

BrokerCheck Report

DONALD ARTHUR BAILEY

CRD# 1492783

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

Please contact FINRA with any concerns.

About BrokerCheck®



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

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

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

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

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



DONALD A. BAILEY

CRD# 1492783

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
- 1 General Industry/Product Exam
- 1 State Securities Law Exam

Registration History

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

- B** **DIAMOND BAY SECURITIES CORP.**
CRD# 1357
PHOENIX, AZ
12/1988 - 07/2011
- B** **BAILEY, MARTIN & APPEL, INC.**
CRD# 15833
04/1986 - 03/1990

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

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 1 principal/supervisory exam, 1 general industry/product exam, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	01/30/1989

General Industry/Product Exams

Exam	Category	Date
B General Securities Representative Examination	Series 7	04/19/1986

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	09/16/1986

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/.

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 12/1988 - 07/2011	DIAMOND BAY SECURITIES CORP.	1357	PHOENIX, AZ
B 04/1986 - 03/1990	BAILEY, MARTIN & APPEL, INC.	15833	

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	Employer Name	Position	Investment Related	Employer Location
12/2000 - Present	ENCORE ENTERPRISES LTD.	PRESIDENT	N	DALLAS, TX, United States
10/1988 - Present	DIAMOND BAY SECURITIES CORP.	VP	Y	DALLAS, TX, 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



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: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 07/21/1989

Docket/Case Number: MS-810

Employing firm when activity occurred which led to the regulatory action: BAILEY, MARTIN & APPEL, INC.

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Consent

Resolution Date: 09/06/1989

Sanctions Ordered: Censure
 Monetary/Fine \$50,000.00
 Suspension

Other Sanctions Ordered:

Sanction Details:

Regulator Statement [TOP] MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-810 FILED ON 7/21/89, AGAINST BAILEY, MARTIN AND APPEL, INC., DONALD A. BAILEY, FRANCIS A. MARTIN, HOWARD M. APPEL, AND LEONARD D.



SEGAL. THE FIRST CAUSE OF COMPLAINT ALLEGES THAT DURING THE PERIOD FROM ON OR ABOUT 4/18/86 TO ON OR ABOUT 6/30/86, THE RESPONDENTS EFFECTED TRANSACTIONS IN NORTHGATE INDUSTRIES INC. COMMON STOCK, A NON-NASDAQ-OTC STOCK AND INDUCED AND ATTEMPTED TO INDUCE OTHERS TO PURCHASE NORTHGATE COMMON STOCK BY ENTERING QUOTES IN THE PINK SHEETS UNRELATED TO THE FREE FORCES OF SUPPLY AND DEMAND; DOMINATING THE MARKET FOR NORTHGATE COMMON STOCK; CONTROLLING THE MARKET FOR NORTHGATE COMMON STOCK; BIDDING FOR AND PURCHASING NORTHGATE COMMON STOCK AT HIGHER PRICES WHILE MAINTAINING SUBSTANTIAL LONG INVENTORY POSITIONS; BIDDING FOR, PURCHASING AND SELLING NORTHGATE COMMON STOCK AT HIGHER PRICES WHILE THERE WAS LIMITED WHOLESALE AND RETAIL DEMAND FOR THE STOCK; OMITTING TO STATE MATERIAL FACTS WHEN SOLICITING CUSTOMERS TO PURCHASE NORTHGATE COMMON STOCK. BY REASON OF THE FOREGOING, RESPONDENT BAILEY ENGAGED IN SEPARATE AND DISTINCT VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 18 OF THE RULES OF FAIR PRACTICE. THE RESPONDENTS SUBMITTED AN OFFER OF SETTLEMENT ON 7/7/89 WHICH WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 7/11/89 AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 8/24/89. PURSUANT TO THEIR OFFERS OF SETTLEMENT, ALL OF THE RESPONDENTS WERE CENSURED AND FINED \$50,000, JOINTLY AND SEVERALLY. IN ADDITION, BAILEY WAS SUSPENDED FROM ASSOCIATION WITH ANY MEMBER IN ANY CAPACITY FOR THREE MONTHS. *** 10/10/89, RECEIVED NOTIFICATION FROM THE OFFICE OF GENERAL COUNSEL THAT THE ABOVE-NOTED SUSPENSION WILL COMMENCE ON 12/4/89 AND WILL CONCLUDE WITH THE CLOSE OF BUSINESS ON 3/2/90, ***\$50,000.00 J&S FULLY PAID ON 11/19/91 INVOICE #89-MS-650**

Reporting Source: Firm
Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Sanction(s) Sought:****Other Sanction(s) Sought:****Date Initiated:** 07/21/1989**Docket/Case Number:** MS-810**Employing firm when activity occurred which led to the regulatory action:** BAILEY, MARTIN & APPEL, INC.**Product Type:****Other Product Type(s):****Allegations:****Current Status:** Final**Resolution:** Consent**Resolution Date:** 09/06/1989**Sanctions Ordered:** Censure
Monetary/Fine \$50,000.00
Suspension**Other Sanctions Ordered:****Sanction Details:****Firm Statement**

THE NASD MARKET SURVEILLANCE COMMITTEE, IN COMPLAINT MS-810 DATED 7/21/89, ALLEGED THAT BAILEY VIOLATED ARTICLE III, SECTIONS 1 AND 18 OF THE RULES OF FAIR PRACTICE. THESE SECTIONS RELATE TO ARTIFICIAL PRICING, EXCESSIVE MARKUPS AND LACK OF SUPERVISORY PROCEDURES IN CONNECTION WITH TRANSACTIONS IN NORTHGATE COMMON STOCK BETWEEN APRIL 18, 1986 & JUNE 30, 1986. AN ACCEPTANCE OF AN OFFER OF SETTLEMENT WAS MADE ON SEPTEMBER 6, 1989. UNDER THE TERMS OF THIS SETTLEMENT, BAILEY WAS SUSPENDED FROM ANY NASD ASSOCIATION FOR THREE MONTHS, AND FINED (INCLUDING THE OTHER 3 RESPONDENTS AND THE FIRM) \$50,000 JOINTLY AND SEVERALLY.

Reporting Source: Broker



Regulatory Action Initiated By:	MARKET SURVEILLANCE COMMITTEE
Sanction(s) Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s) Sought:	SUSPENSION FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 90 DAYS.
Date Initiated:	07/21/1989
Docket/Case Number:	MS-810
Employing firm when activity occurred which led to the regulatory action:	BAILEY, MARTIN & APPEL, INC.
Product Type:	Penny Stock(s)
Other Product Type(s):	
Allegations:	THAT BAILEY VIOLATED ARTICLE III, SECTIONS 1 AND 18 OF THE RULES OF FAIR PRACTICE IN CONNECTION WITH BAILEY,MARTIN & APPEL, INC.'S ALLEGED VIOLATIONS SET FORTH IN THE SAME COMPLAINT RELATED TO ARTIFICIAL PRICING; EXCESSIVE MARKUPS AND INADEQUATE SUPERVISORY PROCEDURES IN CONNECTION WITH TRANSACTIONS IN NORTHGATE COMMON STOCK BETWEEN 4/18/86 AND 6/30/86.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/06/1989
Sanctions Ordered:	Monetary/Fine \$50,000.00 Suspension
Other Sanctions Ordered:	
Sanction Details:	SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 90 DAYS. A \$50,000 FINE WAS IMPOSED ON THE RESPONDENTS, JOINTLY AND SEVERALLY.
Broker Statement	UNDER THE TERMS OF THE OFFER, RESPONDENTS HAD CONSENTED FOR THE PURPOSE OF THE PROCEEDING ONLY WITHOUT ADMITTING OR DENYING THE ALLEGATIONS TO THE COMMITTEE'S FINDINGS.

Disclosure 2 of 3

Reporting Source: Regulator



Regulatory Action Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	09/30/1987
Docket/Case Number:	PHL-689
Employing firm when activity occurred which led to the regulatory action:	BAILEY, MARTIN & APPEL, INC.
Product Type:	
Other Product Type(s):	
Allegations:	
Current Status:	Final
Resolution:	Consent
Resolution Date:	03/30/1990
Sanctions Ordered:	Censure Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	[TOP] COMPLAINT # PHL-689 FILED 9/30/87 BY DISTRICT NO. 11 AGAINST BAILEY, MARTIN & APPEL, INC. (BMA) AND RESPONDENTS FRANCIS A. MARTIN, HOWARD M. APPEL AND DONALD A. BAILEY ALLEGING VIOLATIONS OF ART. III, SECT. 1 OF THE RULES OF FAIR PRACTICE IN THAT BMA, THROUGH RESPONDENTS MARTIN AND APPEL, EFFECTED SECURITIES TRANSACTIONS WHILE FAILING TO MAINTAIN MINIMUM REQUIRED NET CAPITAL; BMA, THROUGH RESPONDENT MARTIN FAILED TO TIMELY GIVE TELEGRAPHIC NOTICE OF ITS NET CAPITAL DEFICIENCY; BMA, THROUGH RESPONDENT APPEL, FILED A FOCUS PART I REPORT WHICH INACCURATELY REPORTED NET CAPITAL; BMA, THROUGH RESPONDENT MARTIN FAILED TO HAVE ASSOCIATED WITH IT A FINANCIAL PRINCIPAL AND FALSELY REPRESENTED TO THE ASSOCIATION THAT AN INDIVIDUAL CONTINUED TO SERVE AS THE MEMBER'S FINANCIAL PRINCIPAL AFTER THE TERMINATION OF HER REGISTRATION; BMA, THROUGH RESPONDENT MARTIN FAILED TO ENDORSE IN WRITING ITS REVIEW OF SECURITIES TRANSACTIONS; FAILED TO ESTABLISH WRITTEN



SUPERVISORY PROCEDURES FOR UNDERWRITINGS, MUNICIPAL SECURITIES, AND OPTION SECURITIES; FAILED TO DESIGNATE THE MUNICIPAL SECURITIES PRINCIPAL RESPONSIBLE FOR SUPERVISION; AND FAILED TO MAINTAIN IN ITS OFFICE A COPY OF THE RULES OF THE MSRB; BMA, THROUGH RESPONDENT APPEL EXTENDED CREDIT TO A CUSTOMER IN CONNECTION WITH THE PURCHASE OF A NEW ISSUE OF SECURITIES; BMA, THROUGH RESPONDENT MARTIN, FAILED TO PROVIDE TO A CUSTOMER ACCOUNT EXECUTION AT THE BEST AVAILABLE MARKET PRICE; AND, FAILED TO DISCLOSE ON ITS CONFIRMATIONS TO CUSTOMERS THE ADDITIONAL COMPENSATION IT RECEIVED FOR DIRECTING ORDER FLOW TO ANOTHER DEALER. DECISION RENDERED 3/30/90, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS WAS ACCEPTED; THEREFORE, RESPONDENTS MEMBER, MARTIN, APPEL AND BAILEY ARE CENSURED AND FINED \$5,000, JOINTLY AND SEVERALLY. ***\$5,000.00 J&S PAID ON 6/11/90 INVOICE #90-11-429***

Reporting Source: Firm

Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 09/30/1987

Docket/Case Number: PHL-689

Employing firm when activity occurred which led to the regulatory action: BAILEY, MARTIN & APPEL, INC.

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final



Resolution: Consent

Resolution Date: 03/30/1990

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

Other Sanctions Ordered:

Sanction Details:

Firm Statement

DONALD A. BAILEY IS NAMED AS A RESPONDENT IN NASD COMPLAINT PHL-689 THAT ALLEGES VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE. SPECIFICALLY, THESE VIOLATIONS CONCERN NET CAPITAL DEFICIENCIES, FAILURE TO HAVE CERTAIN REGISTERED SUPERVISORY PERSONNEL, AND OTHER ADMINISTRATIVE/BOOKKEEPING DEFICIENCIES AS THEY RELATE TO THE FIRMS NASD EXAMINATION. AN OFFER OF SETTLEMENT HAS BEEN FILED WITH THE NASD ON FEBRUARY 2, 1990. CURRENTLY, WE ARE AWAITING NASD ACCEPTANCE.

Reporting Source: Broker

Regulatory Action Initiated By: NASD

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 09/30/1987

Docket/Case Number: PHL-689

Employing firm when activity occurred which led to the regulatory action: BAILEY, MARTIN & APPEL, INC.

Product Type: No Product

Other Product Type(s):

Allegations: IT WAS ALLEGED THAT BAILEY FALSELY REPRESENTED TO THE ASSOCIATION THAT W. HANNIGAN CONTINUED TO SERVE AS FINOP TO BMA, INC. AFTER HANNIGAN'S 6/6/86 TERMINATION AS FINOP. BAILEY WAS UNAWARE OF HER U5 FILING MAKING THE REPRESENTATION AN ERROR NOT A FALSEHOOD.

Current Status: Final



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/30/1990
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	A \$5,000 FINE WAS IMPOSED ON THE FOUR RESPONDENTS, JOINTLY AND SEVERALLY, IN SETTLEMENT OF ALLEGATIONS NOT INVOLVING BAILEY, (IN ADDITION TO THAT DESCRIBED ABOVE).
Broker Statement	UNDER THE TERMS OF THE OFFER, RESPONDENTS HAD CONSENTED FOR THE PURPOSE OF THE PROCEEDINGS ONLY WITHOUT ADMITTING OR DENYING THE ALLEGATIONS TO THE COMMITTEE'S FINDINGS.

Disclosure 3 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	PENNSYLVANIA SECURITIES COMMISSION
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	10/30/1989
Docket/Case Number:	8910-7
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	
Other Product Type(s):	
Allegations:	RESPONDENTS VIOLATED SECTIONS 305(a)(iv), 305(a)(vii) AND 403 OF THE 1972 ACT AND REGULATION 403.010.
Current Status:	Final
Resolution:	Decision
Resolution Date:	07/06/1990
Sanctions Ordered:	Bar
Other Sanctions Ordered:	



Sanction Details: BAILEY, MARTIN & APPEL, INC.'S (aka - BMA GROUP, LTD.) REGISTRATION REVOKED; DONALD A. BAILEY BARRED FOR 60 DAYS; FRANK ALOYSIUS MARTIN BARRED FOR 6 MOS. FROM AGENT REGISTRATION AND 12 MOS. FROM ACTING AS A SUPERVISOR OR PRINCIPAL; HOWARD MILLER APPEL BARRED FOR 5 MOS. AND AGENT REGISTRATION SUSPENDED FOR 30 DAYS; LEONARD DANIEL SEGAL BARRED FOR 5 MOS.

Regulator Statement RESPONDENTS' VIOLATIONS RELATED TO EXCESSIVE MARKUPS OF THE COMMON STOCK OF NORTHGATE INDUSTRIES, INC.

Reporting Source: Broker

Regulatory Action Initiated By: PENNSYLVANIA SECURITIES COMMISSION

Sanction(s) Sought: Suspension

Other Sanction(s) Sought:

Date Initiated: 10/30/1989

Docket/Case Number: 8910-7

Employing firm when activity occurred which led to the regulatory action: BAILEY, MARTIN & APPEL, INC

Product Type: Penny Stock(s)

Other Product Type(s):

Allegations: THE TRANSACTIONS UNDERLYING THE "SHOW CAUSE ORDER" OF 10/30/89 ARE THOSE THAT WERE SUBJECT TO THE NASD COMPLAINT MS-810 AND ACCEPTANCE OF SETTLEMENT OF ORDER DATED 9/6/89 WHICH WAS PREVIOUSLY REPORTED TO THE NASD CRD.

Current Status: Final

Resolution: Decision

Resolution Date: 06/13/1990

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: BAILEY IS SUSPENDED FOR 60 DAYS AS ACTING AS AN



AGENT AND 180 DAYS AS A PRINCIPAL OR ACTING IN A SUPERVISORY CAPACITY FOR A BROKER-DEALER OFFERING OR SELLING SECURITIES IN THE COMMONWEALTH OF PA. A FINE OF \$6,779 WAS IMPOSED ON ALL THE RESPONDENTS, JOINTLY.

Broker Statement

UNDER THE TERMS OF THE OFFER, RESPONDENTS HAD CONSENTED FOR THE PURPOSE OF THE PROCEEDINGS ONLY WITHOUT ADMITTING OR DENYING THE ALLEGATIONS.

End of Report



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