

BrokerCheck Report

MARK KAPLAN

CRD# 1978048

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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)

MARK KAPLAN

CRD# 1978048

This broker is not currently registered.

Report Summary for this Broker



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

Broker Qualifications

This broker is not currently registered.

This broker has passed:

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

Registration History

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

- B VANDERBILT SECURITIES, LLC**
CRD# 5953
WOODBURY, NY
03/2011 - 02/2018
- B MORGAN STANLEY SMITH BARNEY**
CRD# 149777
NEW YORK, NY
06/2009 - 04/2011
- B CITIGROUP GLOBAL MARKETS INC.**
CRD# 7059
NEW YORK, NY
09/2005 - 06/2009

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	1
Customer Dispute	8
Termination	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 0 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	02/22/2018
B National Commodity Futures Examination	Series 3	10/16/1989
B General Securities Representative Examination	Series 7	08/19/1989

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	02/03/1995
B Uniform Securities Agent State Law Examination	Series 63	08/28/1989

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 firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 03/2011 - 02/2018	VANDERBILT SECURITIES, LLC	5953	WOODBURY, NY
B 06/2009 - 04/2011	MORGAN STANLEY SMITH BARNEY	149777	NEW YORK, NY
B 09/2005 - 06/2009	CITIGROUP GLOBAL MARKETS INC.	7059	NEW YORK, NY
B 12/1998 - 10/2005	MORGAN STANLEY DW INC.	7556	PURCHASE, NY
B 07/1995 - 11/1998	CIBC OPPENHEIMER CORP.	630	NEW YORK, NY
B 08/1989 - 07/1995	LEHMAN BROTHERS INC.	7506	NEW YORK, NY

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
03/2011 - Present	VANDERBILT SECURITIES, LLC	REGISTERED REPRESENTATIVE	Y	MELVILLE, NY, United States
06/2009 - 03/2011	MORGAN STANLEY SMITH BARNEY	MASS TRANSFER	Y	NEW YORK, NY, United States

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	1	0
Customer Dispute	0	8	N/A
Termination	N/A	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 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	03/07/2018
Docket/Case Number:	2015045984001
Employing firm when activity occurred which led to the regulatory action:	Vanderbilt Securities, LLC
Product Type:	Other: unspecified securities
Allegations:	Without admitting or denying the findings, Kaplan consented to the sanctions and to the entry of findings that he willfully violated Section 10(b) of the Securities Exchange Act of 1934, Securities Exchange Act Rule 10b-5, and violated FINRA Rule 2020 by churning and engaging in unsuitable excessive trading in the brokerage accounts of a senior customer. The finding stated that Kaplan exercised de facto control over the customer's accounts and the customer relied on Kaplan to direct investment decisions in his accounts, contacting Kaplan frequently. In addition, the customer was experiencing a decline in his mental health. The court granted an application by the customer's nephew to act as his legal guardian and manage his financial affairs after he was diagnosed with dementia. Kaplan effected more than 3,500 transactions in the customer's accounts, which resulted in



approximately \$723,000 in trading losses and generated approximately \$735,000 in commissions and markups for Kaplan and his member firm. Kaplan never discussed with the customer the extent of his total losses or the aggregate amount he paid in sales charges and commissions. High turnover rates and cost-to-equity ratios in the customer's accounts reflect how difficult it would have been for him to obtain sufficient profits to cover the costs of Kaplan's active trading. This level of trading was excessive and unsuitable for the customer given his investment profile, including his age, risk tolerance, and income needs. The firm and Kaplan made a settlement payment totaling \$470,000 to the guardian for the customer's accounts.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Yes

Resolution Date:

03/07/2018

Sanctions Ordered:

Bar (Permanent)

Other: Kaplan understands that this settlement includes a finding he willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and that under Article III, Section 4 of FINRA's By-Laws, this makes him subject to a statutory disqualification with respect to association with a member.

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?

Yes

(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 1

Sanction Type: Bar (Permanent)
Capacities Affected: All capacities
Duration: Indefinite
Start Date: 03/07/2018
End Date:

Reporting Source: Firm
Regulatory Action Initiated By: FINRA
Sanction(s) Sought: Bar
Date Initiated: 01/30/2018
Docket/Case Number: [2015045984001](#)
Employing firm when activity occurred which led to the regulatory action: Vanderbilt Securities, LLC
Product Type: No Product



Allegations: Representative submitted an AWC.
Current Status: Final
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/07/2018
Sanctions Ordered: Bar (Permanent)

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?

Yes



(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 1

Sanction Type: Bar (Permanent)

Capacities Affected: All Capacities

Duration: Permanent

Start Date: 03/07/2018

End Date:



Firm Statement

Representative voluntarily resigned on February 22, 2018.



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 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Vanderbilt Securities, LLC
Allegations:	Clients allege unsuitable investments
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$100,000.00
Alleged Damages Amount Explanation (if amount not exact):	claimants allege amount between \$100,000 - \$500,000.
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:	FINRA
Docket/Case #:	18-01098
Filing date of arbitration/CFTC reparation or civil litigation:	03/26/2018

Customer Complaint Information

Date Complaint Received:	04/02/2018
Complaint Pending?	No
Status:	Settled
Status Date:	10/10/2018
Settlement Amount:	\$55,000.00



Individual Contribution Amount: \$0.00

Disclosure 2 of 8

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Vanderbilt Securities, LLC

Allegations: Client alleges unsuitable investments on part of RR.

Product Type: Other: MLP's & REIT's

Alleged Damages: \$1,130,000.00

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: FINRA

Docket/Case #: 16-00193

Filing date of arbitration/CFTC reparation or civil litigation: 01/19/2016

Customer Complaint Information

Date Complaint Received: 02/15/2016

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 06/16/2016

Settlement Amount:

Individual Contribution Amount:

Arbitration Information



Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	16-00193
Date Notice/Process Served:	01/19/2016
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	06/06/2017
Monetary Compensation Amount:	\$500,000.00
Individual Contribution Amount:	\$50,000.00

Disclosure 3 of 8

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Vanderbilt Securities, LLC
Allegations:	Client alleges unsuitable recommendations
Product Type:	Equity-OTC
Alleged Damages:	\$50,000.00
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:	FINRA
Docket/Case #:	15-03082
Filing date of arbitration/CFTC reparation or civil litigation:	11/17/2015

Customer Complaint Information



Date Complaint Received:	11/20/2015
Complaint Pending?	No
Status:	Settled
Status Date:	05/17/2016
Settlement Amount:	\$25,000.00
Individual Contribution Amount:	\$19,050.00
Broker Statement	A compromise was agreed upon in order to avoid additional cost and expense of continued dispute resolution.

Disclosure 4 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MS
Allegations:	Claimants allege, inter alia, that from February 2004 to March 2011 the FA engaged in an unsuitable and excessive trading.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$700,000.00
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:	FINRA
Docket/Case #:	16-00613
Filing date of arbitration/CFTC reparation or civil litigation:	03/02/2016

Customer Complaint Information

Date Complaint Received:	03/08/2016
Complaint Pending?	No



Status: Settled
Status Date: 08/09/2016
Settlement Amount: \$120,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Citigroup Global Markets Inc.
Allegations: Claimant alleges that FA engaged in unsuitable and excessive trading from February 2004 through March 2011.
Product Type: Equity Listed (Common & Preferred Stock)
Alleged Damages: \$700,000.00
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: FINRA
Docket/Case #: 16-00613
Filing date of arbitration/CFTC reparation or civil litigation: 03/02/2016

Customer Complaint Information

Date Complaint Received: 03/09/2016
Complaint Pending? No
Status: Settled
Status Date: 08/09/2016
Settlement Amount: \$120,000.00



Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Morgan Stanley & CITIGROUP GLOBAL

Allegations: Claimants allege, inter alia, that from February 2004 to March 2011 the FA engaged in unsuitable and excessive trading.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$700,000.00

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: FINRA

Docket/Case #: 16-00613

Filing date of arbitration/CFTC reparation or civil litigation: 03/02/2016

Customer Complaint Information

Date Complaint Received: 03/21/2016

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 06/16/2016

Settlement Amount:

Individual Contribution Amount:

Arbitration Information



Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	16-00613
Date Notice/Process Served:	03/02/2016
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	08/09/2016
Monetary Compensation Amount:	\$240,000.00
Individual Contribution Amount:	\$0.00

Disclosure 5 of 8

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	VANDERBILT SECURITIES, LLC
Allegations:	GUARDIAN, APPOINTED TO THE CLIENT, ALLEGES UNAUTHORIZED AND UNSUITABLE TRADING, FROM APRIL 2011 TO APRIL 2015.
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock) Options
Alleged Damages:	\$800,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	15-01345
Date Notice/Process Served:	06/26/2015
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	04/04/2016



Monetary Compensation Amount:	\$470,000.00
Individual Contribution Amount:	\$25,000.00
Broker Statement	A compromise was agreed upon in order to avoid additional cost and expense of continued dispute resolution.

Disclosure 6 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MORGAN STANLEY SMITH BARNEY
Allegations:	CLIENT VERBALLY ALLEGED THAT THERE WAS EXCESSIVE TRADING IN HER ACCOUNT. JULY 2010 THROUGH DECEMBER 2010.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	UNSPECIFIED.
Is this an oral complaint?	Yes
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	03/29/2011
Complaint Pending?	No
Status:	Settled
Status Date:	03/29/2011
Settlement Amount:	\$45,000.00
Individual Contribution Amount:	\$0.00



Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	MORGAN STANLEY SMITH BARNEY
Allegations:	CLIENT VERBALLY ALLEGED THAT THERE WAS EXCESSIVE TRADING IN HER ACCOUNT. JULY 2010 THROUGH DECEMBER 2010.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	UNSPECIFIED
Is this an oral complaint?	Yes
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	03/29/2011
Complaint Pending?	No
Status:	Settled
Status Date:	03/29/2011
Settlement Amount:	\$45,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	BROKER DENIES ALLEGATION. CHANGES IN CUSTOMER'S PORTFOLIO WERE MADE IN RESPONSE TO CHANGING INVESTMENT ENVIRONMENT, INCLUDING UNSOLICITED TRADES DESIRED BY CUSTOMER. MANAGEMENT SETTLED WITH CUSTOMER WITHOUT CONTRIBUTION FROM BROKER.

Disclosure 7 of 8

Reporting Source:	Broker
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Employing firm when activities occurred which led to the complaint: CITIGROUP GMI

Allegations: THE CLIENT VERBALLY ALLEGED FA FAILED TO FOLLOW INSTRUCTIONS AND THEN, SEVERAL DAYS LATER, VERBALLY ALLEGED AN UNAUTHORIZED TRADE ON 3/23/07.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$21,490.00

Customer Complaint Information

Date Complaint Received: 04/23/2007

Complaint Pending? No

Status: Settled

Status Date: 04/24/2007

Settlement Amount: \$11,587.88

Individual Contribution Amount: \$0.00

Broker Statement THE CLAIM WAS SETTLED FOR \$11,587.88.

Disclosure 8 of 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MSDW

Allegations: CLIENT ALLEGES FINANCIAL ADVISOR INVESTED IN UNSUITABLE TECHNOLOGY STOCKS AND CHURNED HIS ACCOUNT RESULTING IN LOSSES FROM 2000 UNTIL THE FALL OF 2005.

Product Type: Other

Other Product Type(s): EQUITIES

Alleged Damages: \$50,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No



Status: Arbitration/Reparation

Status Date: 07/23/2007

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD 07-02023

Date Notice/Process Served: 07/23/2007

Arbitration Pending? No

Disposition: Settled

Disposition Date: 02/26/2008

Monetary Compensation Amount: \$24,750.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: CITIGROUP GLOBAL MARKETS, INC.

Allegations: CLIENTS ALLEGED THAT THE INVESTMENTS PURCHASED IN THEIR ACCOUNT WERE UNSUITABLE, MISREPRESENTED, AND THAT THE TRADING WAS EXCESSIVE.

Product Type: Equity - OTC

Alleged Damages: \$34,313.00

Customer Complaint Information

Date Complaint Received: 01/17/2007

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 03/12/2007



Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD 07-02023

Date Notice/Process Served: 07/23/2007

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/28/2008

Monetary Compensation Amount: \$24,750.00

Individual Contribution Amount: \$0.00

Broker Statement CITIGROUP SETTLEMENT \$4454.



Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Firm
Employer Name: MORGAN STANLEY SMITH BARNEY
Termination Type: Discharged
Termination Date: 03/11/2011
Allegations: FA KAPLAN WAS DISCHARGED AS A RESULT OF A RECENT CLIENT COMPLAINT AND OTHER CONCERNS REGARDING ACTIVITY IN CLIENT ACCOUNTS.
Product Type: No Product

Reporting Source: Broker
Employer Name: MORGAN STANLEY SMITH BARNEY
Termination Type: Discharged
Termination Date: 03/11/2011
Allegations: PRIOR BD ALLEGES THAT FA KAPLAN WAS DISCHARGED AS A RESULT OF A RECENT CLIENT COMPLAINT AND OTHER CONCERNS REGARDING ACTIVITY IN CLIENT ACCOUNTS.
Product Type: No Product
Broker Statement BROKER BELIEVES THE ALLEGATIONS TO BE UNFOUNDED. MANAGEMENT APPROVED ALL PRIOR ACTIVITY WITHOUT EXPRESSING ITS SO-CALLED "CONCERNS" OR SUGGESTING CORRECTIVE ACTION PRIOR TO TERMINATION.

End of Report



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