

## BrokerCheck Report

**JOSEPH LUIS TURNES**

CRD# 2023535

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

- **How current is this information?**

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

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

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

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

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

**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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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).



## JOSEPH L. TURNES

CRD# 2023535

**Currently employed by and registered with the following Firm(s):**

**IA STATETRUST CAPITAL, LLC.**  
1750 CLINT MOORE ROAD  
BOCA RATON, FL 33487  
CRD# 114052  
Registered with this firm since: 10/25/2006

**B STATETRUST INVESTMENTS INC.**  
1750 Clint Moore Road  
Boca Raton, FL 33487  
CRD# 104651  
Registered with this firm since: 03/01/2002

## Report Summary for this Broker

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

### Broker Qualifications

**This broker is registered with:**

- 1 Self-Regulatory Organization
- 3 U.S. states and territories

**This broker has passed:**

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

### Registration History

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

- IA STATETRUST CAPITAL, LLC.**  
CRD# 114052  
BOCA RATON, FL  
10/2006 - 12/2015
- B SALOMON SMITH BARNEY INC.**  
CRD# 7059  
NEW YORK, NY  
07/1993 - 03/2002
- B LEHMAN BROTHERS INC.**  
CRD# 7506  
NEW YORK, NY  
01/1990 - 07/1993

### Disclosure Events

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

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	2
Customer Dispute	2



## Broker Qualifications

### Registrations

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

**This individual is currently registered with 1 SRO and is licensed in 3 U.S. states and territories through his or her employer.**

### Employment 1 of 2

Firm Name: **STATETRUST CAPITAL, LLC.**

Main Office Address: **1750 CLINT MOORE ROAD  
BOCA RATON, FL 33487**

Firm CRD#: **114052**

	U.S. State/ Territory	Category	Status	Date
IA	Florida	Investment Adviser Representative	Approved	10/25/2006

### Branch Office Locations

1750 CLINT MOORE ROAD  
BOCA RATON, FL 33487

### Employment 2 of 2

Firm Name: **STATETRUST INVESTMENTS INC.**

Main Office Address: **1750 CLINT MOORE ROAD  
BOCA RATON, FL 33487**

Firm CRD#: **104651**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	03/01/2002
B	FINRA	Operations Professional	Approved	12/13/2011

	U.S. State/ Territory	Category	Status	Date
B	Florida	Agent	Approved	03/01/2002

Broker Qualifications



Employment 2 of 2, continued

	U.S. State/ Territory	Category	Status	Date
B	Maryland	Agent	Approved	03/03/2003
B	New York	Agent	Approved	03/01/2002

Branch Office Locations

STATETRUST INVESTMENTS INC.  
1750 Clint Moore Road  
Boca Raton, FL 33487

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## Broker Qualifications

### Industry Exams this Broker has Passed

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

**This individual has passed 0 principal/supervisory exams, 4 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>B</b> Operations Professional Examination	Series 99TO	01/02/2023
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> National Commodity Futures Examination	Series 3	02/26/1990
<b>B</b> General Securities Representative Examination	Series 7	01/14/1990

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	10/09/2006
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	02/01/1990

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/](http://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>IA</b> 10/2006 - 12/2015	STATETRUST CAPITAL, LLC.	114052	MIAMI, FL
<b>B</b> 07/1993 - 03/2002	SALOMON SMITH BARNEY INC.	7059	NEW YORK, NY
<b>B</b> 01/1990 - 07/1993	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
03/2002 - Present	STATETRUST INVESTMENTS, INC.	REGISTERED REP	Y	MIAMI, FL, 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.

STATETRUST CAPITAL, LLC -AFFILIATE - SAME ADDRESS. CHAIRMAN - INVESTMENT ADVISOR. OVERALL SUPERVISOR FOR THE OPERATIONS OF THE ENTITY. TIME AS NEEDED;  
 STATETRUST LIFE AND ANNUITY - AFFILIATE BVI - CHAIRMAN OVERALL SUPERVISOR FOR THE OPERATIONS OF THE ENTITY. TIME AS NEEDED;  
 ST SERVICES LLC AFFILIATE - SAME ADDRESS MANAGER COMPANY FORMED TO OWN VEHICLE. NO TIME NEEDED;  
 CONSULTANTS LA INC - DIRECTOR -NO TIME NEEDED;  
 STATETRUST GROUP, LLC - DIRECTOR/OFFICER - HOLDING COMPANY SAME ADDRESS AS TIME IS NEEDED;  
 ADVISORS INTERNATIONAL CORP- DIRECTOR - AS NEEDED;  
 ATLANTICA SEGUROS SA - DIRECTOR- AS NEEDED  
 RISK RE,LLC- TIME AS NEEDED  
 KREDIT-CO, LLC -DIRECTOR-TIME AS NEEDED  
 LATAM INSURANCE HOLDINGS, LLC - DIRECTOR- AS NEEDED  
 BOCA 1750 LLC - MANAGER Time as Needed  
 LUMI Auto SRL - Shareholder - Director - As Needed  
 Administradores de Servicios ST. SA de CV - Director - As needed



## Registration and Employment History



### Other Business Activities, continued

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## 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:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - 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.
  -
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - 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.
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4. **There are different statuses and dispositions for disclosure events:**
  - 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.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

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

	Pending	Final	On Appeal
Regulatory Event	0	2	0
Customer Dispute	0	2	N/A



## Disclosure Event Details

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

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

### Regulatory - Final

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

#### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FLORIDA OFFICE OF FINANCIAL REGULATION
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Date Initiated:</b>	09/09/2013
<b>Docket/Case Number:</b>	0276A-S-09/13
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	STATETRUST INVESTMENTS INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	N/A
<b>Current Status:</b>	Final
<b>Resolution:</b>	Order



**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:** 08/14/2014

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

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$50,000.00

**Portion Levied against individual:** \$50,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 08/14/2014

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** ON 08/14/2014, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF JOSEPH LUIS TURNES. JOSEPH LUIS TURNES ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE FINDING, TO THE ENTRY OF THE FINDING BY THE OFFICE. THE OFFICE FOUND THAT JOSEPH LUIS TURNES HAS BEEN THE SUBJECT OF A FINDING BY A NATIONAL SECURITIES ASSOCIATION (FINRA). JOSEPH LUIS TURNES AGREED TO PAY A \$50,000 ADMINISTRATIVE FINE JOINTLY AND SEVERALLY WITH STATETRUST INVESTMENTS INC. THE OFFICE'S FINAL ORDER IS NOT BASED ON VIOLATIONS OF ANY LAWS OR REGULATIONS THAT PROHIBIT FRAUDULENT, MANIPULATIVE OR DECEPTIVE CONDUCT.

**Reporting Source:** Broker

**Regulatory Action Initiated By:** STATE OF FLORIDA - OFFICE OF FINANCIAL REGULATION

**Sanction(s) Sought:** Cease and Desist



Civil and Administrative Penalty(ies)/Fine(s)

**Date Initiated:**

09/09/2013

**Docket/Case Number:**

276A-SR-0913

**Employing firm when activity occurred which led to the regulatory action:**

STATETRUST INVESTMENTS, INC

**Product Type:**

Debt-Corporate

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, TURNES CONSENTED TO AN ORDER BY FLORIDA'S OFFICE OF FINANCIAL REGULATION ("OFR") FINDING THAT HE VIOLATED FLORIDA STATUTE 517.161(1)(M) BY PREVIOUSLY SETTTLING WITH FINRA. TURNES FURTHER NOTES THAT THE ORDER'S FINDING STATES THAT IT "IS NOT BASED ON VIOLATIONS OF LAWS OR REGULATIONS THAT PROHIBIT FRAUDULENT, MANIPULATIVE OR DECEPTIVE CONDUCT.

**Current Status:**

Final

**Resolution:**

Settled

**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:**

08/14/2014

**Sanctions Ordered:**

Cease and Desist  
Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1****Monetary Related Sanction:**

Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:**

\$50,000.00

**Portion Levied against individual:**

\$50,000.00

**Payment Plan:****Is Payment Plan Current:**

No

**Date Paid by individual:**

08/13/2014



**Was any portion of penalty waived?** No

**Amount Waived:**

**Broker Statement**

TURNES RESPONDS AFFIRMATIVELY TO QUESTIONS 14D(1)(B) AND (D) OUT OF AN ABUNDANCE OF CAUTION IN LIGHT OF THE FOLLOWING FACTS:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, TURNES CONSENTED TO AN ORDER BY FLORIDA'S OFFICE OF FINANCIAL REGULATION ("OFR") FINDING THAT HE VIOLATED FLORIDA STATUTE 517.161(1)(M) BY PREVIOUSLY SETTLING WITH FINRA. WHILE TURNES BELIEVES THAT FLORIDA STATUTE 517.161(1)(M) IS REGISTRATION-RELATED (RATHER THAN INVESTMENT-RELATED), AND BELIEVES THAT THE ORDER WAS ENTERED SOLELY IN CONNECTION WITH HIS PRIOR SETTLEMENT WITH FINRA (RATHER THAN IN CONNECTION WITH INVESTMENT-RELATED ACTIVITY), TURNES UNDERSTANDS THAT A COLORABLE CLAIM ARGUMENT COULD BE MADE THAT THIS STATUTE IS INVESTMENT-RELATED AND/OR THAT THE ORDER WAS ENTERED IN CONNECTION WITH INVESTMENT-RELATED ACTIVITY. THUS, OUT OF AN ABUNDANCE OF CAUTION, TURNES HAS ANSWERED "YES" TO QUESTIONS 14D(1)(B) & (D). TURNES FURTHER NOTES THAT THE ORDER EXPRESSLY STATES THAT THE ORDER'S FINDING "IS NOT BASED ON VIOLATIONS OF LAWS OR REGULATIONS THAT PROHIBIT FRAUDULENT, MANIPULATIVE OR DECEPTIVE CONDUCT

## Disclosure 2 of 2

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 06/26/2013

**Docket/Case Number:** [2010023001602](#)

**Employing firm when activity occurred which led to the regulatory action:** STATETRUST INVESTMENTS, INC.

**Product Type:** Debt-Corporate

**Allegations:** SECTION 17(A)(2) AND (A)(3) OF THE SECURITIES ACT, FINRA RULE 2010, NASD RULES 2110, 2440, INTERPRETATIVE MATERIAL 2440-1, 2440-2 - A MEMBER FIRM, IN CORPORATE BOND TRANSACTIONS, ACTING THROUGH



ITS HEAD TRADER, JOSEPH LUIS TURNES, CHARGED MARKUPS/MARKDOWNS OF 8% OR MORE ABOVE/BELOW THE PREVAILING MARKET PRICE OF THE BONDS. IN MOST OF THESE TRANSACTIONS, THE FIRM, ACTING THROUGH TURNES, ACQUIRED THE BONDS FROM ITS BANK OR INSURANCE AFFILIATES AND THEN SOLD THEM AT A MARKUP FROM THAT PRICE TO A CUSTOMER AT A PRICE OF 8% OR MORE ABOVE THE PREVAILING MARKET PRICE OF THE BONDS. IN THE OTHER TRANSACTIONS, THE FIRM, ACTING THROUGH TURNES, BOUGHT THE BONDS FROM CUSTOMERS AT PRICES OF 8% OR MORE BELOW THE PREVAILING MARKET PRICE OF THE BONDS AND THEN SOLD THE BONDS AT A SLIGHT MARKUP FROM THAT PRICE TO ITS BANK OR INSURANCE AFFILIATES. THE EXCESSIVE MARKUPS/MARKDOWNS ON THE TRANSACTIONS RANGED FROM 23.58% TO 8.03%. THE CHARGES IN EXCESS OF THE PREVAILING MARKET PRICES TOTALED \$124,644.02. TURNES' FAILURE TO PROPERLY PRICE THE BONDS CAUSED THE FIRM TO CHARGE, AND ITS CUSTOMERS TO BE CHARGED, EXCESSIVE MARKUPS/MARKDOWNS ON THE TRANSACTIONS. THE CONFIRMATIONS AND ACCOUNT STATEMENTS PROVIDED TO THE CUSTOMERS DID NOT DISCLOSE THE EXCESSIVE NATURE OF THE MARKUPS/MARKDOWNS; THE FIRM AND TURNES ALSO FAILED TO OTHERWISE DISCLOSE THOSE MARKUPS/MARKDOWNS TO THE CUSTOMERS. THE FIRM, ACTING THROUGH TURNES, OBTAINED MONEY BY MEANS OF AN OMISSION TO STATE A MATERIAL FACT IN ORDER TO MAKE STATEMENTS MADE, NOT MISLEADING, ALSO ENGAGED IN TRANSACTIONS WHICH OPERATED AS A FRAUD OR DECEIT UPON THE CUSTOMERS. IN CORPORATE BOND TRANSACTIONS OVER THREE YEARS, THE FIRM, ACTING THROUGH TURNES, CHARGED UNFAIR PRICES TO CUSTOMERS. TURNES DETERMINED THE PRICE. IN SOME OF THE TRANSACTIONS, THE FIRM BOUGHT THE BONDS FROM A CUSTOMER AT AN UNFAIR PRICE AND SOLD THEM TO EITHER ITS BANK OR INSURANCE AFFILIATES OR BOUGHT THE BONDS FROM ONE OF THE AFFILIATES AND THEN SOLD THEM TO ANOTHER CUSTOMER AT AN UNFAIR PRICE. IN THE OTHER TRANSACTIONS, THE FIRM BOUGHT THE BONDS FROM THE STREET AND THEN SOLD THEM TO A CUSTOMER AT AN UNFAIR PRICE OR BOUGHT THE BONDS FROM A CUSTOMER AT AN UNFAIR PRICE AND SOLD THEM TO THE STREET. IN SOME OF THE TRANSACTIONS, THE FIRM CHARGED MARKUPS/MARKDOWNS OF 5% OR MORE. THE EXCESSIVE CHARGES ON ALL OF THE TRANSACTIONS TOTALED \$336,472.03.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver &amp; Consent(AWC)



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Resolution Date:</b>	06/26/2013
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>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?</b>	No
<b>(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?</b>	





**(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**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ANY CAPACITY
<b>Duration:</b>	SIX MONTHS
<b>Start Date:</b>	07/15/2013
<b>End Date:</b>	01/14/2014

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$75,000.00

**Portion Levied against individual:** \$75,000.00

**Payment Plan:**

**Is Payment Plan Current:** Yes

**Date Paid by individual:** 07/16/2013

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** MATTER 2008013629601 IS ALSO INCLUDED IN THIS SETTLEMENT.

WITHOUT ADMITTING OR DENYING THE FINDINGS, TURNES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$75,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR SIX MONTHS. THE SUSPENSION IS IN EFFECT FROM JULY 15, 2013 THROUGH JANUARY 14, 2014. FINE PAID IN FULL ON JULY 16, 2013.

**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Date Initiated:** 07/10/2012

**Docket/Case Number:** 20080136296-20100230016

**Employing firm when activity occurred which led to the regulatory action:** STATETRUST INVESTMENTS, INC.

**Product Type:** Debt-Corporate

**Allegations:** IN 563 CORPORATE BOND TRANSACTIONS EXECUTED BETWEEN MARCH 2007 AND JUNE 2010, UNFAIR PRICES WERE CHARGED TO CUSTOMERS IN



VIOLATION OF RULES 2440 AND 2110, IM -2440-1, IM-2440-2 AND FINRA RULE 2010. MR. TURNES ACTED IN THE CAPACITY OF HEAD TRADER IN THESE TRANSACTIONS. THE EXCESS MARKUP/MARKDOWNS TOTALED \$336,472.03. IN 227 OF THE 563 TRANSACTIONS EXCESSIVE MARKUPS/MARKDOWNS OF 5% OR MORE ABOVE/BELOW THE PREVAILING MARKET PRICE WERE CHARGED. IN 85 OF THE 563 TRANSACTIONS EXCESSIVE MARKUPS/MARKDOWNS OF 8% OR MORE ABOVE/BELOW THE PREVAILING MARKET PRICE WAS CHARGED. THESE EXCESS MARKUP/MARKDOWNS CHARGED TO CUSTOMERS IN THE 85 TRANSACTIONS TOTALED \$124,644.02, AND WERE EXECUTED ACTING IN CONTRAVENTION OF SECTIONS 17(A) (2) AND (A) (3) OF THE SECURITIES ACT OF 1933 AND THUS VIOLATED RULE 2110 AND FINRA RULE 2010. IN 324 TRANSACTIONS, THE FIRM BOUGHT FROM A CUSTOMER AND SOLD TO EITHER ITS BANK OR INSURANCE COMPANY AFFILIATES OR WERE BOUGHT FROM ONE OF THOSE AFFILIATES AND SOLD TO ANOTHER CUSTOMER. IN MOST OF THE OTHER 239 TRANSACTION BONDS WERE BOUGHT FROM THE STREET AND SOLD TO CUSTOMERS OR BOUGHT FROM A CUSTOMER AND SOLD TO THE STREET.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Resolution Date:</b>	06/26/2013
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ANY ASSOCIATION WITH FINRA MEMBERS
<b>Duration:</b>	SIX MONTHS
<b>Start Date:</b>	07/15/2013
<b>End Date:</b>	01/14/2014
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)



**Total Amount:** \$75,000.00

**Portion Levied against individual:** \$75,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 07/18/2013

**Was any portion of penalty waived?** No

**Amount Waived:**

**Broker Statement**

MR. TURNES ACCEPT AND CONSENT WITH OUT ADMITTING OR DENYING THE FINDINGS SOLELY FOR THE PURPOSE OF THIS PROCEEDING AND ANY OTHER PROCEEDING BROUGHT BY OR ON BEHALF OF FINRA.



## 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 1

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	STATETRUST INVESTMENTS, INC.
<b>Allegations:</b>	CLAIMANT ALLEGES FIRM FAILED TO SUPERVISE AND TRADING WAS EXCESSIVE AND UNSUITABLE FOR THE PERIOD MAY 2002 TO JUNE 2002.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	STOCKS-OTC/LIST AND BONDS
<b>Alleged Damages:</b>	\$0.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	04/20/2007
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	03/26/2008
<b>Settlement Amount:</b>	\$550,000.00
<b>Individual Contribution Amount:</b>	\$0.00

### Arbitration Information

<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	NASD NUMBER 07-01143
<b>Date Notice/Process Served:</b>	04/20/2007
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	03/26/2008
<b>Monetary Compensation Amount:</b>	\$550,000.00



**Individual Contribution Amount:** \$0.00

**Broker Statement** CLAIMANT IS AN OFFSHORE HOLDING COMPANY FOR A WEALTH FAMILY. KNEW AND APPROVE OF TRADING STRATEGY. CLIAMANT RECEIVED MONTHLY STATEMENTS AND REVIEWED TRADING OF THE DISCREATIONAY ACCOUNT WITH A REG REP ON A REGULAR BASIS. CLAIM WAS OK WITH ACCOUNT WHEN PROFITABLE.



## 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 1

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** SALOMON SMITH BARNEY INC

**Allegations:** CLIENT ALLEGING THAT HE DID NOT RECEIVE HIS STATEMENTS IN A TIMELY FASHION AND THAT THE FC'S DID NOT FOLLOW HIS INSTRUCTIONS AND TRADED THE ACCOUNT WITHOUT HIS AUTHORIZATION. ALLEGED DAMAGES UNSPECIFIED BUT DETERMINED TO BE IN EXCESS OF \$5000.

**Product Type:** Equity Listed (Common & Preferred Stock)

**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 08/01/2001

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 01/10/2003

**Settlement Amount:**

### Individual Contribution Amount:

**Firm Statement** THOMAS MIERSWA IS HANDLING THIS MATTER.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** SALOMON SMITH BARNEY

**Allegations:** CLIENT IS ALLEGING THAT HE DID NOT RECEIVE HIS STATEMENTS IN A TIMELY FASHION AND THAT I DID NOT FOLLOW HIS INSTRUCTIONS.

**Product Type:** Equity Listed (Common & Preferred Stock)



**Alleged Damages:**

**Customer Complaint Information**

**Date Complaint Received:** 08/01/2001

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 01/10/2003

**Settlement Amount:**

**Individual Contribution  
Amount:**

**Broker Statement** CLAIM WAS CORRECTLY DENIED BY MY PRIOR FIRM. CLIENT WAS  
SPOKEN TO BEFORE AND AFTER PURCHASES. COMPLAINT APPEARS TO  
BE CLOSED.



## End of Report



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