

BrokerCheck Report

TOD BRETTON

CRD# 2258323

<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



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.



TOD BRETTON

CRD# 2258323

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

Registration History

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

- B

PRESTIGE FINANCIAL CENTER, INC.

CRD# 30407

GARDEN CITY, NY

02/2001 - 11/2009
- B

BASIC INVESTORS INC.

CRD# 1187

MELVILLE, NY

07/2000 - 02/2001
- B

INSTITUTIONAL EQUITY CORPORATION

CRD# 19628

DALLAS, TX

11/1998 - 07/2000

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	3
Customer Dispute	1

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

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	07/12/1995

General Industry/Product Exams

Exam	Category	Date
B Limited Representative-Equity Trader Exam	Series 55	01/07/2002
B General Securities Representative Examination	Series 7	12/03/1992

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	12/09/1992

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/.

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 02/2001 - 11/2009	PRESTIGE FINANCIAL CENTER, INC.	30407	GARDEN CITY, NY
B 07/2000 - 02/2001	BASIC INVESTORS INC.	1187	MELVILLE, NY
B 11/1998 - 07/2000	INSTITUTIONAL EQUITY CORPORATION	19628	DALLAS, TX
B 05/1997 - 09/1998	SHARPE CAPITAL, INC.	18452	NEW YORK, NY
B 09/1996 - 04/1997	MURPHEY, MARSEILLES, SMITH & NAMMACK, INC.	18032	NEW YORK, NY
B 08/1996 - 09/1996	MEYERS POLLOCK ROBBINS, INC.	13436	NEW YORK, NY
B 03/1996 - 09/1996	MONITOR INVESTMENT GROUP, INC.	31007	
B 03/1995 - 03/1996	PARAGON CAPITAL CORPORATION	18555	EAST HANOVER, NJ
B 05/1993 - 03/1995	ROBERT M. COHEN & CO., INC.	21806	GREAT NECK, NY
B 12/1992 - 05/1993	GOLDIS FINANCIAL GROUP, INC.	16444	GARDEN CITY, 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
07/2000 - Present	BASIC INVESTORS INC.	REGISTERED REPRESENTATIVE/MANAGER	Y	MELVILLE, NY, 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	3	0
Customer Dispute	1	N/A



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 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	NEW JERSEY BUREAU OF SECURITIES
Sanction(s) Sought:	Revocation
Date Initiated:	10/01/2010
Docket/Case Number:	N/A
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	PRESTIGE FINANCIAL CENTER (CRD# 30407)
Product Type:	Equity-OTC
Allegations:	BRETTON ENGAGED IN A FRAUDULENT TRADING SCHEME THAT TOOK ADVANTAGE OF CUSTOMERS PLACING LARGE ORDERS TO BUY OR SELL EQUITIES. RATHER THAN EFFECTING THE TRADES IN THE CUSTOMERS' ACCOUNTS, HE PLACED THE ORDER IN A FIRM PROPRIETARY ACCOUNT. BRETTON WOULD THEN INCREASE OR DECREASE THE PRICE PER SHARE FOR THE SECURITIES PURCHASED OR SOLD, RESPECTIVELY, BEFORE ULTIMATELY ALLOCATING THE SHARES OR PROCEEDS TO THE CUSTOMERS' ACCOUNTS. THIS IMPROPER PRICE CHANGE WAS NOT DISCLOSED TO OR AUTHORIZED BY THE CUSTOMERS. IN FURTHERANCE OF THE FRAUDULENT TRADING SCHEME, BRETTON ENTERED FALSE INFORMATION ON THE CORRESPONDING ORDER TICKETS REGARDING THE SHARE PRICE AND THE TIME THE CUSTOMER ORDER TICKET WAS RECEIVED, ENTERED AND EXECUTED. MOREOVER, THE CORRESPONDING TRADE CONFIRMATIONS INACCURATELY REFLECTED THE PRICE, MARK-UP AND/OR COMMISSION CHARGED AND THE ORDER CAPACITY.
Current Status:	Final
Resolution:	Order



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: 04/19/2011

Sanctions Ordered: Revocation

Regulator Statement BRETTON IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A NATIONAL SECURITIES ASSOCIATION. N.J.S.A. 49:3-58(A)(1); N.J.S.A. 49:3-58(A)(2)VI). BRETTON ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS N.J.S.A. 49:3-58(A)(1); N.J.S.A.49:3-58(A)(2)(VII).

Disclosure 2 of 3

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Suspension

Date Initiated: 01/06/2011

Docket/Case Number: [08-04753](#)

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

Product Type: No Product

Allegations: BRETTON FAILED TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO FINRA REQUESTS TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE.

Current Status: Final

Resolution: LETTER



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: 01/06/2011

Sanctions Ordered: 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:	N/A
Start Date:	01/06/2011
End Date:	02/07/2011

**Regulator Statement**

PURSUANT TO ARTICLE VI, SECTION 3 OF FINRA BY-LAWS, AND FINRA RULE 9554, BRETTON'S FINRA REGISTRATION IS SUSPENDED JANUARY 6, 2011 FOR FAILURE TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO FINRA REQUESTS TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE. SUSPENSION LIFTED FEBRUARY 7, 2011.

Disclosure 3 of 3

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 04/29/2010

Docket/Case Number: [2009016405901](#)

Employing firm when activity occurred which led to the regulatory action: PRESTIGE FINANCIAL CENTER, INC.

Product Type: Equity Listed (Common & Preferred Stock)

Allegations: SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 10B-5 AND 10B-10 THEREUNDER, FINRA RULES 2010, 2020, 8210, NASD RULES 2110, 2120, 2320, 3110, INTERPRETATIVE MATERIAL 2310-2: TOD BRETTON, THE THEN CHIEF COMPLIANCE OFFICER AND HEAD TRADER FOR HIS FIRM, ENGAGED IN A FRAUDULENT TRADING SCHEME THAT TOOK ADVANTAGE OF CUSTOMERS PLACING LARGE ORDERS (GENERALLY 1,000 SHARES OR MORE) TO BUY OR SELL EQUITIES. RATHER THAN EFFECTING THE TRADES IN THE CUSTOMERS' ACCOUNTS, HE PLACED THE ORDER IN A FIRM PROPRIETARY ACCOUNT. BRETTON WOULD THEN INCREASE OR DECREASE THE PRICE PER SHARE FOR THE SECURITIES PURCHASED OR SOLD, RESPECTIVELY, BEFORE ULTIMATELY ALLOCATING THE SHARES OR PROCEEDS TO THE CUSTOMERS' ACCOUNTS. THIS IMPROPER PRICE CHANGE WAS NOT DISCLOSED TO OR AUTHORIZED BY THE CUSTOMERS. IN FURTHERANCE OF THE FRAUDULENT TRADING SCHEME, BRETTON ENTERED FALSE INFORMATION ON THE CORRESPONDING ORDER TICKETS REGARDING THE SHARE PRICE AND THE TIME THE CUSTOMER ORDER TICKET WAS RECEIVED, ENTERED AND EXECUTED. MOREOVER, THE CORRESPONDING TRADE CONFIRMATIONS INACCURATELY REFLECTED THE PRICE, MARK-UP AND/OR COMMISSION CHARGED AND THE ORDER CAPACITY. FINRA STAFF SENT BRETTON A LETTER REQUIRING HIM TO APPEAR AND TESTIFY AT AN ON-THE-RECORD (OTR) INTERVIEW IN



CONNECTION WITH AN INVESTIGATION INTO, AMONG OTHER THINGS, THE FRAUDULENT TRADING SCHEME. BRETTON, HOWEVER, FAILED TO APPEAR FOR THE OTR INTERVIEW.

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?	Yes
Resolution Date:	04/29/2010
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?	Yes
(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?	Yes



(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

No

(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?

No

Sanction 1 of 1

Sanction Type: Bar (Permanent)

Capacities Affected: All Capacities

Duration: Indefinite

Start Date: 04/29/2010

End Date:



Regulator Statement

WITHOUT ADMITTING OR DENYING THE FINDINGS, BRETTON CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY. IT WAS FOUND THAT BRETTON WILLFULLY VIOLATED SECTION 10(B) OF THE EXCHANGE ACT AND RULES 10B-5 AND 10B-10 PROMULGATED THEREUNDER.



Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the named broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	PRESTIGE FINANCIAL CENTER, INC.
Allegations:	MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, NEGLIGENCE, NEGLIGENT MISREPRESENTATION, COMMON LAW FRAUD, BREACH OF CONTRACT, BREACH OF DUTY
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$250,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [FINRA - CASE #08-04753](#)

Date Notice/Process Served:	12/15/2008
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	11/05/2010
Disposition Detail:	BRETTON IS LIABLE FOR AND SHALL PAY TO CLAIMANT COMPENSATORY DAMAGES IN THE AMOUNT OF \$175,000 PLUS INTEREST.

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	PRESTIGE FINANCIAL CENTER, INC
Allegations:	[CUSTOMER] HAD DIRECT CONTACT WITH PAIVIS CORPORATION AND ITS ASSOCIATES. [CUSTOMER] ORCHESTRATED ALL PRIVATE PLACEMENT DOCUMENTS WITH THE COMPANY. WHEN THE PAYMENT WAS DUE AND WHEN PAIVIS NEEDED AN EXTENSION OF TIME [CUSTOMER] USED HIGH PRESSURE TACTICS TO ATTEMPT TO GAIN CONTROL AND ATTEMPTED TO CHARGE ENORMOUS AMOUNTS OF INTEREST FOR THE ADDED TIME. WHEN PAIVIS WAS UNABLE TO COMPLETE THE TRANSACTION WITH



[CUSTOMER] AND THE NEW TERMS [CUSTOMER] SUED THE ABOVE MENTIONED COMPANY PAIVIS CORPORATION. AFTER FAILING TO SUE PAIVIS [CUSTOMER] DECIDED TO ALL PARTIES MENTIONED AND/OR PART OF THE OFFERING. [CUSTOMER] ALSO TURNED DOWN 2 SETTLEMENT OFFERS, ONE FOR 325,000 AND ANOTHER NOT DISCLOSED.

Product Type: Direct Investment(s) - DPP & LP Interest(s)

Other Product Type(s): PRIVATE PLACEMENT

Alleged Damages: \$250,000.00

Customer Complaint Information

Date Complaint Received: 02/19/2009

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 02/19/2009

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: FINRA 08-04753

Date Notice/Process Served: 02/19/2009

Arbitration Pending? Yes

Broker Statement [CUSTOMER] HAD FULL KNOWLEDGE AND UNDERSTANDING OF THE RISKS AND COMPENSATION INVOLVED WITH THE ABOVE PRIVATE PLACEMENT. [CUSTOMER] DEALT DIRECTLY WITH THE COMPANY PERSONALLY CHANGING DOCUMENTS. [CUSTOMER] FILED A LAW SUIT AGAINST PAIVIS CORPORATION. WE DID NOTHING BUT FOLLOW THE INSTRUCTIONS AND DEMANDS FROM [CUSTOMER]. [CUSTOMER] WAS OFFERED A SETTLEMENT FOR 325,000 AND REFUSED. PRIOR TO PAIVIS [CUSTOMER] ATTEMPTED TO INITIATE SEVERAL PRIVATE INVESTMENTS. [CUSTOMER] WAS ALSO SEEKING CONTROL OF A PUBLICALLY TRADED COMPANY TO RAISE CAPITAL.

End of Report



This page is intentionally left blank.