

## BrokerCheck Report

**E SHERMAN WARNER**

CRD# 2209981

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	5
Disclosure Events	6



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).

**E S. WARNER**

CRD# 2209981

This broker is not currently registered.

## Report Summary for this Broker



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

### Broker Qualifications

**This broker is not currently registered.**

#### This broker has passed:

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

### Registration History

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

- B SAMMONS SECURITIES COMPANY, LLC**  
CRD# 115368  
ANN ARBOR, MI  
04/2004 - 11/2004
- B WORLD GROUP SECURITIES, INC.**  
CRD# 114473  
DULUTH, GA  
04/2002 - 08/2003
- B WMA SECURITIES, INC.**  
CRD# 32625  
DULUTH, GA  
06/1994 - 04/2002

### 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	1
Civil Event	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), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

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

**This individual has passed 1 principal/supervisory exam, 1 general industry/product exam, and 2 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> Investment Company Products/Variable Contracts Principal Examination	Series 26	02/09/1996

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Investment Company Products/Variable Contracts Representative Examination	Series 6	02/10/1992

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	08/18/2004
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	02/12/1992

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 securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 04/2004 - 11/2004	SAMMONS SECURITIES COMPANY, LLC	115368	ANN ARBOR, MI
<b>B</b> 04/2002 - 08/2003	WORLD GROUP SECURITIES, INC.	114473	DULUTH, GA
<b>B</b> 06/1994 - 04/2002	WMA SECURITIES, INC.	32625	DULUTH, GA
<b>B</b> 11/1993 - 06/1994	INTERSECURITIES, INC.	16164	PHILADELPHIA, PA
<b>B</b> 04/1993 - 11/1993	TOWER INVESTMENT GROUP, INC.	24180	
<b>B</b> 02/1992 - 04/1993	NORTH AMERICAN MANAGEMENT, INC.	624	SIOUX FALLS, SD

### 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
07/2006 - Present	THOMPSON CONSULTING, INC.	INVESTMENT ADVISOR REPRESENTATIVE	Y	SALT LAKE CITY, UT, 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	1	0
Civil Event	1	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 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	08/25/2010
<b>Docket/Case Number:</b>	3-14020
<b>Employing firm when activity occurred which led to the regulatory action:</b>	THOMPSON CONSULTING, INC.
<b>Product Type:</b>	Other: HEDGE FUNDS
<b>Allegations:</b>	<p>IA RELEASE 3074, AUGUST 25, 2010: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS ARE INSTITUTED PURSUANT TO SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST E. SHERMAN WARNER ("WARNER" OR THE "RESPONDENT"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT.</p> <p>THE COMMISSION FOUND THAT ON AUGUST 17, 2010, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH ENTERED BY CONSENT A FINAL JUDGMENT AGAINST WARNER, PERMANENTLY ENJOINING HIM FROM FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND (3) OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTION 206(2) OF THE ADVISERS ACT, IN CIVIL ACTION NUMBER 2:08-CV-171.</p>
<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:**

08/25/2010

**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?**

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

<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	ASSOCIATION WITH ANY INVESTMENT ADVISER
<b>Duration:</b>	Indefinite
<b>Start Date:</b>	08/25/2010
<b>End Date:</b>	

**Regulator Statement**

SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER HIM AND THE SUBJECT MATTER OF THESE PROCEEDINGS, AND THE FINDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS ("ORDER").

IT IS ORDERED: PURSUANT TO SECTION 203(F) OF THE ADVISERS ACT, THAT RESPONDENT IS BARRED FROM ASSOCIATION WITH ANY INVESTMENT ADVISER.

ANY REAPPLICATION FOR ASSOCIATION BY THE RESPONDENT WILL BE SUBJECT TO THE APPLICABLE LAWS AND REGULATIONS GOVERNING THE REENTRY PROCESS, AND REENTRY MAY BE CONDITIONED UPON A NUMBER OF FACTORS, INCLUDING, BUT NOT LIMITED TO, THE SATISFACTION OF ANY OR ALL OF THE FOLLOWING: (A) ANY DISGORGEMENT ORDERED AGAINST THE RESPONDENT, WHETHER OR NOT THE COMMISSION HAS FULLY OR PARTIALLY WAIVED PAYMENT OF SUCH DISGORGEMENT; (B) ANY ARBITRATION AWARD RELATED TO THE CONDUCT THAT SERVED AS THE BASIS FOR THE COMMISSION ORDER; (C) ANY SELF-REGULATORY ORGANIZATION ARBITRATION AWARD TO A CUSTOMER, WHETHER OR NOT RELATED TO THE CONDUCT THAT SERVED AS THE BASIS FOR THE COMMISSION ORDER; AND (D) ANY RESTITUTION ORDER BY A SELF-REGULATORY ORGANIZATION, WHETHER OR NOT RELATED TO THE CONDUCT THAT SERVED AS THE BASIS FOR THE COMMISSION ORDER.



## Civil - Final

This type of disclosure event involves an injunction issued by a court in connection with investment-related activity or a finding by a court of a violation of any investment-related statute or regulation.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Relief Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines Restraining Order
<b>Date Court Action Filed:</b>	03/04/2008
<b>Product Type:</b>	Other: HEDGE FUND
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
<b>Location of Court:</b>	UTAH
<b>Docket/Case #:</b>	2:08-CV-00171
<b>Employing firm when activity occurred which led to the action:</b>	THOMPSON CONSULTING, INC.
<b>Allegations:</b>	<p>SEC LITIGATION RELEASE 20475, MARCH 4, 2008 : THE U.S. SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") ANNOUNCED THE FILING OF AN ENFORCEMENT ACTION AGAINST E. SHERMAN WARNER ("WARNER"), AN INVESTMENT ADVISER AFFILIATED WITH AN INVESTMENT ADVISER FIRM , FOR MAKING UNDISCLOSED SUBPRIME AND OTHER HIGH-RISK INVESTMENTS WHICH RESULTED IN THE NEAR TOTAL ASSET LOSSES OF TWO HEDGE FUNDS MANAGED BY THE INVESTMENT ADVISER IN VIOLATION OF SECTIONS 17(A)(1), 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND RULE 10B-5 THEREUNDER, AND AIDING AND ABETTING VIOLATIONS OF SECTIONS 206(1) AND (2) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT").</p> <p>THE COMMISSION CHARGED WARNER WITH VIOLATIONS OF THE ANTIFRAUD PROVISIONS OF THE SECURITIES LAWS BY ENGAGING IN MUCH RISKIER TRADING STRATEGIES THAN THOSE DESCRIBED TO</p>



INVESTORS, SEVERAL OF WHOM WERE SENIORS. THE COMMISSION ALLEGES THAT WARNER MANAGED THE HEDGE FUNDS' INVESTMENT STRATEGY AND ALSO MADE SALES PRESENTATIONS TO POTENTIAL INVESTORS IN WHICH HE EMPHASIZED THE SAFETY OF THE INVESTMENT ADVISER'S INVESTMENT STRATEGY. THE COMMISSION'S COMPLAINT, FILED IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH, ALSO ALLEGED THAT THE INVESTMENT ADVISER'S DEVIATIONS FROM ITS STATED INVESTMENT POLICY RESULTED IN SUBSTANTIAL LOSSES TO BOTH THE HEDGE FUNDS AND AN INDIVIDUAL CLIENT. AMONG THOSE DEPARTURES FROM ITS STATED STRATEGY WERE FAILED INVESTMENTS IN OPTIONS ON THE STOCK OF A SUBPRIME LENDER. THE COMPLAINT FURTHER ALLEGED THAT WARNER IMPROPERLY TRANSFERRED MONEY FROM THE HEDGE FUNDS TO THE ACCOUNT HE MANAGED FOR THE INDIVIDUAL CLIENT TO MAKE UP FOR THE INDIVIDUAL'S LOSSES.

**Current Status:** Final

**Resolution:** Judgment Rendered

**Resolution Date:** 08/17/2010

**Sanctions Ordered or Relief Granted:** Disgorgement  
Injunction  
Monetary Penalty other than Fines

**Capacities 1 of 1**

**Capacities Affected:** ALL CAPACITIES

**Duration:** PERMANENT

**Start Date:** 08/17/2010

**End Date:**

**Monetary Sanction 1 of 2**

**Monetary Sanction:** PREJUDGMENT INTEREST

**Total Amount:** \$106,157.62

**Portion against individual:** 106157.62

**Date Paid:**

**Portion Waived:** Yes

**Amount Waived:** \$106,157.62

**Monetary Sanction 2 of 2**



**Monetary Sanction:** Disgorgement

**Total Amount:** \$504,459.00

**Portion against individual:** 504459

**Date Paid:**

**Portion Waived:** Yes

**Amount Waived:** \$504,459.00

**Regulator Statement**

SEC LITIGATION RELEASE 21628, AUGUST 18, 2010: THE COMMISSION ANNOUNCED THAT THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH ENTERED A FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST E. SHERMAN WARNER. THE FINAL JUDGMENT ENJOINS WARNER FROM VIOLATING SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT. THE FINAL JUDGMENT FOUND THAT WARNER WAS LIABLE FOR DISGORGEMENT OF \$504,459.00 AND PREJUDGMENT INTEREST OF \$106,157.62, HOWEVER, THE COURT ORDERED THIS ENTIRE AMOUNT WAIVED.

## End of Report



**This page is intentionally left blank.**