

BrokerCheck Report

STEPHEN DOUGLAS PIZZUTI

CRD# 1461660

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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)

STEPHEN D. PIZZUTI

CRD# 1461660

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:

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

Registration History

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

FREEDOM INVESTORS CORP.
 CRD# 23714
 ALTAMONTE SPRINGS, FL
 12/2013 - 03/2017

MERRIMAC CORPORATE SECURITIES, INC.
 CRD# 35463
 ALTAMONTE SPRINGS, FL
 01/2003 - 05/2015

EVALUVEST DIRECT INVESTMENTS, INC.
 CRD# 6957
 DEERFIELD BEACH, FL
 05/2008 - 12/2008

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	3
Customer Dispute	8
Financial	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<https://www.adviserinfo.sec.gov>



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 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.

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

Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	08/11/1988

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination	SIE	03/31/2017
General Securities Representative Examination	Series 7	04/19/1986

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	05/01/1986

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
12/2013 - 03/2017	FREEDOM INVESTORS CORP.	23714	ALTAMONTE SPRINGS, FL
01/2003 - 05/2015	MERRIMAC CORPORATE SECURITIES, INC.	35463	ALTAMONTE SPRINGS, FL
05/2008 - 12/2008	EVALUVEST DIRECT INVESTMENTS, INC.	6957	DEERFIELD BEACH, FL
05/1997 - 11/2004	ALLEN DOUGLAS SECURITIES, INC.	42410	WINTER PARK, FL
07/1994 - 11/1997	EXECUTIVE WEALTH MANAGEMENT SERVICES, INC.	10164	SARASOTA, FL
01/1992 - 07/1994	CORPORATE SECURITIES GROUP, INC.	11025	ST. LOUIS, MO
10/1990 - 01/1992	BILTMORE SECURITIES, INC	25023	FT. LAUDERDALE, FL
04/1986 - 11/1990	THE STUART-JAMES COMPANY, INCORPORATED	11691	DENVER, CO

Employment History

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
12/2013 - Present	FREEDOM INVESTORS CORP	BROOKFIELD, WI
02/2006 - Present	EVALUVEST INSURANCE SERVICES INC	ALTAMONTE SPRINGS, FL
11/2003 - Present	WALLSTREET 411	WINTER PARK, FL
12/2002 - Present	MERRIMAC CORPORATE SECURITIES, INC.	MEREDITH, NH
04/1999 - 12/2013	TEAM ADVISORY CORP., INC.	WINTER PARK, FL



Registration and Employment History

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.

2/2006
INVESTMENT RELATED
AGENT LICENSED TO SELL LIFE, HEALTH AND VARIABLE ANNUITIES DIRECTLY THROUGH EVALUVEST
INSURANCE SERVICES INC:
195 WEKIVA SPRINGS, STE 330
LONGWOOD, FL 32779

11/2003
NOT INVESTMENT RELATED
PRESIDENT OF WALLSTREET411 PRIVATE EQUITY GROUP, INC. AND MEMBER OF EVALUVEST, LLC.
SOFTWARE PUBLISHER AND LICENSING COMPANY LOCATED AT:
195 WEKIVA SPRINGS, STE 330
LONGWOOD, FL 32779
1-5 HOURS/MONTH
ZERO HOURS DEVOTED DURING TRADING HOURS

1/2006
ACTS AS TRUSTEE OF HIS FAMILY'S TRUST FOR NO COMPENSATION LOCATED AT:
NO LOCATION
<1 HOURS/MONTH
ZERO HOURS DEVOTED DURING TRADING HOURS
-Daddy dancer for the Orlando Magic
Amway Center
<1 Hours/Month



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	3	0



Customer Dispute	0	8	N/A
Financial	0	1	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 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	07/03/2013
Docket/Case Number:	2011027666902
Employing firm when activity occurred which led to the regulatory action:	MERRIMAC CORPORATE SECURITIES, Inc.
Product Type:	Penny Stock
Allegations:	FINRA RULE 2010, NASD RULES 2110, 3010: PIZZUTI DISSEMINATED SECURITIES-RELATED COMMUNICATIONS TO THE PUBLIC THAT CONTAINED MATERIAL OMISSIONS AND/OR MATERIALLY MISLEADING INFORMATION. PIZZUTI MADE THESE COMMUNICATIONS THROUGH WEBSITES HE CONTROLLED. THROUGH THE WEBSITES, PIZZUTI MARKETED A SUBSCRIPTION-BASED "STOCK ANALYZER" THAT USED "COMPUTATIONAL ALGORITHMS" TO IDENTIFY STOCKS WITH THE "HIGHEST ALPHA AND STRONGEST PERFORMANCE." HOWEVER, PIZZUTI FAILED TO PROVIDE A SOUND BASIS FOR POTENTIAL INVESTORS TO EVALUATE HIS PRODUCT, AND FAILED TO PRESENT A BALANCED



STATEMENT OF ITS BENEFITS AND RISKS. PIZZUTI'S STATEMENTS WERE EXAGGERATED AND MISLEADING BECAUSE THEY FALSELY IMPLIED THAT INVESTORS WHO DID NOT PURCHASE HIS SYSTEM WERE TAKEN ADVANTAGE OF BY PROFESSIONAL INVESTORS, AND THAT INVESTORS WHO DID PURCHASE THE SYSTEM WOULD HAVE THE SAME ACCESS TO THE MARKET AS PROFESSIONAL INVESTORS. PIZZUTI ALSO IMPLIED THAT INVESTORS WHO PURCHASED HIS PRODUCT WOULD HAVE ACCESS TO NON-PUBLIC INFORMATION. PIZZUTI FAILED TO DEFINE TERMINOLOGY ABOUT THE PRODUCT HE WAS SELLING AND MEMBERS OF THE PUBLIC COULD NOT EASILY DETERMINE WHAT PRODUCT PIZZUTI WAS SELLING OR WHAT SERVICES THE SYSTEM PROVIDED. PIZZUTI CLAIMED THAT HIS STOCK PORTFOLIOS POSSESSED THE "BEST QUANTITATIVE AND TECHNICAL RANKS IN THE MARKET," HOWEVER, THE WEBSITE CONTAINED NO INFORMATION THAT WOULD ALLOW AN INVESTOR TO EVALUATE WHETHER THIS STATEMENT WAS ACCURATE. THE WEBSITES FAILED TO PROVIDE AN EXPLANATION OF ANY RISKS ASSOCIATED WITH PURCHASING AND USING THE SYSTEM OR ANY OF THE PORTFOLIOS WITHIN THE SYSTEM, AND CONTAINED ONLY A GENERAL DISCLAIMER, WHICH FAILED TO ADDRESS ANY SPECIFIC RISKS PRESENTED BY THE PRODUCTS SOLD THROUGH THE WEBSITE. THE HOMEPAGE CONTAINED FOUR TABS LABELED, "HOME," "ANALYZE," "INVEST," AND "PROTECT." THE HOME AND ANALYZE TABS DESCRIBED THE SYSTEM, AND PROMINENTLY DISPLAYED THE NAME AND PHOTOGRAPH OF PIZZUTI. HOWEVER, THESE TABS FAILED TO IDENTIFY HIS MEMBER FIRM AS THE FIRM ASSOCIATED WITH PIZZUTI AND THE SYSTEM. IN ADDITION, WHILE THE INVEST TAB CONTAINED INFORMATION ON THE FIRM AND PROVIDED FORMS TO OPEN A BROKERAGE ACCOUNT AT THE FIRM, THIS TAB FAILED TO IDENTIFY PIZZUTI AS THE FIRM'S FOUNDER AND A CURRENT PRINCIPAL OF THE FIRM. THUS, THE WEBSITES FAILED TO PROMINENTLY DISPLAY THE FIRM'S NAME, AND FAILED TO DISCLOSE THE RELATIONSHIP BETWEEN THE FIRM AND PIZZUTI. DESPITE KNOWING THAT A MEMBER OF THE FIRM'S STAFF HAD FORGED A SIGNIFICANT BUT UNKNOWN NUMBER OF DEPOSIT SECURITIES REQUEST FORMS AND THUS CAUSED NUMEROUS UNREGISTERED PENNY STOCKS TO BE DEPOSITED INTO FIRM CUSTOMER ACCOUNTS ABSENT SUPERVISORY REVIEW, PIZZUTI FAILED TO CONDUCT ANY INVESTIGATION TO DETERMINE THE SCOPE OF THE FORGERIES AND UNSUPERVISED PENNY STOCK TRADING.

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:	05/27/2014
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension Other: THE SUSPENSIONS SHALL RUN CONCURRENTLY.
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?	No
(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?

No

Sanction 1 of 2

Sanction Type: Suspension
Capacities Affected: ALL CAPACITIES
Duration: 10 BUSINESS DAYS
Start Date: 06/16/2014
End Date: 06/27/2014

Sanction 2 of 2



Sanction Type: Suspension
Capacities Affected: A PRINCIPAL CAPACITY
Duration: THREE MONTHS
Start Date: 06/16/2014
End Date: 09/15/2014

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$15,000.00
Portion Levied against individual: \$15,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, PIZZUTI CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE DISSEMINATED SECURITIES-RELATED COMMUNICATIONS TO THE PUBLIC THAT CONTAINED CERTAIN MATERIAL OMISSIONS AND/OR MATERIALLY MISLEADING INFORMATION. THE FINDINGS STATED THAT PIZZUTI MADE THESE COMMUNICATIONS THROUGH INVESTOR-RELATED WEBSITES HE CONTROLLED. THROUGH THE WEBSITES, PIZZUTI MARKETING A SUBSCRIPTION-BASED "STOCK ANALYZER" THAT USED "COMPUTATIONAL ALGORITHMS" TO IDENTIFY STOCKS WITH THE "HIGHEST ALPHA AND STRONGEST PERFORMANCE." HOWEVER, PIZZUTI FAILED TO PROVIDE A SOUND BASIS FOR POTENTIAL INVESTORS TO EVALUATE HIS PRODUCT, AND FAILED TO PRESENT A BALANCED STATEMENT OF ITS BENEFITS AND RISKS. PIZZUTI MADE EXAGGERATED AND MISLEADING STATEMENTS BECAUSE THEY FALSELY IMPLIED THAT INVESTORS WHO DID NOT PURCHASE HIS SYSTEM WERE TAKEN ADVANTAGE OF BY PROFESSIONAL INVESTORS, AND THAT INVESTORS WHO DID PURCHASE THE SYSTEM WOULD HAVE THE SAME ACCESS TO THE MARKET AS PROFESSIONAL INVESTORS. PIZZUTI ALSO IMPLIED THAT INVESTORS WHO PURCHASED HIS PRODUCT WOULD HAVE ACCESS TO NON-PUBLIC INFORMATION. PIZZUTI FAILED TO DEFINE TERMINOLOGY



ABOUT THE PRODUCT HE WAS SELLING, AND MEMBERS OF THE PUBLIC COULD NOT EASILY DETERMINE WHAT PRODUCT PIZZUTI WAS SELLING OR WHAT SERVICES THE SYSTEM PROVIDED. PIZZUTI CLAIMED THAT HIS STOCK PORTFOLIOS POSSESSED THE "BEST QUANTITATIVE AND TECHNICAL RANKS IN THE MARKET," HOWEVER THE WEBSITE CONTAINED NO INFORMATION THAT WOULD ALLOW AN INVESTOR TO EVALUATE WHETHER THIS STATEMENT WAS ACCURATE. THE WEBSITES FAILED TO PROVIDE AN EXPLANATION OF ANY RISKS ASSOCIATED WITH PURCHASING AND USING THE SYSTEM OR ANY OF THE PORTFOLIOS WITHIN THE SYSTEM, AND CONTAINED ONLY A GENERAL DISCLAIMER, WHICH FAILED TO ADDRESS ANY SPECIFIC RISKS PRESENTED BY THE PRODUCTS SOLD THROUGH THE WEBSITE. THE WEBSITES FAILED TO PROMINENTLY DISPLAY PIZZUTI MEMBER FIRM'S NAME, AND FAILED TO DISCLOSE THE RELATIONSHIP BETWEEN THE FIRM AND PIZZUTI. PIZZUTI FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISION SYSTEM. THE FINDINGS ALSO STATED THAT DESPITE KNOWING THAT A MEMBER OF THE FIRM'S STAFF HAD FORGED A SIGNIFICANT BUT UNKNOWN NUMBER OF DEPOSIT SECURITIES REQUEST FORMS AND THUS CAUSED NUMEROUS UNREGISTERED PENNY STOCKS TO BE DEPOSITED INTO FIRM CUSTOMER ACCOUNTS ABSENT SUPERVISORY REVIEW, PIZZUTI FAILED TO CONDUCT ANY INVESTIGATION TO DETERMINE THE SCOPE OF THE FORGERIES AND UNSUPERVISED LOW-PRICED STOCK TRADING.

Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	07/03/2013
Docket/Case Number:	2011027666902
Employing firm when activity occurred which led to the regulatory action:	MERRIMAC CORPORATE SECURITIES, INC.
Product Type:	Penny Stock
Allegations:	FINRA RULE 2010, NASD RULES 2110, 3010: FINRA ALLEGED RESPONDANT CONTROLLED WEBSITES BELIEVED TO BE UNDER THEIR JURISDICTION. THEREFORE, RESPONDANT DISSEMINATED SECURITIES-RELATED COMMUNICATIONS TO THE PUBLIC THAT CONTAINED MATERIAL OMISSIONS AND/OR MATERIALLY MISLEADING INFORMATION.



RESPONDANT MADE THESE COMMUNICATIONS THROUGH WEBSITES HE CONTROLLED. THROUGH THE WEBSITES, RESPONDANT MARKETED A SUBSCRIPTION-BASED "STOCK ANALYZER" THAT USED "COMPUTATIONAL ALGORITHMS" TO IDENTIFY STOCKS WITH THE "HIGHEST ALPHA AND STRONGEST PERFORMANCE." HOWEVER, RESPONDANT FAILED TO PROVIDE A SOUND BASIS FOR POTENTIAL INVESTORS TO EVALUATE HIS PRODUCT, AND FAILED TO PRESENT A BALANCED STATEMENT OF ITS BENEFITS AND RISKS. RESPONDANT STATEMENTS WERE EXAGGERATED AND MISLEADING BECAUSE THEY FALSELY IMPLIED THAT INVESTORS WHO DID NOT PURCHASE HIS SYSTEM WERE TAKEN ADVANTAGE OF BY PROFESSIONAL INVESTORS, AND THAT INVESTORS WHO DID PURCHASE THE SYSTEM WOULD HAVE THE SAME ACCESS TO THE MARKET AS PROFESSIONAL INVESTORS. RESPONDANT ALSO IMPLIED THAT INVESTORS WHO PURCHASED HIS PRODUCT WOULD HAVE ACCESS TO NON-PUBLIC INFORMATION. RESPONDANT FAILED TO DEFINE TERMINOLOGY ABOUT THE PRODUCT HE WAS SELLING AND MEMBERS OF THE PUBLIC COULD NOT EASILY DETERMINE WHAT PRODUCT RESPONDANT WAS SELLING OR WHAT SERVICES THE SYSTEM PROVIDED. RESPONDANT CLAIMED THAT HIS STOCK PORTFOLIOS POSSESSED THE "BEST QUANTITATIVE AND TECHNICAL RANKS IN THE MARKET," HOWEVER; THE WEBSITE CONTAINED NO INFORMATION THAT WOULD ALLOW AN INVESTOR TO EVALUATE WHETHER THIS STATEMENT WAS ACCURATE. THE WEBSITES FAILED TO PROVIDE AN EXPLANATION OF ANY RISKS ASSOCIATED WITH PURCHASING AND USING THE SYSTEM OR ANY OF THE PORTFOLIOS WITHIN THE SYSTEM, AND CONTAINED ONLY A GENERAL DISCLAIMER, WHICH FAILED TO ADDRESS ANY SPECIFIC RISKS PRESENTED BY THE PRODUCTS SOLD THROUGH THE WEBSITE. THE HOMEPAGE CONTAINED FOUR TABS LABELED, "HOME," "ANALYZE," "INVEST," AND "PROTECT." THE HOME AND ANALYZE TABS DESCRIBED THE SYSTEM, AND PROMINENTLY DISPLAYED THE NAME AND PHOTOGRAPH OF RESPONDANT. HOWEVER, THESE TABS FAILED TO IDENTIFY HIS MEMBER FIRM AS THE FIRM ASSOCIATED WITH RESPONDANT AND THE SYSTEM. IN ADDITION, WHILE THE INVEST TAB CONTAINED INFORMATION ON THE FIRM AND PROVIDED FORMS TO OPEN A BROKERAGE ACCOUNT AT THE FIRM, THIS TAB FAILED TO IDENTIFY RESPONDANT AS THE FIRM'S FOUNDER AND A CURRENT PRINCIPAL OF THE FIRM. THUS, THE WEBSITES FAILED TO PROMINENTLY DISPLAY THE FIRM'S NAME, AND FAILED TO DISCLOSE THE RELATIONSHIP BETWEEN THE FIRM AND RESPONDANT. FINRA BELIEVED THAT RESPONDANT HAD KNOWLEDGE THAT A MEMBER OF THE FIRM'S STAFF HAD FORGED A SIGNIFICANT BUT UNKNOWN NUMBER OF DEPOSIT SECURITIES REQUEST FORMS AND MAY HAVE CAUSED NUMEROUS UNREGISTERED PENNY STOCKS TO BE DEPOSITED INTO FIRM CUSTOMER ACCOUNTS ABSENT SUPERVISORY REVIEW, RESPONDANT FAILED TO CONDUCT ANY INVESTIGATION TO DETERMINE THE SCOPE OF THE FORGERIES AND



UNSUPERVISED PENNY STOCK TRADING.

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:	05/27/2014
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension Other: THE SUSPENSIONS SHALL RUN CONCURRENTLY.
Sanction 1 of 2	
Sanction Type:	Suspension
Capacities Affected:	ALL CAPACITIES
Duration:	10 BUSINESS DAYS
Start Date:	06/16/2014
End Date:	06/27/2014
Sanction 2 of 2	
Sanction Type:	Suspension
Capacities Affected:	PRINCIPAL CAPACITY
Duration:	3 MONTHS
Start Date:	06/16/2014
End Date:	09/15/2014
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$15,000.00
Portion Levied against individual:	\$15,000.00
Payment Plan:	
Is Payment Plan Current:	No

**Date Paid by individual:**

Was any portion of penalty waived? No

Amount Waived:**Broker Statement**

RESPONDANT SETTLED ALLEGATIONS AGAINST HIM WITHOUT ADMITTING OR DENYING THESE ALLEGATIONS. THE ALLEGATIONS STATED IN THE COMPLAINT, BRIEFLY, STATES THAT RESPONDANT DISSEMINATED SECURITIES-RELATED COMMUNICATIONS TO THE PUBLIC THAT CONTAINED CERTAIN MATERIAL OMISSIONS AND/OR MATERIALLY MISLEADING INFORMATION. THE ALLEGATIONS STATED THAT RESPONDANT MADE THESE COMMUNICATIONS THROUGH INVESTOR-RELATED WEBSITES HE CONTROLLED. RESPONDANT CONTENTED THAT THE RELAVANT WEBSITES WERE EITHER NOT UP AT THE TIME IN QUESTION OR WERE NOT UNDER FINRA JURISDICTION. NO NVESTMENTS OR INVESTORS WERE INVOLVED IN THIS ALLEGATION. THE ALLEGATIONS ALSO STATED THAT RESPONDANT HAD KNOWLEDGE THAT A MEMBER OF THE FIRM'S STAFF HAD FORGED A SIGNIFICANT BUT UNKNOWN NUMBER OF DEPOSIT SECURITIES REQUEST FORMS AND THUS CAUSED NUMEROUS UNREGISTERED PENNY STOCKS TO BE DEPOSITED INTO FIRM CUSTOMER ACCOUNTS ABSENT SUPERVISORY REVIEW. RESPONDANT FAILED TO CONDUCT ANY INVESTIGATION TO DETERMINE THE SCOPE OF THE FORGERIES AND UNSUPERVISED LOW-PRICED STOCK TRADING. RESPONDANT CONTENTED THAT COMPLAINT WAS BASED ON INCORRECT DATES THAT WOULD HAVE MADE THIS ALLEGATION BASELESS. IN ADDITION; RESPONDANT CONTENTED THAT HE WAS NOT THE DESIGNATED SUPERVISOR AT THE TIME IN QUESTION. NO INVESTORS WERE INVOLVED IN THIS ALLEGATION.

Disclosure 2 of 3

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 06/28/2012

Docket/Case Number: [2009017195204](#)



Employing firm when activity occurred which led to the regulatory action:	MERRIMAC CORPORATE SECURITIES, INC.
Product Type:	No Product
Allegations:	<p>FINRA RULE 2010, NASD RULES 2110, 3010 - STEPHEN PIZZUTI, AS HIS MEMBER FIRM'S CHIEF EXECUTIVE OFFICER, FAILED TO REASONABLY SUPERVISE OUTSIDE BUSINESS ACTIVITIES AND PRIVATE SECURITIES TRANSACTIONS OF A RELATIVE AND ANOTHER INDIVIDUAL, BOTH REGISTERED REPRESENTATIVES AT THE FIRM. THESE INDIVIDUALS OPERATED A COMPANY AND SOLD INVESTMENTS IN THE COMPANY AWAY FROM THE FIRM AND ARRANGED FOR THE INVESTORS, MANY OF WHOM WERE FIRM CUSTOMERS, TO HOLD THEIR INVESTMENTS AWAY FROM THE FIRM'S CLEARING FIRM WITH NON-BROKER-DEALER CUSTODIANS. BECAUSE OF HIS BUSINESS AND PERSONAL RELATIONSHIP WITH ONE OF THE INDIVIDUALS, PIZZUTI WAS OR SHOULD HAVE BEEN, AWARE OF HIS RELATIVE'S AND THE OTHER INDIVIDUAL'S FUNDRAISING ACTIVITIES FOR THEIR COMPANY AND HIS RELATIVE'S FUNDRAISING ACTIVITIES FOR ANOTHER COMPANY. PIZZUTI WAS, THEREFORE, RESPONSIBLE FOR TAKING REASONABLE STEPS TO DETERMINE WHETHER THEY WERE IN COMPLIANCE WITH NASD RULES 3030 AND 3040 AND THE FIRM'S CORRESPONDING POLICIES AND PROCEDURES BUT FAILED TO TAKE THESE STEPS. PIZZUTI LEARNED OF WEBSITES CLAIMING THAT HIS RELATIVE'S AND THE OTHER INDIVIDUAL'S COMPANY WAS A PONZI SCHEME AND HAVING SERIOUS FINANCIAL DIFFICULTIES. THESE ALLEGATIONS CONSTITUTED RED FLAGS THAT THE INDIVIDUALS MAY HAVE VIOLATED THE CONDITIONS THE FIRM IMPOSED WHEN IT APPROVED THEIR PARTICIPATION IN THE COMPANY BUT HE DID NOT TAKE APPROPRIATE STEPS TO INVESTIGATE UNTIL AFTER THE FIRM RECEIVED A CUSTOMER COMPLAINT. PIZZUTI FAILED TO TAKE REASONABLE STEPS TO DETERMINE WHETHER THE FIRM AND THE CHIEF COMPLIANCE OFFICER WERE COMPLYING WITH THEIR RESPONSIBILITIES TO SUPERVISE THE INDIVIDUALS.</p>
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: 08/19/2013
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? No

(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?

(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



(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?

Sanction 1 of 1

Sanction Type: Suspension
Capacities Affected: PRINCIPAL CAPACITY
Duration: THREE MONTHS
Start Date: 09/16/2013
End Date: 12/15/2013

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$10,000.00
Portion Levied against individual: \$10,000.00
Payment Plan:
Is Payment Plan Current: Yes
Date Paid by individual: 01/21/2015
Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, PIZZUTI



CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THEREFORE, HE IS FINED \$10,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN A PRINCIPAL CAPACITY FOR THREE MONTHS. THE SUSPENSION IS IN EFFECT FROM SEPTEMBER 16, 2013 THROUGH DECEMBER 15, 2013.
FINE PAID IN FULL ON JANUARY 21, 2015.

Reporting Source: Broker

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 06/28/2012

Docket/Case Number: [2009017195204](#)

Employing firm when activity occurred which led to the regulatory action: MERRIMAC CORPORATE SECURITIES, INC.

Product Type: No Product

Allegations: FINRA RULE 2010, NASD RULES 2110, 3010 - STEPHEN PIZZUTI, AS HIS MEMBER FIRM'S CHIEF EXECUTIVE OFFICER, FAILED TO REASONABLY SUPERVISE OUTSIDE BUSINESS ACTIVITIES AND PRIVATE SECURITIES TRANSACTIONS OF A RELATIVE AND ANOTHER INDIVIDUAL, BOTH REGISTERED REPRESENTATIVES AT THE FIRM. THESE INDIVIDUALS OPERATED A COMPANY AND SOLD INVESTMENTS IN THE COMPANY AWAY FROM THE FIRM AND ARRANGED FOR THE INVESTORS, MANY OF WHOM WERE FIRM CUSTOMERS, TO HOLD THEIR INVESTMENTS AWAY FROM THE FIRM'S CLEARING FIRM WITH NON-BROKER-DEALER CUSTODIANS. BECAUSE OF HIS BUSINESS AND PERSONAL RELATIONSHIP WITH ONE OF THE INDIVIDUALS, PIZZUTI WAS OR SHOULD HAVE BEEN, AWARE OF HIS RELATIVE'S AND THE OTHER INDIVIDUAL'S FUNDRAISING ACTIVITIES FOR THEIR COMPANY AND HIS RELATIVE'S FUNDRAISING ACTIVITIES FOR ANOTHER COMPANY. PIZZUTI WAS, THEREFORE, RESPONSIBLE FOR TAKING REASONABLE STEPS TO DETERMINE WHETHER THEY WERE IN COMPLIANCE WITH NASD RULES 3030 AND 3040 AND THE FIRM'S CORRESPONDING POLICIES AND PROCEDURES BUT FAILED TO TAKE THESE STEPS. PIZZUTI LEARNED OF WEBSITES CLAIMING THAT HIS RELATIVE'S AND THE OTHER INDIVIDUAL'S COMPANY WAS A PONZI SCHEME AND HAVING SERIOUS FINANCIAL DIFFICULTIES. THESE ALLEGATIONS CONSTITUTED RED FLAGS THAT THE INDIVIDUALS MAY HAVE VIOLATED THE CONDITIONS THE FIRM IMPOSED WHEN IT



APPROVED THEIR PARTICIPATION IN THE COMPANY BUT HE DID NOT TAKE APPROPRIATE STEPS TO INVESTIGATE UNTIL AFTER THE FIRM RECEIVED A CUSTOMER COMPLAINT. PIZZUTI FAILED TO TAKE REASONABLE STEPS TO DETERMINE WHETHER THE FIRM AND THE CHIEF COMPLIANCE OFFICER WERE COMPLYING WITH THEIR RESPONSIBILITIES TO SUPERVISE THE INDIVIDUALS.

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: 08/19/2013

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

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: PRINCIPAL CAPACITY

Duration: THREE MONTHS

Start Date: 09/16/2013

End Date: 12/15/2013

Monetary Sanction 1 of 1

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

Total Amount: \$10,000.00

Portion Levied against individual: \$10,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

**Amount Waived:****Broker Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, PIZZUTI CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THEREFORE, HE IS FINED \$10,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN A PRINCIPAL CAPACITY FOR THREE MONTHS. THE SUSPENSION IS IN EFFECT FROM SEPTEMBER 16, 2013 THROUGH DECEMBER 15, 2013.

Disclosure 3 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION.
Sanction(s) Sought:	Cease and Desist
Other Sanction(s) Sought:	
Date Initiated:	09/17/1999
Docket/Case Number:	2851B-S-9/99
Employing firm when activity occurred which led to the regulatory action:	ALLEN DOUGLAS SECURITIES, INC.
Product Type:	No Product
Other Product Type(s):	
Allegations:	UNSUITABILITY, CHURNING, FAILURE TO SUPERVISE.
Current Status:	Final
Resolution:	Stipulation and Consent
Resolution Date:	12/15/1999
Sanctions Ordered:	
Other Sanctions Ordered:	COPY THE DIVISION ON ALL CUSTOMER COMPLAINTS FOR A PERIOD OF A YEAR, AND SEGREGATE CUSTOMER FILES.
Sanction Details:	NA
Regulator Statement	NA



Reporting Source: Broker

Regulatory Action Initiated By: STATE OF FLORIDA, DEPARTMENT OF BANKING AND FINANCE

Sanction(s) Sought:

Date Initiated: 09/17/1999

Docket/Case Number: #2851-S-9/99,#2851B-S-9/99,#2851C-S-9/99

Employing firm when activity occurred which led to the regulatory action: ALLEN DOUGLAS SECURITIES, INC.

Product Type: Equity-OTC

Allegations: THE DEPARTMENT ALLEGED THAT A REGISTERED REPRESENTATIVE OF ALLEN DOUGLAS, NAMED JAMES NICHOLAS SINGER II ENGAGED IN UNSUITABLE TRADES AND CHURNING IN THE ACCOUNT OF JOSEPH NELLIS, FROM MAY 1998 TO NOVEMBER 1998. THE DEPARTMENT ALSO ALLEGED THAT MR. STEPHEN PIZZUTI AND MR. RICHARD PIZZUTI WERE RESPONSIBLE FOR SUPERVISING SINGER AND THAT THEY FAILED TO MAINTAIN, OR ENFORCE ADEQUATE SUPERVISORY PROCEDURES TO PREVENT THE TRADING ACTIVITY THAT OCCURRED IN NELLIS' ACCOUNT.

Current Status: Final

Resolution: Order

Resolution Date: 11/29/1999

Sanctions Ordered: Other: NONE

Broker Statement ALLEN DOUGLAS SECURITIES, INC. AGREED TO PAY THE DEPARTMENT THE SUM OF TEN THOUSAND DOLLARS (\$10,000) TO COVER THE ADMINISTRATIVE COSTS OF THEIR EXAMINATION. NO COSTS, OR SANCTIONS WERE IMPOSED AGAINST EITHER MR. STEPHEN PIZZUTI, OR MR. RICHAR PIZZUTI.



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 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:	ALLEN DOUGLAS SECURITIES, INC.
Allegations:	BREACH OF CONTRACT, COMMON LAW FRAUD, CONSTRUCTIVE FRAUD THROUGH BREACH OF FIDUCIARY DUTY, NEGLIGENCE AND GROSS NEGLIGENCE.
Product Type:	Mutual Fund(s)
Other Product Type(s):	STOCKS.
Alleged Damages:	\$345,194.00
Arbitration Information	
Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD - CASE #02-02587
Date Notice/Process Served:	05/02/2002
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	04/30/2004
Disposition Detail:	STIPULATED AWARD: CLAIMANTS FILED THEIR NOTICE OF SETTLEMENT AND REQUEST FOR THE ENTRY OF A STIPULATED AWARD. CLAIMANTS STIPULATED AND AGREED THAT, AFTER REVIEW OF THE DISCOVERY PROVIDED BY RESPONDENTS IN THIS MATTER, THEY HAVE DETERMINED THAT THEIR FILING OF CLAIMS AGAINST RESPONDENT PIZZUTI WERE UNFOUNDED, AND AS SUCH, CLAIMANTS WITHDREW ALL ALLEGATIONS OF WRONGDOING AGAINST RESPONDENT PIZZUTI. CLAIMANTS FURTHER DISMISSED, WITH PREJUDICE, THEIR CLAIMS AGAINST ALL RESPONDENTS. THE PARTIES STIPULATED AND AGREED TO THE ENTRY OF A STIPULATED AWARD.

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint: ALLEN DOUGLAS SECURITIES, INC.

Allegations: BREACH OF CONTRACT, BREACH OF FIDUCIARY DUTY, NEGLIGENCE

Product Type: Equity-OTC

Alleged Damages: \$345,194.00

Is this an oral complaint? No

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: NASD DISPUTE RESOLUTION

Docket/Case #: 02-02587

Filing date of arbitration/CFTC reparation or civil litigation: 04/30/2002

Customer Complaint Information

Date Complaint Received: 05/02/2002

Complaint Pending? No

Status: Settled

Status Date: 05/02/2002

Settlement Amount: \$250,000.00

Individual Contribution Amount: \$0.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): NASD DISPUTE RESOLUTION

Docket/Case #: [02-02587](#)

Date Notice/Process Served: 05/02/2002

Arbitration Pending? No



Disposition: Settled
Disposition Date: 04/30/2004
Monetary Compensation Amount: \$250,000.00
Individual Contribution Amount: \$0.00

Broker Statement

STIPULATED AWARD: CLAIMANTS FILED THEIR NOTICE OF SETTLEMENT AND REQUEST FOR THE ENTRY OF A STIPULATED AWARD. CLAIMANTS STIPULATED AND AGREED THAT, AFTER REVIEW OF THE DISCOVERY PROVIDED BY RESPONDENTS IN THIS MATTER, THEY HAVE DETERMINED THAT THEIR FILING OF CLAIMS AGAINST MR. STEPHEN PIZZUTI WERE UNFOUNDED, AND AS SUCH CLAIMANTS WITHDREW ALL ALLEGATIONS OF WRONGDOING AGAINST STEPHEN PIZZUTI. CLAIMANT FURTHER DISMISSED WITH PREJUDICE THEIR CLAIMS AGAINST ALL RESPONDENTS. THE PARTIES STIPULATED AND AGREED TO THE ENTRY OF A STIPULATED AWARD.



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 5

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	ALLEN DOUGLAS SECURITIES, INC.
Allegations:	THE CLAIMANT ALLEGED THAT A FORMER REGISTERED REPRESENTATIVE, ONE ANDREW MELVILLE, MISHANDLED HER ACCOUNT THROUGH UNAUTHORIZED TRADING. THE CLAIMANT FURTHER ALLEGED THAT MR. STEPHEN PIZZUTI, PRESIDENT, AND MR. LARRY KASE, COMPLIANCE OFFICER, FAILED TO PROPERLY SUPERVISE MELVILLE.
Product Type:	Equity - OTC
Alleged Damages:	\$15,001.00

Customer Complaint Information

Date Complaint Received:	10/04/1999
Complaint Pending?	No
Status:	Settled
Status Date:	03/26/2001
Settlement Amount:	\$4,500.00
Individual Contribution Amount:	\$0.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASDR CASE #00-00762
Date Notice/Process Served:	10/04/1999
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	03/26/2001



Monetary Compensation Amount:	\$4,500.00
Individual Contribution Amount:	\$0.00
Broker Statement	CASE WAS SETTLED WITH NO ADVERSE FINDINGS ON THE BEHALF OF STEPHEN D. PIZZUTI. MR. PIZZUTI WAS REPSONSIBLE FOR HIS ATTORNEYS FEES ONLY AND WAS DISMISSED FROM THE CASE WITHOUT PREJUDICE.

Disclosure 2 of 5

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	ALLEN DOUGLAS SECURITIES, INC.
Allegations:	THE CLAIMANT ALLEGED THAT A FORMER REGISTERED REPRESENTATIVE, MISHANDLED HIS ACCOUNT THROUGH EXCESSIVE AND UNAUTHORIZED TRADING AND OTHER MEANS OF ALLEGED WRONGDOING. THE CLAIMANT FURTHER ALLEGED THAT MR. STEPHEN PIZZUTI, PRESIDENT AND COMPLIANCE OFFICER, FAILED TO PROPERLY SUPERVISE REGSITERED REP.
Product Type:	Equity - OTC
Alleged Damages:	\$77,330.00

Customer Complaint Information

Date Complaint Received:	09/16/1999
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	10/25/1999

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASDR CASE #99-04455

Date Notice/Process Served: 10/25/1999



Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	11/30/2001
Monetary Compensation Amount:	\$9,900.00
Individual Contribution Amount:	\$0.00
Broker Statement	SETTLEMENT AGREEMENT ENTERED INTO ON NOVEMBER 30, 2001 DISMISSING ME AS A RESPONDENT WITH PREJUDICE.

Disclosure 3 of 5

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	ALLEN DOUGLAS SECURITIES, INC.
Allegations:	THE CLAIMANTS ALLEGED THAT A FORMER REGISTERED REPRESENTATIVE, MISHANDLED THEIR ACCOUNTS THROUGH EXCESSIVE AND UNAUTHORIZED TRADING AND OTHER MEANS OF ALLEGED WRONGDOING. THE CLAIMANTS FURTHER ALLEGED THAT MR. STEPHEN PIZZUTI, PRESIDENT, AND COMPLIANCE OFFICER, FAILED TO PROPERLY SUPERVISE REGISTERED REP.
Product Type:	Equity - OTC
Alleged Damages:	\$96,530.00

Customer Complaint Information

Date Complaint Received:	09/23/1999
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	11/01/1999
Settlement Amount:	
Individual Contribution Amount:	

Arbitration Information



Arbitration/Reparation Claim filed with and Docket/Case No.:	NASDR CASE #99-04623
Date Notice/Process Served:	11/01/1999
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	11/16/2000
Monetary Compensation Amount:	\$45,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	MATTER SETTLED ON 11/16/2000, WHEREAS I WAS DISMISSED WITH PREJUDICE.

Disclosure 4 of 5

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	ALLEN DOUGLAS SECURITIES, INC.
Allegations:	THE CLAIMANT ALLEGED THAT A FORMER REGISTERED REPRESENTATIVE, MISHANDLED HIS ACCOUNT THROUGH EXCESSIVE AND UNAUTHORIZED TRADING AND OTHER MEANS OF ALLEGED WRONGDOING. THE CLAIMANTS FURTHER ALLEGED THAT MR. STEPHEN PIZZUTI, PRESIDENT, COMPLIANCE OFFICER, FAILED TO PROPERLY SUPERVISE REGISTERED REP.
Product Type:	Equity - OTC
Alleged Damages:	\$28,619.00

Customer Complaint Information

Date Complaint Received:	10/01/1999
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	11/19/1999
Settlement Amount:	



**Individual Contribution
Amount:**

Arbitration Information

**Arbitration/Reparation Claim
filed with and Docket/Case
No.:** NASDR CASE #99-04957

Date Notice/Process Served: 11/19/1999

Arbitration Pending? No

Disposition: Settled

Disposition Date: 03/10/2000

**Monetary Compensation
Amount:** \$15,000.00

**Individual Contribution
Amount:** \$0.00

Broker Statement STIPULATED SETTLEMENT AGREEMENT ENTERED INTO ON 03/10/2000
DISMISSING ME AS A RESPONDENT WITH PREJUDICE.

Disclosure 5 of 5

Reporting Source: Regulator

**Employing firm when
activities occurred which led
to the complaint:** CORPORATE SECURITIES GROUP, INC.

Allegations: SUITABILITY; CHURNING; ACCOUNT
RELATED-NEGLIGENCE; MISREPRESENTATION

Product Type:

Alleged Damages: \$28,000.00

Arbitration Information

**Arbitration/Reparation Claim
filed with and Docket/Case
No.:** UNKNOWN - CASE #95-04095

Date Notice/Process Served: 08/25/1995

Arbitration Pending? No

Disposition: Settled



Disposition Date: 05/22/1996

Disposition Detail: CASE CLOSED,SETTLED/OTHER
ACTUAL/COMPENSATORY DAMAGES, RELIEF
REQUEST IS OVER FOR OTHER REASONS, AWARD AMOUNT JOINTLY AND
SEVERALLY; ACTUAL/COMPENSATORY DAMAGES, RELIEF REQUEST IS
OVER
FOR OTHER REASONS, AWARD AMOUNT JOINTLY AND SEVERALLY;
INTEREST, RELIEF REQUEST IS OVER FOR OTHER REASONS, AWARD
AMOUNT JOINTLY AND SEVERALLY; TREBLE DAMAGES, RELIEF REQUEST
IS
OVER FOR OTHER REASONS, AWARD AMOUNT JOINTLY AND SEVERALLY;
PUNITIVE/EXEMPLARY DAMAGES, RELIEF REQUEST IS OVER FOR OTHER
REASONS, AWARD AMOUNT JOINTLY AND SEVERALLY; OTHER COSTS,
RELIEF REQUEST IS OVER FOR OTHER REASONS, AWARD AMOUNT
JOINTLY
AND SEVERALLY; ATTORNEY'S FEES, RELIEF REQUEST IS OVER FOR
OTHER REASONS, AWARD AMOUNT JOINTLY AND SEVERALLY

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: CORPORATE SECURITIES GROUP, INC.

Allegations: FRAUD, NEGLIGENCE, ALLEGED DAMAGES OF \$28,000

Product Type:

Alleged Damages: \$28,000.00

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 Assoc. of Securities Dealers; 95-04095

Date Notice/Process Served: 08/25/1995

Arbitration Pending? No

Disposition: Settled

Disposition Date: 05/22/1996

Monetary Compensation Amount: \$17,000.00

Individual Contribution Amount:

Firm Statement THE ARBITRATION WAS SETTLED FOR \$17,000, ALL PARTIES WERE RELEASED.
Not Provided

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: CORPORATE SECURITIES GROUP, INC.

Allegations: FAILED TO SUPERVISE

Product Type:

Alleged Damages: \$28,000.00

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 ASSOC. OF SECURITIES DEALERS; 95-04095

Date Notice/Process Served: 08/25/1995

Arbitration Pending? No

Disposition: Settled

Disposition Date: 05/22/1996

Monetary Compensation Amount: \$17,000.00

Individual Contribution Amount:

Broker Statement \$17,000 SETTLEMENT TO CUSTOMER BY CORPORATE SECURITIES GROUP. I WAS DISMISSED VOLUNTARILY WITH PREJUDICE FROM ARBITRATION. THE CLAIM WAS NOT SETTLED AGAINST ME. NOT PROVIDED



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

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a 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, which was closed without action, withdrawn, or denied.

Disclosure 1 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Merrimac Corporate Securities
Allegations:	Alleged wrong doing and losses without any evidence to support the claims. See section 24.
Product Type:	Direct Investment-DPP & LP Interests Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$90,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	12/22/2015
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	01/21/2016
Settlement Amount:	
Individual Contribution Amount:	
Broker Statement	Addendum A - submitted via email to disclosurereviewdocuments@finra.org

Disclosure 2 of 2

Reporting Source:	Regulator
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Employing firm when activities occurred which led to the complaint: ALLEN DOUGLAS SECURITIES, INC.

Allegations: UNAUTHORIZED TRADING, NEGLIGENCE, CHURNING, EXCESSIVE TRADING, BREACH OF FIDUCIARY DUTY, FRAUDULENT MISMANAGEMENT, BREACH OF CONTRACT, AND CIVIL THEFT.

Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES

Alleged Damages: \$138,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NATIONAL ASSOCIATION OF SECURITIES DEALERS - CASE #99-04424](#)

Date Notice/Process Served: 09/01/1999

Arbitration Pending? No

Disposition: Denied

Disposition Date: 11/16/2001

Disposition Detail: ALL RELIEF IS DENIED

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: ALLEN DOUGLAS SECURITIES, INC.

Allegations: THE CLAIMANTS ALLEGED THAT A FORMER REGISTERED REPRESENTATIVE, MISHANDLED THEIR ACCOUNT THROUGH EXCESSIVE AND UNAUTHORIZED TRADING AND OTHER MEANS OF ALLEGED WRONGDOING. THE CLAIMANTS FURTHER ALLEGED THAT MR. STEPHEN PIZZUTI, PRESIDENT, AND COMPLIANCE OFFICER, FAILED TO PROPERLY SUPERVISE REGISTERED REP.

Product Type: Equity - OTC

Alleged Damages: \$188,655.00

Customer Complaint Information

Date Complaint Received: 09/01/1999



Complaint Pending? No
Status: Settled
Status Date: 04/12/2001
Settlement Amount: \$50,000.00
Individual Contribution Amount: \$0.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASDR CASE #99-04424](#)

Date Notice/Process Served: 11/21/1999

Arbitration Pending? No

Disposition: Other

Disposition Date: 11/16/2001

Monetary Compensation Amount: \$0.00

Individual Contribution Amount: \$0.00

Broker Statement PER U6 ALL RELIEF IS DENIED.- AN ARBITRATION WAS FILED, BUT PRIOR TO ARBITRATION PANEL, CLIENT DECIDED TO SETTLE OUTSIDE OF ARBITRATION.



Financial - Final

This type of disclosure event involves a 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:	Regulator
Action Type:	Bankruptcy
Bankruptcy:	Chapter 7
Action Date:	10/23/2015
Organization Investment-Related?	
Type of Court:	Federal Court
Name of Court:	United States Bankruptcy Court
Location of Court:	FLORIDA MIDDLE - ORLANDO
Docket/Case #:	15-09016
Action Pending?	No
Disposition:	Discharged
Disposition Date:	04/11/2016
Regulator Statement	Proceedings in FINRA Arbitration Case #13-02320 against Stephen Douglas Pizzuti were stayed by Bankruptcy proceedings in United States Bankruptcy Court, Florida Middle - Orlando, Case #15-09016.

Reporting Source:	Broker
Action Type:	Bankruptcy
Bankruptcy:	Chapter 7
Action Date:	10/26/2015
Organization Investment-Related?	No
Type of Court:	Federal Court
Name of Court:	United States Bankruptcy Court



Location of Court:	Middle District of Florida
Docket/Case #:	6-15-bk-09016-CCJ
Action Pending?	No
Disposition:	Discharged
Disposition Date:	04/11/2016

End of Report



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