

BrokerCheck Report

TIMOTHY SEAN MCENENY JR

CRD# 2250543

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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.

**TIMOTHY S. MCENENY JR**

CRD# 2250543

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

IA GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC
 328 NEWMAN SPRINGS ROAD
 RED BANK, NJ 07701
 CRD# 133088
 Registered with this firm since: 02/02/2016

B GARDEN STATE SECURITIES, INC.
 328 NEWMAN SPRINGS ROAD
 RED BANK, NJ 07701
 CRD# 10083
 Registered with this firm since: 03/04/2010

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
- 12 U.S. states and territories

This broker has passed:

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

Registration History

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

- B PAULSON INVESTMENT COMPANY, INC.**
 CRD# 5670
 SEA GIRT, NJ
 09/2002 - 03/2010
- B SCHNEIDER SECURITIES, INC.**
 CRD# 16434
 DENVER, CO
 12/2001 - 09/2002
- B GLOBAL CAPITAL SECURITIES CORPORATION**
 CRD# 16184
 ENGLEWOOD, CO
 04/1995 - 12/2001

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Customer Dispute	1
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 1 SRO and is licensed in 12 U.S. states and territories through his or her employer.

Employment 1 of 2

Firm Name: **GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC**
 Main Office Address: **328 NEWMAN SPRINGS ROAD**
RED BANK, NJ 07701
 Firm CRD#: **133088**

	U.S. State/ Territory	Category	Status	Date
IA	New Jersey	Investment Adviser Representative	Approved	02/02/2016

Branch Office Locations

328 NEWMAN SPRINGS ROAD
 RED BANK, NJ 07701

Employment 2 of 2

Firm Name: **GARDEN STATE SECURITIES, INC.**
 Main Office Address: **328 NEWMAN SPRINGS ROAD**
RED BANK, NJ 07701
 Firm CRD#: **10083**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	03/04/2010
B	FINRA	General Securities Representative	Approved	03/04/2010

	U.S. State/ Territory	Category	Status	Date
B	California	Agent	Approved	03/04/2010

Broker Qualifications



Employment 2 of 2, continued

	U.S. State/ Territory	Category	Status	Date
B	Connecticut	Agent	Approved	03/10/2010
B	Florida	Agent	Approved	03/10/2010
B	Georgia	Agent	Approved	03/10/2010
B	Maryland	Agent	Approved	03/10/2010
B	Massachusetts	Agent	Approved	03/10/2010
B	Michigan	Agent	Approved	03/10/2010
B	New Jersey	Agent	Approved	03/04/2010
B	New York	Agent	Approved	03/05/2010
B	Pennsylvania	Agent	Approved	03/05/2010
B	Rhode Island	Agent	Approved	03/10/2010
B	Virginia	Agent	Approved	03/10/2010

Branch Office Locations

GARDEN STATE SECURITIES, INC.
 328 NEWMAN SPRINGS ROAD
 RED BANK, NJ 07701



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, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	10/02/1995

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	08/17/1992

State Securities Law Exams

Exam	Category	Date
B IA Uniform Combined State Law Examination	Series 66	11/18/2015
B Uniform Securities Agent State Law Examination	Series 63	01/20/1993

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 09/2002 - 03/2010	PAULSON INVESTMENT COMPANY, INC.	5670	SEA GIRT, NJ
B 12/2001 - 09/2002	SCHNEIDER SECURITIES, INC.	16434	DENVER, CO
B 04/1995 - 12/2001	GLOBAL CAPITAL SECURITIES CORPORATION	16184	ENGLEWOOD, CO
B 08/1994 - 05/1995	H.J. MEYERS & CO., INC.	15609	ROCHESTER, NY
B 01/1993 - 09/1994	HIBBARD BROWN & CO., INC.	18246	NEW YORK, NY
B 08/1994 - 08/1994	WESTFIELD FINANCIAL CORPORATION	8143	NEW YORK, NY
B 08/1992 - 01/1993	THOMAS JAMES ASSOCIATES, INC.	15609	ROCHESTER, 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
03/2010 - Present	GARDEN STATE SECURITIES, INC	REGISTERED REP	Y	WALL TWP, NJ, United States
09/2002 - Present	PAULSON INVESTMENT COMPANY, INC.	REGISTERED REPRESENTATIVE	Y	SEA GIRT, NJ, 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) IAABO-SHOREBOARD #194, INDEPENDENT CONTRACTOR (1099), SPORTS OFFICAL, NOT INVESTMENT RELATED, SALARY COMPENSATION, 3 HOURS WEEKLY. 2) TMAC FINANCIAL SERVICES, INC. 909 BIRCH DR., BRIELLE, NJ 08730 732.245.2617 CORPORATION INVESTMENT ADVISOR. NOT INVESTMENT RELATED. SET UP TO PAY BILLS OF THE BRANCH, RENT , UTILITIES. OWNER 100%. LESS THAN 1 HOUR PER WEEK. 3)BIG SHOT HOOPS 10.1.2013 909 BIRCH DRIVE, BRIELLE, NJ 08730 732-245-2617. NOT

Registration and Employment History



Other Business Activities, continued

INVESTMENT RELATED. ORGANIZE YOUTH SPORTS CLINICS, CAMPS, TOURNAMENTS. 2 HOURS PER WEEK. SALARY
COMPENSATION. ESTIMATE \$5000.00 ANNUAL. 4) LIFE INSURANCE; VARIABLE

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



Disclosure Event Details

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

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

Regulatory - Final

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

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	01/05/2012
Docket/Case Number:	2010022207701
Employing firm when activity occurred which led to the regulatory action:	PAULSON INVESTMENT COMPANY, INC.
Product Type:	Equity Listed (Common & Preferred Stock) Mutual Fund Other: WARRANTS
Allegations:	NASD RULES 2110, 2310, INTERPRETATIVE MATERIAL 2310-2: ON JULY 7, 2008, MCENENY RECOMMENDED AND CAUSED THE LIQUIDATION OF THE SECURITIES IN A CUSTOMER'S ACCOUNT AT HIS MEMBER FIRM, INCLUDING MUTUAL FUNDS THAT REPRESENTED A SIGNIFICANT PORTION OF THE ACCOUNT ASSETS, AND INVESTED THE SALES PROCEEDS IN THE COMMON STOCK OF TWO COMPANIES. FROM THAT DATE THROUGH SEPTEMBER 11, 2008, MCENENY RECOMMENDED AND CAUSED THE EXECUTION OF SEVERAL MORE PURCHASE AND SALE TRANSACTIONS INVOLVING THE COMMON STOCK OF THOSE TWO COMPANIES. IN MID-



SEPTEMBER 2008, MCENENY RECOMMEND AND CAUSED THE LIQUIDATION OF THE ASSETS IN THE ACCOUNT AND USED THE SALES PROCEEDS TO PURCHASE WARRANTS ISSUED BY ONE OF THOSE COMPANIES. AS A RESULT OF THE TRANSACTIONS, THE CUSTOMER'S ACCOUNT SUFFERED A REALIZED LOSS OF APPROXIMATELY \$36,615.65. THE TRADING GENERATED GROSS COMMISSIONS OF APPROXIMATELY \$6,990. MCENENY DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDED COMMON STOCKS AND WARRANTS WERE SUITABLE FOR THE CUSTOMER; THE TRADING WAS INCONSISTENT WITH HER FINANCIAL SITUATIONS AND NEEDS. MCENENY'S RECOMMENDATIONS RESULTED IN AN OVERCONCENTRATION OF THE CUSTOMER'S ASSETS IN THE SECURITIES OF ONE OR TWO COMPANIES, EACH OF WHICH CARRIED A LEVEL OF MARKET RISK THAT WAS NOT SUITABLE FOR THE CUSTOMER GIVEN THE AMOUNT INVESTED AND HER FINANCIAL RESOURCES.

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:	01/05/2012
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: 02/06/2012

End Date: 03/05/2012

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: 01/17/2012

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, MCENENY CONSENTED



TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;
THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION
WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 20 BUSINESS DAYS. THE
SUSPENSION IS IN EFFECT FROM FEBRUARY 6, 2012, THROUGH MARCH 5,
2012. FINE PAID IN FULL JANUARY 17, 2012.

Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Suspension
Date Initiated:	01/05/2012
Docket/Case Number:	2010022207701
Employing firm when activity occurred which led to the regulatory action:	PAULSON INVESTMENTS
Product Type:	Equity Listed (Common & Preferred Stock) Mutual Fund
Allegations:	NASD RULES 2110, 2310, INTERPRETATIVE MATERIAL 2310-2: ON JULY 7, 2008, MCENENY RECOMMENDED AND CAUSED THE LIQUIDATION OF THE SECURITIES IN A CUSTOMER'S ACCOUNT AT HIS MEMBER FIRM, INCLUDING MUTUAL FUNDS THAT REPRESENTED A SIGNIFICANT PORTION OF THE ACCOUNT ASSETS, AND INVESTED THE SALES PROCEEDS IN THE COMMON STOCK OF TWO COMPANIES. FROM THAT DATE THROUGH SEPTEMBER 11, 2008, MCENENY RECOMMENDED AND CAUSED THE EXECUTION OF SEVERAL MORE PURCHASE AND SALE TRANSACTIONS INVOLVING THE COMMON STOCK OF THOSE TWO COMPANIES. IN MID-SEPTEMBER 2008, MCENENY RECOMMEND AND CAUSED THE LIQUIDATION OF THE ASSETS IN THE ACCOUNT AND USED THE SALES PROCEEDS TO PURCHASE WARRANTS ISSUED BY ONE OF THOSE COMPANIES. AS A RESULT OF THE TRANSACTIONS, THE CUSTOMER'S ACCOUNT SUFFERED A REALIZED LOSS OF APPROXIMATELY \$36,615.65. THE TRADING GENERATED GROSS COMMISSIONS OF APPROXIMATELY \$6,990. MCENENY DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDED COMMON STOCKS AND WARRANTS WERE SUITABLE FOR THE CUSTOMER; THE TRADING WAS INCONSISTENT WITH HER FINANCIAL SITUATIONS AND NEEDS. MCENENY'S RECOMMENDATIONS RESULTED IN AN OVERCONCENTRATION OF THE CUSTOMER'S ASSETS IN THE SECURITIES OF ONE OR TWO COMPANIES, EACH OF WHICH CARRIED A LEVEL OF MARKET RISK THAT WAS NOT



SUITABLE FOR THE CUSTOMER GIVEN THE AMOUNT INVESTED AND HER FINANCIAL RESOURCES.

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:	01/05/2012
Sanctions Ordered:	Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	ALL CAPACITIES
Duration:	20 BUSINESS DAYS
Start Date:	02/06/2012
End Date:	03/05/2012
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:	NONE - PAID IN FULL
Is Payment Plan Current:	
Date Paid by individual:	01/13/2012
Was any portion of penalty waived?	No
Amount Waived:	



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

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	PAULSON INVESTMENT COMPANY
Allegations:	CUSTOMER ALLEGES THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER. AMOUNT - \$46,339.54 (THIS IS THE DIFFERENCE BETWEEN WHAT SHE SAYS HER ACCOUNT WAS WORTH AND THE 50K SHE SAYS IT SHOULD BE WORTH).
Product Type:	Equity Listed (Common & Preferred Stock) Mutual Fund
Alleged Damages:	\$46,339.54
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:	11/09/2009
Complaint Pending?	No
Status:	Settled
Status Date:	06/07/2010
Settlement Amount:	\$40,000.00
Individual Contribution Amount:	\$0.00

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	PAULSON INVESTMENT COMPANY
Allegations:	CUSTOMER ALLEGES THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND



BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER. AMOUNT - \$46,339.54 (THIS IS THE DIFFERENCE BETWEEN WHAT SHE SAYS HER ACCOUNT WAS WORTH AND THE 50K SHE SAYS IT SHOULD BE WORTH).

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Alleged Damages: \$46,339.54

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: 11/09/2009

Complaint Pending? No

Status: Settled

Status Date: 06/07/2010

Settlement Amount: \$40,000.00

Individual Contribution Amount: \$0.00

Broker Statement DESPITE NEVER HAVING NEVER COMPLAINED OF TRANSACTIONS DURING A 6 YEAR PERIOD IN WHICH NUMEROUS PERSONAL MEETINGS UNQUESTIONABLY OCCURRED, AND HAVING RECEIVED CONFIRMATIONS AND STATEMENTS (VERIFIED BY MANAGERS/PRINCIPALS) REFLECTING ALL TRANSACTIONS, [CUSTOMER] ONLY DECIDED TO COMPLAIN AFTER MARKET LOSSES WERE REFLECTED IN HER ACCOUNT. THE ALLEGATIONS WERE INVESTIGATED BY THE FIRM, AND THE FIRM SETTLED THE CLAIM TO AVOID LEGAL FEE EXPENSE. I DID NOT CONTRIBUTE TO THE SETTLEMENT, AS I DENIED ALL ALLEGATIONS OF WRONGDOING AS FRIVOLOUS.



Employment Separation After Allegations

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

Disclosure 1 of 1

Reporting Source: Firm

Employer Name: PAULSON INVESTMENT COMPANY

Termination Type: Voluntary Resignation

Termination Date: 03/05/2010

Allegations: AFTER RECEIVING A CALL AND THEN A WRITTEN STATEMENT FROM A CUSTOMER THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER, THE FIRM INITIATED AN INTERNAL REVIEW. REPRESENTATIVE RESIGNED BEFORE THE REVIEW WAS COMPLETED, CONCLUDING THE INTERNAL REVIEW.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Reporting Source: Broker

Employer Name: PAULSON INVESTMENT COMPANY

Termination Type: Voluntary Resignation

Termination Date: 03/05/2010

Allegations: AFTER RECEIVING A CALL AND THEN A WRITTEN STATEMENT FROM A CUSTOMER THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER, THE FIRM INITIATED AN INTERNAL REVIEW. REPRESENTATIVE RESIGNED BEFORE THE REVIEW WAS COMPLETED, CONCLUDING THE INTERNAL REVIEW.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Broker Statement DESPITE NEVER HAVING NEVER COMPLAINED OF TRANSACTIONS DURING A 6 YEAR PERIOD IN WHICH NUMEROUS PERSONAL MEETINGS UNQUESTIONABLY OCCURRED, AND HAVING RECEIVED CONFIRMATIONS AND STATEMENTS (VERIFIED BY MANAGERS/PRINCIPALS) REFLECTING ALL TRANSACTIONS, (CUSTOMER)ONLY DECIDED TO COMPLAIN AFTER MARKET LOSSES WERE REFLECTED IN HER ACCOUNT. THE ALLEGATIONS WERE INVESTIGATED BY THE FIRM, AND THE FIRM SETTLED THE CLAIM TO AVOID LEGAL FEE EXPENSE. I DID NOT CONTRIBUTE TO THE



SETTLEMENT, AS I DENIED ALL ALLEGATIONS OF WRONGDOING AS FRIVOLOUS.

End of Report



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