

BrokerCheck Report

WILLIAM HOWARD COONS

CRD# 2049465

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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



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.

**WILLIAM H. COONS**

CRD# 2049465

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

- B SPARTAN CAPITAL SECURITIES, LLC**
 45 BROADWAY
 19TH FLOOR
 NEW YORK, NY 10006
 CRD# 146251
 Registered with this firm since: 03/06/2017

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:

- 2 Self-Regulatory Organizations
- 30 U.S. states and territories

This broker has passed:

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

Registration History

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

- B HALLMARK INVESTMENTS, INC.**
 CRD# 135003
 NEW CITY, NY
 10/2010 - 02/2017
- B MEYERS ASSOCIATES, L.P.**
 CRD# 34171
 NEW YORK, NY
 01/2016 - 01/2016
- B MONARCH FINANCIAL CORPORATION OF AMERICA**
 CRD# 23437
 NEW YORK, NY
 10/2010 - 10/2010

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	3
Termination	1



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 2 SROs and is licensed in 30 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **SPARTAN CAPITAL SECURITIES, LLC**

Main Office Address: **45 BROADWAY
19TH FLOOR
NEW YORK, NY 10006**

Firm CRD#: **146251**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	03/06/2017
B	FINRA	General Securities Sales Supervisor	Approved	03/06/2017
B	FINRA	Investment Banking Representative	Approved	04/19/2018
B	Nasdaq Stock Market	General Securities Representative	Approved	10/31/2024
B	Nasdaq Stock Market	General Securities Sales Supervisor	Approved	10/31/2024

	U.S. State/ Territory	Category	Status	Date
B	Arizona	Agent	Approved	05/06/2021
B	California	Agent	Approved	07/23/2020
B	Colorado	Agent	Approved	12/04/2024
B	Connecticut	Agent	Approved	06/05/2017
B	Delaware	Agent	Approved	03/20/2024
B	District of Columbia	Agent	Approved	08/16/2023
B	Florida	Agent	Approved	12/20/2019
B	Georgia	Agent	Approved	07/25/2019

Broker Qualifications



Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Idaho	Agent	Approved	03/18/2021
B	Indiana	Agent	Approved	05/22/2019
B	Iowa	Agent	Approved	03/02/2021
B	Kansas	Agent	Approved	07/13/2021
B	Louisiana	Agent	Approved	05/05/2021
B	Maryland	Agent	Approved	03/07/2017
B	Michigan	Agent	Approved	05/31/2017
B	Minnesota	Agent	Approved	07/12/2017
B	Nevada	Agent	Approved	10/22/2020
B	New Jersey	Agent	Restricted Approval	04/24/2017
B	New Mexico	Agent	Approved	02/11/2021
B	New York	Agent	Approved	03/15/2017
B	North Carolina	Agent	Approved	06/10/2020
B	Ohio	Agent	Approved	08/24/2020
B	Oregon	Agent	Approved	09/28/2020
B	Pennsylvania	Agent	Approved	06/10/2020
B	South Carolina	Agent	Approved	03/03/2020
B	South Dakota	Agent	Approved	02/12/2021
B	Texas	Agent	Approved	08/13/2020
B	Virginia	Agent	Approved	07/08/2021
B	Washington	Agent	Approved	01/31/2024

Broker Qualifications



Employment 1 of 1, continued

U.S. State/ Territory		Category	Status	Date
B	Wisconsin	Agent	Approved	09/06/2019

Branch Office Locations

SPARTAN CAPITAL SECURITIES, LLC
45 BROADWAY
19TH FLOOR
NEW YORK, NY 10006



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 2 principal/supervisory exams, 3 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Sales Supervisor - General Module Examination	Series 10	06/05/2000
B General Securities Sales Supervisor - Options Module Examination	Series 9	04/10/2000

General Industry/Product Exams

Exam	Category	Date
B Investment Banking Registered Representative Examination	Series 79TO	01/02/2023
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	04/21/1990

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	05/14/1990

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/.

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 10/2010 - 02/2017	HALLMARK INVESTMENTS, INC.	135003	NEW CITY, NY
B 01/2016 - 01/2016	MEYERS ASSOCIATES, L.P.	34171	NEW YORK, NY
B 10/2010 - 10/2010	MONARCH FINANCIAL CORPORATION OF AMERICA	23437	NEW YORK, NY
B 06/2009 - 10/2010	WESTROCK ADVISORS, INC.	114338	NEW YORK, NY
B 10/2002 - 07/2009	MAXIM GROUP LLC	120708	NEW YORK, NY
B 06/1999 - 10/2002	INVESTEC ERNST & COMPANY	266	NEW YORK, NY
B 03/1998 - 06/1999	STUART, COLEMAN & CO., INC.	8642	NEW YORK, NY
B 02/1996 - 02/1998	HAMPSHIRE SECURITIES CORPORATION	19725	NEW YORK, NY
B 02/1995 - 01/1996	OPPENHEIMER & CO., INC.	630	NEW YORK, NY
B 09/1991 - 03/1995	LADENBURG, THALMANN & CO., INC.	505	NEW YORK, NY
B 05/1991 - 10/1991	ROSENKRANTZ LYON & ROSS INCORPORATED	3227	NEW YORK, NY
B 04/1990 - 06/1991	D. H. BLAIR & CO., INC.	6833	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
03/2017 - Present	Spartan Capital Securities, LLC	Reg Rep	Y	New York, NY, United States
10/2010 - 03/2017	Hallmark Investments	Reg Rep	Y	New York, NY, United States



Registration and Employment History

Employment History, continued

Employment	Employer Name	Position	Investment Related	Employer Location
01/2016 - 01/2016	MEYERS ASSOCIATES LP	REGISTERED REPRESENTATIVE	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.

1) OPPORTUNITY REAL ESTATE EQUITIES, LLC.-MANAGER OF MANAGING MEMBERS- REAL ESTATE INVESTMENTS. OWNER/INVESTOR. ESTIMATED DEVOTED TIME A MONTH-10 HOURS. and OPPORTUNITY MANAGEMENT, LLC.- MANAGEMENT COMPANY TO OPPORTUNITY REAL ESTATE EQUITIES. OWNER/INVESTOR. ESTIMATED DEVOTED TIME A MONTH - 10 HOURS. 2) OREEX, INC. Nature: FedEx Ground Delivery. Position: Authorized User/Owner. Established: May 8, 2021. 2 hours a Month. Not Investment related. 3) Oree Lending LLC: Member. 4) Orion Equity Partner, LLC. Est.. 6.17.2024. Nature of Business: Passive Investment. Position: Managing Member. Duties: Passive Investment. Devoted Hours: Zero. Zero during Trading Hours.

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.
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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	3	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 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Suspension
Date Initiated:	12/20/2016
Docket/Case Number:	2014039352302
Employing firm when activity occurred which led to the regulatory action:	Hallmark Investments, Inc.
Product Type:	Other: unregistered Securities
Allegations:	Coons was named a respondent in a FINRA complaint alleging that his member firm, through him, sold approximately 195,000 shares of a corporation to customers of the firm, when these shares were not registered with the Securities and Exchange Commission (SEC), nor were the sales exempt from registration. As a result, the firm acted in contravention of Section 5 of the Securities Act of 1933. The complaint alleges that Coons sold approximately 127,500 unregistered shares of the corporation to customers of the firm. The firm generated total proceeds of approximately \$307,250.
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:	07/31/2017
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	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:	all capacities
Duration:	10 business days
Start Date:	08/21/2017
End Date:	09/01/2017

**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$5,000.00**Portion Levied against individual:** \$5,000.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:** 08/16/2017**Was any portion of penalty waived?** No**Amount Waived:**

Regulator Statement Without admitting or denying the allegations, Coons consented to the sanctions and to the entry of findings that he acted in contravention of Section 5 of the Securities Act when his member firm, through Coons, sold or offered for sale approximately 127,500 shares of a corporation to customers of the firm, generated total proceeds of approximately \$198,750, while these shares were not registered with the SEC, nor were the sales exempt from registration.

Reporting Source: Firm**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:****Date Initiated:** 12/20/2016**Docket/Case Number:** 2014039352302**Employing firm when activity occurred which led to the regulatory action:** Hallmark Investments, Inc.**Product Type:** Other: unregistered securities

Allegations: Coons was named a respondent in a FINRA complaint alleging that his member the firm sold approximately 195,000 shares of a corporation to customers of the firm, when these shares were not registered with the SEC. nor were the sales exempt from registration. As a result, the firm acted in contravention of Section 5 of the Securities Act of 1933. The complaint alleges that Coons sold



approximately 127,500 unregistered of the corporation shares to customers of the firm. The firm generated total proceeds of approximately \$307,250.

Current Status:

Pending

Firm Statement

Mr. Coons continues to believe that the investigation was without merit. He expects to be fully vindicated of any possible violations. And doesn't expect any regulatory action to be upheld!

Reporting Source:

Broker

Regulatory Action Initiated By:

FINRA

Sanction(s) Sought:

Suspension

Date Initiated:

12/20/2016

Docket/Case Number:

2014039352302

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

Hallmark Investments

Product Type:

Other: unregistered securities

Allegations:

Coons was named a correspondent in a FINRA complaint alleging that his firm sold approximately 195,000 shares of a corporation to customers of the firm, when these shares were not registered with the SEC, nor were the sales exempt from registration. As a result, the firm acted in contravention of Section 5 of the Securities Act of 1933. The complaint alleges that Coons sold approximately 127,000 unregistered of the corporation shares to customers of the firm. The firm generated total proceeds of approximately \$307,250.

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:

07/31/2017

Sanctions Ordered:

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

**Sanction 1 of 1**

Sanction Type: Suspension

Capacities Affected: All Capacities

Duration: 10 Business Days

Start Date: 08/21/2017

End Date: 09/01/2017

Monetary Sanction 1 of 1

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

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

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

Date Paid by individual: 08/16/2017

Was any portion of penalty waived? No

Amount Waived:**Broker Statement**

Mr. Coons continues to believe that the investigation is totally without merit! He expects to be vindicated of any possible violations. Therefore he does not expect regulatory action to be sustained!

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 01/31/2013

Docket/Case Number: 2011026346205



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

WESTROCK ADVISORS, INC.

Product Type:

Promissory Note

Allegations:

FINRA RULE 2010: COONS NEGLIGENTLY OMITTED MATERIAL FACTS AND MADE MATERIAL MISSTATEMENTS IN CONNECTION WITH HIS SALE OF APPROXIMATELY \$2 MILLION IN PROMISSORY NOTES ISSUED BY THE PARENT COMPANY OF HIS MEMBER FIRM. COONS DID NOT ADEQUATELY UNDERSTAND THE PRESENT FINANCIAL CONDITION OF THE ISSUER, OR ITS ABILITY TO MAKE PAYMENTS ON THE NOTES, WHEN HE SOLD THE NOTES. COONS WAS NOT PROVIDED WITH A PRIVATE PLACEMENT MEMORANDUM OR FINANCIAL STATEMENTS OF THE ISSUER PRIOR TO SELLING THE NOTES. HE WAS PROVIDED WITH FINANCIAL STATEMENTS OF THE ISSUER'S TWO BROKER-DEALER SUBSIDIARIES BUT THESE RESULTS OMITTED THE SUBSTANTIAL DEBT AND OTHER EXPENSES THAT CAUSED THE CONSOLIDATED ENTITY TO OPERATE AT A LOSS. COONS CONDUCTED HIS OWN DUE DILIGENCE ON THE ISSUER'S BUSINESS PLAN AND FUTURE PROSPECTS, AND SPOKE TO THE HEADS OF THE ISSUER'S EXISTING AND ANTICIPATED NEW BUSINESS LINES, BUT HE RELIED ON STATEMENTS BY THE PRESIDENT AND CEO OF HIS FIRM TO DEVELOP HIS UNDERSTANDING OF THE ISSUER'S FINANCIAL RESULTS. AS A RESULT, COONS FAILED TO ADEQUATELY UNDERSTAND OR DISCLOSE THE ISSUER'S ACTUAL FINANCIAL CONDITION TO HIS CUSTOMERS WHEN HE SOLD THEM THE NOTES. WHILE COONS WAS SELLING THE NOTES, THE ISSUER DEFAULTED ON THE NOTES THAT IT HAD ISSUED TO RETAIL INVESTORS AND HAD ALSO MISSED INTEREST PAYMENTS OWED TO AT LEAST SOME NOTE HOLDERS, AND HAD, FOR SEVERAL YEARS, FAILED TO MAKE INTEREST PAYMENTS TO RETAIL INVESTORS WHO HAD PURCHASED THE COMPANY'S PREFERRED STOCK. COONS DID NOT UNDERSTAND THESE FACTS AND DID NOT DISCLOSE THEM TO HIS CUSTOMERS. IN SOME INSTANCES, COONS NEGLIGENTLY MISSTATED THE ISSUER'S FINANCIAL CONDITION. COONS TOLD CERTAIN CUSTOMERS THAT THE ISSUER WAS BREAKING EVEN AND THAT THE COMPANY'S CASH FLOW COULD SERVICE BOTH ITS CURRENT DEBT AND ITS EXISTING DEBT. COONS DID NOT HAVE A REASONABLE BASIS FOR MAKING THESE STATEMENTS. IN FACT, THE ISSUER WAS LOSING MONEY AND WAS UNABLE TO SERVICE ITS EXISTING DEBT. IN SOME INSTANCES, COONS PROVIDED CUSTOMERS WITH HISTORICAL FINANCIAL STATEMENTS OF THE ISSUER'S TWO BROKER-DEALER SUBSIDIARIES. SINCE THE FINANCIAL STATEMENTS OF THOSE SUBSIDIARIES DID NOT INCLUDE THE SEPARATE RESULTS OF THE ISSUER, THE FINANCIAL STATEMENTS THAT COONS PROVIDED TO CERTAIN CUSTOMERS WERE MATERIALLY MISLEADING. ALTHOUGH COONS DID TELL POTENTIAL INVESTORS THAT



THEY COULD LOSE THEIR ENTIRE INVESTMENT, HE MINIMIZED THE LIKELIHOOD OF THIS HAPPENING, AND FAILED TO DISCLOSE FACTS INDICATING THE LIKELIHOOD OF A DEFAULT ON THE NOTES HE WAS SELLING. THE ISSUER DEFAULTED ON THE NOTES. SUBSEQUENTLY, THOSE INVESTORS WHO AGREED TO SIGN RELEASES AND INVEST ADDITIONAL FUNDS IN A RELATED ENTERPRISE WERE RETURNED THE PRINCIPAL AND INTEREST THEY INVESTED. TO DATE, OTHER INVESTORS WHO PURCHASED THE NOTE FROM OTHER BROKERS HAVE NOT RECEIVED THE RETURN OF THEIR PRINCIPAL AND INTEREST.

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?	No
Resolution Date:	01/31/2013
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: ALL CAPACITIES

Duration: 20 BUSINESS DAYS

Start Date: 02/19/2013

End Date: 03/18/2013

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: 02/14/2013

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, COONS 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 ALL CAPACITIES FOR 20 BUSINESS DAYS. THE SUSPENSION IS IN EFFECT FROM FEBRUARY 19, 2013 THROUGH MARCH 18, 2013. FINE PAID IN FULL ON 2/14/13.

Reporting Source: Broker

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 01/31/2013

Docket/Case Number: 2011026346205

Employing firm when activity occurred which led to the regulatory action: WESTROCK ADVISORS, INC

Product Type: Promissory Note

Allegations: FINRA RULE 2010: COONS NEGLIGENTLY OMITTED MATERIAL FACTS AND MADE MATERIAL MISSTATEMENTS IN CONNECTION WITH HIS SALE OF APPROXIMATELY \$2MILLION IN PROMISSORY NOTES ISSUED BY THE PARENT COMPANY OF HIS MEMBER FIRM. COONS DID NOT ADEQUATELY UNDERSTAND THE PRESENT FINANCIAL CONDITION OF THE ISSUER, OR ITS ABILITY TO MAKE PAYMENTS ON THE NOTES, WHEN HE SOLD THE NOTES. COONS WAS NOT PROVIDED WITH A PRIVATE PLACEMENT MEMORANDUM OR FINANCIAL STATEMENTS OF THE ISSUER PRIOR TO SELLING THE NOTES. HE WAS PROVIDED WITH FINANCIAL STATEMENTS OF THE ISSUER'S TWO BROKER-DEALER SUBSIDIARIES BUT THESE RESULTS OMITTED THE SUBSTANTIAL DEBT AND OTHER EXPENSES THAT CAUSED THE CONSOLIDATED ENTITY TO OPERATE AT A LOSS. COONS CONDUCTED HIS OWN DUE DILIGENCE ON THE ISSUER'S BUSINESS PLAN AND FUTURE PROSPECTS, AND SPOKE TO THE HEADS OF THE ISSUER'S EXISTING AND ANTICIPATED NEW BUSINESS LINES, BUT HE RELIED ON STATEMENTS BY THE PRESIDENT AND CEO OF HIS FIRM TO DEVELOP HIS UNDERSTANDING OF THE ISSUER'S FINANCIAL RESULTS. AS A RESULT, COONS FAILED TO ADEQUATELY UNDERSTAND OR DISCLOSE THE ISSUER'S ACTUAL FINANCIAL CONDITION TO HIS CUSTOMERS WHEN HE SOLD THEM THE NOTES. WHILE COONS WAS SELLING THE NOTES, THE ISSUER DEFAULTED ON THE NOTES THAT IT HAD ISSUED TO RETAIL INVESTORS AND HAD ALSO MISSED INTEREST PAYMENTS OWED TO AT LEAST SOME NOTE HOLDERS, AND HAD, FOR SEVERAL YEARS, FAILED TO



MAKE INTEREST PAYMENTS TO RETAIL INVESTORS WHO HAD PURCHASED THE COMPANY'S PREFERRED STOCK. COONS DID NOT UNDERSTAND THESE FACTS AND DID NOT DISCLOSE THEM TO HIS CUSTOMERS. IN SOME INSTANCES, COONS NEGLIGENTLY MISSTATED THE ISSUER'S FINANCIAL CONDITION. COONS TOLD CERTAIN CUSTOMERS THAT THE ISSUER WAS BREAKING EVEN AND THAT THE COMPANY'S CASH FLOW COULD SERVICE BOTH ITS CURRENT DEBT AND ITS EXISTING DEBT. COONS DID NOT HAVE A REASONABLE BASIS FOR MAKING THESE STATEMENTS. IN FACT, THE ISSUER WAS LOSING MONEY AND WAS UNABLE TO SERVICE ITS EXISTING DEBT. IN SOME INSTANCES, COONS PROVIDED CUSTOMERS WITH HISTORICAL FINANCIAL STATEMENTS OF THE ISSUER'S TWO BROKER-DEALER SUBSIDIARIES. SINCE THE FINANCIAL STATEMENTS OF THOSE SUBSIDIARIES DID NOT INCLUDE THE SEPARATE RESULTS OF THE ISSUER, THE FINANCIAL STATEMENTS THAT COONS PROVIDED TO CERTAIN CUSTOMERS WERE MATERIALLY MISLEADING. ALTHOUGH COONS DID TELL POTENTIAL INVESTORS THAT THEY COULD LOSE THEIR ENTIRE INVESTMENT, HE MINIMIZED THE LIKELIHOOD OF THIS HAPPENING, AND FAILED TO DISCLOSE FACTS INDICATING THE LIKELIHOOD OF A DEFAULT ON THE NOTES HE WAS SELLING. THE ISSUER DEFAULTED ON THE NOTES. SUBSEQUENTLY, THOSE INVESTORS WHO AGREED TO SIGN RELEASES AND INVEST ADDITIONAL FUNDS IN A RELATED ENTERPRISE WERE RETURNED THE PRINCIPAL AND INTEREST THEY INVESTED. TO DATE, OTHER INVESTORS WHO PURCHASED THE NOTE FROM OTHER BROKERS HAVE NOT RECEIVED THE RETURN OF THEIR PRINCIPAL AND INTEREST.

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?	No
Resolution Date:	01/31/2013
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	ALL CAPACITIES



Duration: 20 BUSINESS DAYS

Start Date: 02/19/2013

End Date: 03/18/2013

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 FINDINGS, COONS 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 ALL CAPACITIES FOR 20 BUSINESS DAYS. THE SUSPENSION IS IN EFFECT FROM FEBRUARY 19, 2013 THROUGH MARCH 18, 2013. IN ADDITION THERE HAVE BEEN NO CUSTOMER COMPLAINTS DUE TO THIS TRANSACTION.



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 3

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	MAXIM GROUP LLC
Allegations:	CLIENT ALLEGES UNSUITABLE INVESTMENTS, EXCESSIVE TRADING AND MATERIAL MISREPRESENTATIONS.
Product Type:	Equity-OTC
Alleged Damages:	\$4,000,000.00
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:	03/17/2009
Complaint Pending?	No
Status:	Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date:	03/17/2009
Settlement Amount:	
Individual Contribution Amount:	

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	09-01275
Date Notice/Process Served:	03/17/2009
Arbitration Pending?	No



Disposition:	Settled
Disposition Date:	06/01/2009
Monetary Compensation Amount:	\$925,000.00
Individual Contribution Amount:	\$220,000.00
Broker Statement	ALLEGATIONS CENTERED ON OVER-CONCENTRATION/UNSUITABILITY OF ONE SPECIFIC SECURITY (QLD) WHICH DECLINED DRAMATICALLY DURING THE PRECIPITOUS MARKET DECLINE OF 2008. MATTER WAS SETTLED TO AVOID THE INHERENT UNCERTAINTIES AND DEFENSE COSTS OF ARBITRATION.

Disclosure 2 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	INVESTEC ERNST & COMPANY
Allegations:	CLAIMANT ALLEGES THAT HE SUSTAINED LOSSES IN HIS ACCOUNT FROM INVESTMENTS IN SECURITIES THAT WERE INAPPROPRIATE FOR HIM. HE ALSO ALLEGES THAT FIRM FAILED TO SUPERVISE THE BROKER.
Product Type:	Equity - OTC
Alleged Damages:	\$363,000.00

Customer Complaint Information

Date Complaint Received:	01/07/2003
Complaint Pending?	No
Status:	Settled
Status Date:	09/02/2003
Settlement Amount:	\$15,000.00
Individual Contribution Amount:	\$0.00

Reporting Source:	Broker
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Employing firm when activities occurred which led to the complaint: INVESTEC ERNST & COMPANY

Allegations: CLAIMANT ALLEGED THAT HE SUSTAINED LOSSES IN HIS ACCOUNT FROM INVESTMENTS IN SECURITIES THAT WERE INAPPROPRIATE FOR HIM. HE ALSO ALLEGED THAT FIRM FAILED TO SUPERVISE THE BROKER.

Product Type: Equity - OTC

Alleged Damages: \$363,000.00

Customer Complaint Information

Date Complaint Received: 01/07/2003

Complaint Pending? No

Status: Settled

Status Date: 09/02/2003

Settlement Amount: \$15,000.00

Individual Contribution Amount: \$0.00

Broker Statement "I WAS NOT CONSULTED ABOUT THE DECISION BY MY FORMER FIRM TO GIVE [CUSTOMER] ANY FINANCIAL REMUNERATION; I DISAGREE VEHEMENTLY WITH THEIR DECISION TO PAY THIS CLIENT AS AN OUTSIDE OBSERVER MAY BELIEVE THAT THIS LENDS CREDENCE TO THE CLAIM THAT THE CASE WAS MERITORIOUS - WHICH IT ABSOLUTELY WAS NOT. I HAVE IN MY POSSESSION A 7 PAGE NARRATIVE WHICH REFUTES ALL CLAIMS MADE BY THE CLIENT."

Disclosure 3 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: OPPENHEIMER & CO., INC.

Allegations: MR. COONS EXECUTED AN UNAUTHORIZED SHORT SALE OF OAK TECHNOLOGY, INC. ALLEGED DAMAGES: \$107,527.70

Product Type:

Alleged Damages: \$107,527.70

Customer Complaint Information



Date Complaint Received: 01/20/1996

Complaint Pending? No

Status: Settled

Status Date: 02/02/1996

Settlement Amount: \$107,527.70

Individual Contribution Amount: \$0.00

Firm Statement OPPENHEIMER SETTLED THE MATTER FOR \$107,527.70 AND THE SALE WAS REVERSED.
NONE

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: OPPENHEIMER & CO., INC.

Allegations: ALLEGATION THAT MR. COONS EXECUTED AN UNAUTHORIZED SHORT SALE OF OAK TECHNOLOGY, INC.

Product Type:

Alleged Damages: \$107,527.70

Customer Complaint Information

Date Complaint Received: 01/20/1996

Complaint Pending? No

Status: Settled

Status Date: 02/02/1996

Settlement Amount: \$107,527.70

Individual Contribution Amount: \$0.00

Broker Statement OPPENHEIMER SETTLED THE MATTER WITH RESPECT TO THE ALLEGATION THAT MR. COONS EXECUTED AN UNAUTHORIZED SHORT SALE OF OAK TECHNOLOGIES, INC. MR. COONS ACKNOWLEDGES THAT HE MISTAKENLY CONFUSED TWO OF HIS



CUSTOMERS AND EXECUTED THE TRADE IN THE CONSULTATION WITH
MR.
COONS.



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: Broker

Employer Name: CIBC OPPENHEIMER CORP.

Termination Type: Permitted to Resign

Termination Date: 01/25/1996

Allegations: N/A
NONE

Product Type:

Other Product Types:

Broker Statement

I WAS PERMITTED TO RESIGN
MY CLIENT PURCHASED SHARES AND FAILED TO MAKE
PAYMENTS NECESSITATING LIQUIDATIONS. WHILE SELLING STOCK INTO
THE MARKET, ANOTHER CLIENT CALLED ME TO PURCHASE, THE SAME
SECURITY. I CROSSED THAT CLIENT WITH THE LIQUIDATION CLIENT.
WHEN FURTHER LIQUIDATIONS WERE NECESSARY, I CALLED ANOTHER
CLIENT AND SOLICITED A PURCHASE. IN DOING SO I PERMITTED THE
ORDER TICKET TO BE MAILED UNSOLICITED WHEN THEY WERE
TECHNICALLY SOLICITED. I WAS NEVER TOLD BY MANAGMENT NOT TO
SOLICIT THIS SECURITY.

End of Report



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