

BrokerCheck Report

MICHAEL WAYNE SMITH

CRD# 2099616

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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.



MICHAEL W. SMITH

CRD# 2099616

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

Registration History

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

B AAL CAPITAL MANAGEMENT CORPORATION
CRD# 18387
MINNEAPOLIS, MN
09/1991 - 10/2001

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2
Criminal	2

Broker Qualifications



Registrations

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

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

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

This individual has passed 0 principal/supervisory exams, 1 general industry/product exam, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Investment Company Products/Variable Contracts Representative Examination	Series 6	09/06/1991

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	12/19/1991

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 09/1991 - 10/2001	AAL CAPITAL MANAGEMENT CORPORATION	18387	MINNEAPOLIS, MN

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
10/2001 - Present	WALNUT STREET SECURITIES INC	REGISTERED REP	Y	ST LOUIS, MO, United States

Disclosure Events



What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

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

	Final	On Appeal
Regulatory Event	2	0
Criminal	2	0



Disclosure Event Details

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

Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	OREGON
Sanction(s) Sought:	Cease and Desist
Other Sanction(s) Sought:	DENIAL OF EXEMPTIONS; BAR FROM SECURITIES LICENSE / REGISTRATION.
Date Initiated:	01/25/2007
Docket/Case Number:	S-06-0032
Employing firm when activity occurred which led to the regulatory action:	KILOHANA VENTURE CAPITAL, PROSPERITY FINANCIAL.
Product Type:	Investment Contract(s)
Other Product Type(s):	NOTES.
Allegations:	UNLICENSED / UNREGISTERED SALES OF SECURITIES; FRAUD.
Current Status:	Final
Resolution:	Consent
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:	01/25/2007
Sanctions Ordered:	Cease and Desist/Injunction Disgorgement/Restitution



Other Sanctions Ordered:	CEASE & DESIST; DENIAL OF EXEMPTIONS; BAR FROM SECURITIES LICENSE / REGISTRATION.
Sanction Details:	A RELATED CRIMIAL CASE WAS FILED IN LINCOLN COUNTY, OREGON.
Regulator Statement	MICHAEL WAYNE SMITH AND HIS WIFE, STACEY LYNNE SMITH FORMED AND OPERATED AN ILLEGAL INVESTMENT BUSINESS BETWEEN 2003 AND 2005. THEY RAISED MORE THAN \$1 MILLION FROM 27 INVESTORS. RESTITUTION IS ORDERED IN RELATED CRIMINAL CASE.

Disclosure 2 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	11/14/2002
Docket/Case Number:	C3B020020
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	No Product
Other Product Type(s):	
Allegations:	NASD RULES IM-1000-1 AND 2110 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT CONSENTED TO THE ENTRY OF FINDINGS THAT HE WILLFULLY FAILED TO DISCLOSE MATERIAL FACTS ON HIS FORM U-4.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/14/2002
Sanctions Ordered:	Bar
Other Sanctions Ordered:	
Sanction Details:	BARRED FROM ASSOCIATING WITH ANY NASD MEMBER FIRM IN ANY CAPACITY.



Regulator Statement

THE SETTLEMENT INCLUDES A FINDING THAT RESPONDENT WILLFULLY FAILED TO DISCLOSE A MATERIAL FACT ON A FORM U4, AND THAT UNDER SECTION 15(B)(4)(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND ARTICLE III, SECTION 4(F) OF THE NASD BY-LAWS, THIS OMISSION MAKES HIM SUBJECT TO A STATUTORY DISQUALIFICATION WITH RESPECT TO ASSOCIATION WITH A MEMBER.



Criminal - Final Disposition

This type of disclosure event involves a conviction or guilty plea for any felony or certain misdemeanor offenses, including bribery, perjury, forgery, counterfeiting, extortion, fraud, and wrongful taking of property that is currently on appeal.

Disclosure 1 of 2

Reporting Source:	Regulator
Organization Name (if charge(s) were brought against an organization over which broker exercised control):	NONE.
Court Details:	LINCOLN COUNTY CIRCUIT COURT, LINCOLN COUNTY, NEWPORT, OREGON. DOCKET NO. FOR MICHAEL SMITH - 06-3155; DOCKET NO. FOR STACEY SMITH - 06-3154
Charge Date:	07/20/2006
Charge Details:	RACKETEERING, SECURITIES FRAUD, THEFT AND CRIMINAL MISTREATMENT. 55 COUNTS. MICHAEL PLED GUILTY TO RACKETEERING, ONE COUNT OF FIRST-DEGREE THEFT, AND THREE COUNTS OF AGGRAVATED THEFT IN THE FIRST DEGREE. STACEY SMITH PLED "NO CONTEST" TO TWO COUNTS OF FIRST-DEGREE THEFT.
Felony?	Yes
Current Status:	Final
Status Date:	06/28/2007
Disposition Details:	PLEA CONTRACT, 6-28-2007. STATE DATE OF PENALTY - 3/29/2007 (DATE MICHAEL SMITH WAS TAKEN INTO CUSTODY). PENALTY - FINE AMOUNT: MICHAEL SMITH - \$523,727.66 IN RESITUTION; STACEY SMITH - \$250,000 IN RESTITUTION. DURATION - MICHAEL SMITH TO SERVE 57 MONTH PRISON SENTENCE. STACEY SMITH TO SERVE 30 DAYS OF MONITORED HOME CONFINEMENT, FIVE YEARS SUPERVISED PROBATION AND 320 HOURS OF COMMUNITY SERVICE.
Regulator Statement	PURSUANT TO PLEA CONTRACT, MICHAEL SMITH WAS SENTENCED TO 57 MONTHS IN PRISON AND ORDERED TO PAY RESTITUTION. STACEY SMITH WAS SENTENCED TO 30 DAYS OF MONITORED HOME CONFINEMENT, FIVE YEARS OF SUPERVISED PROBATION, AND 320 HOURS OF COMMUNITY SERVICE AND TO PAY RESTITUTION. MICHAEL WAYNE SMITH AND HIS WIFE, STACEY LYNNE SMITH FORMED AND OPERATED AN ILLEGAL INVESTMENT BUSINESS BETWEEN 2003 AND 2005. THEY RAISED MORE THAN \$1 MILLION FROM 27 INVESTORS. CRIMINAL CASE WAS BASED ON INVESTIGATION AND REFERRAL FROM



OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES.

Disclosure 2 of 2	
Reporting Source:	Firm
Court Details:	STATE OF OREGON, DOUGLAS COUNTY CASE #94-CR2466FE
Charge Date:	01/01/1994
Charge Details:	1. I COUNT FORGERY 2. FELONY 3. PLEAD GUILTY TO MISDEMEANOR 4. UNKNOWN.
Felony?	Yes
Current Status:	Final
Status Date:	11/28/1994
Disposition Details:	A. CONVICTED OF MISDEMEANOR FORGERY I B. 12/21/1994 C. 18 MONTHS PROBATION & RESTITUTION D. NA E. 1/9/1995 F. \$1,216 G. UNKNOWN
Firm Statement	DISCOVER BY AAL AFTER HE LEFT EMPLOYMENT WITH THE COMPANY

End of Report



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