01/15/2006

Settlement Amount: \$15,000.00

Individual Contribution Amount: \$0.00

Firm Statement COMPLAINT WAS NON-SPECIFIC AND DEMANDED RECISSION FOR A TRADE IN AXYX.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: SUMMIT BROKERAGE SERVICES, INC.

Allegations: NON- SPECIFIC ALLEGATIONS (INAPPROPRIATE CONDUCT, COERCION) CONCERNING PAYMENT FOR MARGIN CALLS.

Product Type: Equity - OTC

Alleged Damages: \$20,883.00

Customer Complaint Information

Date Complaint Received: 01/20/2006

Complaint Pending? No

Status: Settled

Status Date: 01/15/2006



Settlement Amount: \$15,000.00

Individual Contribution Amount: \$0.00

Broker Statement

I VEHEMENTLY DENY THESE ALLEGATIONS. THIS WAS NEVER MY CLIENT. I WAS NEVER GIVEN THE OPPORTUNITY TO RESPOND, AND UNBEKNOWNST TO ME MY FORMER EMPLOYER SETTLED THIS MATTER IN WHICH I DID NOT CONTRIBUTE.



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Legend Securities
Allegations:	Failure to supervise; respondeat superior; breach of contract; and breach of NASD and NYSE Rules.
Product Type:	Equity-OTC
Alleged Damages:	\$375,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA Dispute Resolution

Docket/Case #:	17-00910
Date Notice/Process Served:	12/09/2017
Arbitration Pending?	No
Disposition:	Other: Settlement and Cooperation
Disposition Date:	08/28/2018
Monetary Compensation Amount:	\$0.00
Individual Contribution Amount:	\$0.00

Broker Statement Mr. Stanton agreed to cooperate with the client and provide information and testimony as to the claim brought by Mr. Voss against Legend and the other respondents. In exchange, Mr. Stanton was dismissed from the case, as he had no demonstrable supervisory capacity over the RR or the client. He was named solely due to his CRD history and history with the attorney representing Mr. Voss.



Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Legend Securities Corp.
Allegations:	Failure to Supervise, common law fraud, breach of fiduciary duty, negligence, and breach of contract
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$15,000,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA Dispute Resolution

Docket/Case #: 18-04040

Date Notice/Process Served: 01/11/2019

Arbitration Pending? Yes

Broker Statement Mr. Stanton has been improperly named in this claim. He did not even work for Legend Securities when this customer opened his accounts, and Mr. Stanton never supervised nor was he ever within the supervisory chain for this customer's broker or accounts.



Financial - Final

This type of disclosure event involves a pending bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation involving the broker or an organization/brokerage firm the broker controlled that occurred within the last 10 years.

Disclosure 1 of 1

Reporting Source:	Broker
Action Type:	Compromise
Action Date:	10/13/2015
Organization Investment-Related?	
Type of Court:	Superior Court
Name of Court:	Superior Court of the State of New Jersey
Location of Court:	Somerset County, NJ
Docket/Case #:	SOM-L-1070-14
Action Pending?	No
Disposition:	Satisfied/Released
Disposition Date:	10/19/2015
If a compromise with creditor, provide:	
Name of Creditor:	American Express
Original Amount Owed:	\$24,270.00
Terms Reached with Creditor:	Settlement sum of \$9,000.00 for full satisfaction.



Financial - Pending

This type of disclosure event involves a pending bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation involving the broker or an organization/brokerage firm the broker controlled that occurred within the last 10 years.

Disclosure 1 of 1

Reporting Source:	Broker
Action Type:	Bankruptcy
Bankruptcy:	Chapter 13
Action Date:	06/12/2018
Organization Investment-Related?	
Type of Court:	Bankruptcy Court
Name of Court:	US Bankruptcy Court, District of New Jersey
Location of Court:	Trenton, NJ
Docket/Case #:	18-21821-CMG
Action Pending?	Yes



Judgment / Lien

This type of disclosure event involves an unsatisfied and outstanding judgments or liens against the broker.

Disclosure 1 of 7

Reporting Source:	Broker
Judgment/Lien Holder:	Cavalry SPV I LLC
Judgment/Lien Amount:	\$9,465.00
Judgment/Lien Type:	Civil
Date Filed with Court:	06/11/2018
Date Individual Learned:	08/28/2018
Type of Court:	Civil Court
Name of Court:	Somerset County Special Civil Part
Location of Court:	Somerset, NJ
Docket/Case #:	DC00175718
Judgment/Lien Outstanding?	Yes

Disclosure 2 of 7

Reporting Source:	Broker
Judgment/Lien Holder:	Internal Revenue Service
Judgment/Lien Amount:	\$6,943.00
Judgment/Lien Type:	Tax
Date Filed with Court:	09/06/2017
Date Individual Learned:	11/02/2017
Type of Court:	County Clerk's Office
Name of Court:	Somerset County Cleark
Location of Court:	Somerset, NJ
Docket/Case #:	2017035942
Judgment/Lien Outstanding?	Yes

Disclosure 3 of 7



Reporting Source: Broker
Judgment/Lien Holder: Midland Funding LLC
Judgment/Lien Amount: \$7,373.00
Judgment/Lien Type: Civil
Date Filed with Court: 05/19/2017
Date Individual Learned: 08/07/2017
Type of Court: Civil Court
Name of Court: Somerset County Special Civil Part
Location of Court: Somerset, NJ
Docket/Case #: DC00027117
Judgment/Lien Outstanding? Yes

Disclosure 4 of 7

Reporting Source: Broker
Judgment/Lien Holder: New York State Department of Taxation and Finance
Judgment/Lien Amount: \$1,373.17
Judgment/Lien Type: Tax
Date Filed with Court: 05/10/2017
Date Individual Learned: 06/24/2017
Type of Court: County Court
Name of Court: County Court of Albany
Location of Court: Albany, NY
Docket/Case #: E026695104W0018
Judgment/Lien Outstanding? Yes

Disclosure 5 of 7

Reporting Source: Broker
Judgment/Lien Holder: NYS Dept. taxation & Finance
Judgment/Lien Amount: \$5,009.00



Judgment/Lien Type: Tax
Date Filed with Court: 02/01/2016
Date Individual Learned: 11/30/2016
Type of Court: Somerset County Court
Name of Court: SOMERSET COUNTY COURT
Location of Court: SOMERSET, NEW JERSEY
Docket/Case #: 212088W0159
Judgment/Lien Outstanding? Yes

Disclosure 6 of 7

Reporting Source: Broker
Judgment/Lien Holder: IRS
Judgment/Lien Amount: \$25,433.66
Judgment/Lien Type: Tax
Date Filed with Court: 06/22/2015
Date Individual Learned: 12/01/2015
Type of Court: Office of County Clerk Warren
Name of Court: Office of County Clerk Warren
Location of Court: Belvidere, NJ
Docket/Case #: 163154715
Judgment/Lien Outstanding? Yes

Disclosure 7 of 7

Reporting Source: Broker
Judgment/Lien Holder: IRS
Judgment/Lien Amount: \$28,780.73
Judgment/Lien Type: Tax
Date Filed with Court: 12/16/2015



Date Individual Learned: 12/01/2015
Type of Court: Office of County Clerk Warren
Name of Court: Office of County Clerk Warren
Location of Court: Belvidere, NJ
Docket/Case #: 190772415
Judgment/Lien Outstanding? Yes

End of Report



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