

## BrokerCheck Report

**MARC CHRISTOHER BERAN**

CRD# 2506468

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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](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).

**MARC C. BERAN**

CRD# 2506468

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

- B JONESTRADING**  
 155 Federal Street Suite 1002  
 BOSTON, MA 02110  
 CRD# 6888  
 Registered with this firm since: 04/09/2013

**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
- 6 U.S. states and territories

**This broker has passed:**

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

**Registration History**

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

- B STATE STREET GLOBAL MARKETS, LLC**  
 CRD# 30107  
 BOSTON, MA  
 12/2011 - 03/2013
- B PULSE TRADING, INC.**  
 CRD# 104022  
 BOSTON, MA  
 12/2005 - 12/2011
- B PIPER JAFFRAY & CO.**  
 CRD# 665  
 MINNEAPOLIS, MN  
 04/2005 - 11/2005

**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	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 6 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **JONESTRADING**

Main Office Address: **555 SAINT CHARLES DRIVE  
SUITE #200  
THOUSAND OAKS, CA 91360**

Firm CRD#: **6888**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	04/10/2013
B	FINRA	Securities Trader	Approved	01/04/2016
B	Nasdaq Stock Market	General Securities Representative	Approved	04/09/2013
B	Nasdaq Stock Market	Securities Trader	Approved	01/04/2016

	U.S. State/ Territory	Category	Status	Date
B	California	Agent	Approved	12/12/2013
B	Illinois	Agent	Approved	08/02/2016
B	Massachusetts	Agent	Approved	04/10/2013
B	New York	Agent	Approved	08/01/2016
B	Pennsylvania	Agent	Approved	10/23/2015
B	Vermont	Agent	Approved	03/15/2018

### Branch Office Locations

**JONESTRADING**

## Broker Qualifications



### Employment 1 of 1, continued

155 Federal Street Suite 1002  
BOSTON, MA 02110

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## 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, 4 general industry/product exams, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Trader Exam	Series 57TO	01/02/2023
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> Limited Representative-Equity Trader Exam	Series 55	12/27/2005
<b>B</b> General Securities Representative Examination	Series 7	10/28/1994

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	07/29/1994

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 firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 12/2011 - 03/2013	STATE STREET GLOBAL MARKETS, LLC	30107	BOSTON, MA
<b>B</b> 12/2005 - 12/2011	PULSE TRADING, INC.	104022	BOSTON, MA
<b>B</b> 04/2005 - 11/2005	PIPER JAFFRAY & CO.	665	MINNEAPOLIS, MN
<b>B</b> 07/2003 - 12/2004	FIDELITY DISTRIBUTORS CORPORATION	6848	SMITHFIELD, RI
<b>B</b> 05/1998 - 07/2003	FIDELITY BROKERAGE SERVICES LLC	7784	SMITHFIELD, RI
<b>B</b> 10/1994 - 05/1998	NATIONAL FINANCIAL SERVICES CORPORATION	13041	BOSTON, MA

### 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
04/2013 - Present	JONESTRADING	VP/TRADER	Y	BOSTON, MA, United States
12/2011 - Present	STATE STREET GLOBAL MAKETS, LLC	TRADER	Y	BOSTON, MA, 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.

No information reported.



## 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	3	0
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 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Sanction(s) Sought:</b>	Cease and Desist
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	03/05/2008
<b>Docket/Case Number:</b>	3-12979
<b>Employing firm when activity occurred which led to the regulatory action:</b>	FIDELITY MANAGEMENT & RESEARCH COMPANY
<b>Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	SEC ADMINISTRATIVE PROCEEDING INVESTMENT ADVISERS RELEASE 40-2716, INVESTMENT COMPANY RELEASE 40-28188, MARCH 5, 2008: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") FILED ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940 ("INVESTMENT COMPANY ACT") AGAINST MARC C. BERAN. IT ALLEGES THAT BERAN WILLFULLY VIOLATED SECTION 17(E)(1) OF THE



INVESTMENT COMPANY ACT, IN THAT HE OBTAINED OVER \$11,000 IN GIFTS AND TRAVEL FROM REPRESENTATIVES OF FIVE OF THE BROKERAGE FIRMS WITH WHOM HE, THROUGH THE FIRM, CONDUCTED BUSINESS. THESE INCLUDED TICKETS TO OUT-OF-TOWN THEATER AND LOCAL PROFESSIONAL SPORTING EVENTS THAT THE REPRESENTATIVES OF THE BROKERAGE FIRMS DID NOT ATTEND. BERAN ALSO ACCEPTED TWO TRIPS TO BERMUDA IN WHICH A REPRESENTATIVE OF A BROKERAGE FIRM, WHO ACCOMPANIED BERAN, PAID FOR BERAN AND HIS FAMILY'S LUXURY HOTEL ACCOMMODATIONS, ASSOCIATED EXPENSES, AND FOR ONE TRIP, THEIR COMMERCIAL AIRFARE. BERAN ALSO ENGAGED IN EMAIL COMMUNICATIONS CONCERNING CERTAIN GIFTS. BERAN'S RECEIPT OF GIFTS AND TRAVEL FROM BROKERS CONSTITUTED COMPENSATION IN VIOLATION OF SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Order
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	03/05/2008
<b>Sanctions Ordered:</b>	Cease and Desist/Injunction Censure Disgorgement/Restitution Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS: IN CONNECTION WITH THIS PROCEEDING AND ANY RELATED JUDICIAL OR ADMINISTRATIVE PROCEEDING OR INVESTIGATION COMMENCED BY THE COMMISSION OR TO WHICH THE COMMISSION IS A PARTY, RESPONDENT BERAN (I) AGREES TO APPEAR AND BE INTERVIEWED BY COMMISSION STAFF AT SUCH TIMES AND PLACES AS THE STAFF REQUESTS UPON REASONABLE NOTICE; (II) WILL ACCEPT SERVICE BY MAIL OR FACSIMILE TRANSMISSION OF NOTICES OR SUBPOENAS ISSUED BY OR ON BEHALF OF THE COMMISSION FOR DOCUMENTS OR TESTIMONY AT DEPOSITIONS, HEARINGS, OR TRIALS, OR IN CONNECTION WITH ANY RELATED INVESTIGATION BY COMMISSION STAFF; (III) APPOINTS RESPONDENT BERAN'S ATTORNEY IN THIS PROCEEDING AS AGENT TO RECEIVE SERVICE OF SUCH NOTICES AND SUBPOENAS; (IV) WITH RESPECT TO SUCH NOTICES AND SUBPOENAS, WAIVES THE TERRITORIAL LIMITS ON SERVICE CONTAINED IN RULE 45 OF THE FEDERAL RULES OF CIVIL PROCEDURE AND ANY APPLICABLE LOCAL



RULES, PROVIDED THAT THE PARTY REQUESTING THE TESTIMONY REIMBURSES RESPONDENT BERAN'S TRAVEL, LODGING, AND SUBSISTENCE EXPENSES AT THE THEN-PREVAILING U.S. GOVERNMENT PER DIEM RATES; AND (V) CONSENTS TO PERSONAL JURISDICTION OVER RESPONDENT BERAN IN ANY UNITED STATES DISTRICT COURT FOR PURPOSES OF ENFORCING ANY SUCH SUBPOENA.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING FINDINGS BERAN CONSENTED TO THE ENTRY OF THIS ORDER. ACCORDINGLY, PURSUANT TO SECTION 203(F) OF THE ADVISERS ACT AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT, IT IS ORDERED THAT: RESPONDENT BERAN IS, CENSURED; SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT; SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF \$11,508.44 AND PREJUDGMENT INTEREST OF \$1,584.48 TO THE SECURITIES AND EXCHANGE COMMISSION; AND WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$10,000 TO THE UNITED STATES TREASURY.

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Date Initiated:</b>	03/05/2008
<b>Docket/Case Number:</b>	3-12979
<b>Employing firm when activity occurred which led to the regulatory action:</b>	FIDELITY MANAGEMENT & RESEARCH COMPANY
<b>Product Type:</b>	No Product
<b>Allegations:</b>	SEC ADMINISTRATIVE PROCEEDING INVESTMENT ADVISERS RELEASE 40-2716, INVESTMENT COMPANY RELEASE 40-28188, MARCH 5, 2008: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") FILED ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940 ("INVESTMENT COMPANY



ACT") AGAINST MARC C. BERAN. IT ALLEGES THAT BERAN WILLFULLY VIOLATED SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT, IN THAT HE OBTAINED OVER \$11,000 IN GIFTS AND TRAVEL FROM REPRESENTATIVES OF FIVE OF THE BROKERAGE FIRMS WITH WHOM HE, THROUGH THE FIRM, CONDUCTED BUSINESS. THESE INCLUDED TICKETS TO OUTOF-TOWN THEATER AND LOCAL PROFESSIONAL SPORTING EVENTS THAT THE REPRESENTATIVES OF THE BROKERAGE FIRMS DID NOT ATTEND. BERAN ALSO ACCEPTED TWO TRIPS TO BERMUDA IN WHICH A REPRESENTATIVE OF A BROKERAGE FIRM, WHO ACCOMPANIED BERAN, PAID FOR BERAN AND HIS FAMILY'S LUXURY HOTEL ACCOMMODATIONS, ASSOCIATED EXPENSES, AND FOR ONE TRIP, THEIR COMMERCIAL AIRFARE. BERAN ALSO ENGAGED IN EMAIL COMMUNICATIONS CONCERNING CERTAIN GIFTS. BERAN'S RECEIPT OF GIFTS AND TRAVEL FROM BROKERS CONSTITUTED COMPENSATION IN VIOLATION OF SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT.

**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?**

No

**Resolution Date:**

03/05/2008

**Sanctions Ordered:**

Cease and Desist

Censure

Disgorgement

Monetary Penalty other than Fines

Other: UNDERTAKINGS: IN CONNECTION WITH THIS PROCEEDING AND ANY RELATED JUDICIAL OR ADMINISTRATIVE PROCEEDING OR INVESTIGATION COMMENCED BY THE COMMISSION OR TO WHICH THE COMMISSION IS A PARTY, RESPONDENT BERAN (I) AGREES TO APPEAR AND BE INTERVIEWED BY COMMISSION STAFF AT SUCH TIMES AND PLACES AS THE STAFF REQUESTS UPON REASONABLE NOTICE; (II) WILL ACCEPT SERVICE BY MAIL OR FACSIMILE TRANSMISSION OF NOTICES OR SUBPOENAS ISSUED BY OR ON BEHALF OF THE COMMISSION FOR DOCUMENTS OR TESTIMONY AT DEPOSITIONS, HEARINGS, OR TRIALS, OR IN CONNECTION WITH ANY RELATED INVESTIGATION BY COMMISSION STAFF; (III) APPOINTS RESPONDENT BERAN'S ATTORNEY IN THIS



PROCEEDING AS AGENT TO RECEIVE SERVICE OF SUCH NOTICES AND SUBPOENAS; (IV) WITH RESPECT TO SUCH NOTICES AND SUBPOENAS, WAIVES THE TERRITORIAL LIMITS ON SERVICE CONTAINED IN RULE 45 OF THE FEDERAL RULES OF CIVIL PROCEDURE AND ANY APPLICABLE LOCAL RULES, PROVIDED THAT THE PARTY REQUESTING THE TESTIMONY REIMBURSES RESPONDENT BERAN'S TRAVEL, LODGING, AND SUBSISTENCE EXPENSES AT THE THEN- PREVAILING U.S. GOVERNMENT PER DIEM RATES; AND (V) CONSENTS TO PERSONAL JURISDICTION OVER RESPONDENT BERAN IN ANY UNITED STATES DISTRICT COURT FOR PURPOSES OF ENFORCING ANY SUCH SUBPOENA. CONTINUED IN COMMENT SECTION?

### Monetary Sanction 1 of 2

**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:** Yes

**Date Paid by individual:** 03/05/2008

**Was any portion of penalty waived?** No

**Amount Waived:**

### Monetary Sanction 2 of 2

**Monetary Related Sanction:** Disgorgement

**Total Amount:** \$13,092.92

**Portion Levied against individual:** \$13,092.92

**Payment Plan:**

**Is Payment Plan Current:** Yes

**Date Paid by individual:** 03/05/2008

**Was any portion of penalty waived?** No

**Amount Waived:**

**Broker Statement**

SANCTION DETAIL: IF SUSPENDED, ENJOINED OR BARRED, PROVIDE DURATION INCLUDING START DATE AND CAPACITIES AFFECTED (GENERAL SECURITIES PRINCIPAL, FINANCIAL OPERATIONS PRINCIPAL, ETC.). IF REQUALIFICATION BY EXAM/RETRAINING WAS A CONDITION OF THE SANCTION, PROVIDE LENGTH OF TIME GIVEN TO REQUALIFY/RETRAIN, TYPE OF EXAM REQUIRED AND WHETHER CONDITION HAS BEEN SATISFIED. IF DISPOSITION RESULTED IN A FINE, PENALTY, RESTITUTION, DISGORGEMENT OR MONETARY COMPENSATION, PROVIDE TOTAL AMOUNT, PORTION LEVIED AGAINST THE SUBJECT, DATE PAID AND IF ANY PORTION OF PENALTY WAS WAIVED:

WITHOUT ADMITTING OR DENYING FINDINGS BERAN CONSENTED TO THE ENTRY OF THIS ORDER. ACCORDINGLY, PURSUANT TO SECTION 203(F) OF THE ADVISERS ACT AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT, IT IS ORDERED THAT: RESPONDENT BERAN IS, CENSURED; SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT;

SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF \$11,508.44 AND PREJUDGMENT INTEREST OF \$1,584.48 TO THE SECURITIES AND EXCHANGE COMMISSION; AND WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$10,000 TO THE UNITED STATES TREASURY.

**Disclosure 2 of 3**

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	MASSACHUSETTS
<b>Sanction(s) Sought:</b>	Undertaking
<b>Other Sanction(s) Sought:</b>	CONDITIONAL REGISTRATION
<b>Date Initiated:</b>	12/22/2005
<b>Docket/Case Number:</b>	R-2005-221
<b>Employing firm when activity occurred which led to the regulatory action:</b>	FMR CO., INC.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	SECURITIES
<b>Allegations:</b>	BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE



BY FMR CO., INC. ("FMR") WITH FDC'S GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON OR ABOUT JANUARY 13, 2005. ON OR ABOUT APRIL 5, 2005, PIPER JAFFRAY & CO. ("PJC") SUBMITTED TO THE CENTRAL REGISTRATION DEPOSITORY (THE "CRD") OF THE NASD AN APPLICATION FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PJC IN MASSACHUSETTS. THESE CIRCUMSTANCES MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PJC IN A CONSENT ORDER ENTERED ON JUNE 30, 2005 (DOCKET NO. R-2005-167). ON OR ABOUT SEPTEMBER 22, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OFFERED BERAN THE OPPORTUNITY TO MAKE A WELLS SUBMISSION WITH RESPECT TO ISSUES REGARDING GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT. BERAN'S REGISTRATION AS AN AGENT OF PJC IN MASSACHUSETTS WAS TERMINATED ON NOVEMBER 7, 2005. ON OR ABOUT DECEMBER 5, 2005, PULSE SUBMITTED TO THE CRD OF THE NASD AN APPLICATION (THE "APPLICATION") FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PULSE IN MASSACHUSETTS. THE DIVISION HAS MOVED TO PLACE SIMILAR CONDITIONS FOUND IN THE CONSENT ORDER (DOCKET NO. R-2005-167) ON BERAN'S REGISTRATION AS AN AGENT OF HIS NEW BROKER-DEALER, PULSE.

**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?**

No

**Resolution Date:**

12/22/2005

**Sanctions Ordered:****Other Sanctions Ordered:**

THE DIVISION APPROVED BERAN'S APPLICATION FOR REGISTRATION IN MASSACHUSETTS AS AN AGENT OF PULSE UPON THE CONDITIONS SET FORTH BELOW, WHICH ARE EFFECTIVE FOR TWO (2) YEARS: (A) BERAN SHALL BE SUPERVISED, ON A HEIGHTENED BASIS; (B) PULSE SHALL NOT PERMIT BERAN TO HAVE ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PULSE; (C) ON A QUARTERLY BASIS, PULSE SHALL ENSURE THAT MR. HACKER, OR HIS DESIGNEE, OR HIS SUCCESSOR,





SHALL SPECIFICALLY VERIFY THAT ALL EXPENSE REPORTS SUBMITTED BY MR. BERAN HAVE BEEN REVIEWED TO VERIFY THAT: (1) ALL GIFT EXPENSES ARE PROPERLY RECORDED ON THE GIFT LOG AND WERE APPROVED IN ACCORDANCE WITH PULSE POLICIES; 2) ALL ENTERTAINMENT EXPENSES WERE APPROVED IN ACCORDANCE WITH PULSE POLICIES; AND 3) ALL NON-GIFT EXPENSES ARE LEGITIMATE BUSINESS EXPENSES. (D) SHOULD BERAN BECOME THE SUBJECT OF ANY WRITTEN OR ORAL CUSTOMER COMPLAINT CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT OF SECURITIES BUSINESS, PULSE SHALL NOTIFY THE DIRECTOR, IN WRITING, WITHIN TEN (10) BUSINESS DAYS OF PULSE'S RECEIPT OF SUCH COMPLAINT; (E) SHOULD BERAN BECOME THE SUBJECT OF ANY REGULATORY INVESTIGATION, INTERNAL INVESTIGATION, ARBITRATION PROCEEDING, OR SECURITIES-RELATED LITIGATION CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT OF SECURITIES BUSINESS, PULSE SHALL NOTIFY THE DIRECTOR, IN WRITING, WITHIN TEN (10) BUSINESS DAYS OF THE INVESTIGATION, PROCEEDING, OR LITIGATION;

#### **Sanction Details:**

(F) ON A QUARTERLY BASIS, MR. BERAN SHALL PROVIDE A SIGNED AFFIDAVIT TO MR. HACKER, OR HIS SUCCESSOR, STATING THAT HE HAS COMPLIED WITH APPLICABLE SEC RULES AND REGULATIONS, NASD RULES AND REGULATIONS, AND PULSE'S POLICIES, PROCEDURES AND AGREEMENTS, WITH RESPECT TO THE MAKING AND ACCEPTANCE OF GIFTS, GRATUITIES AND ENTERTAINMENT EXPENSES; (G) BERAN SHALL NOT PERFORM ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PULSE; (H) BERAN SHALL NOTIFY MR. HACKER OF THE RECEIPT OF ANY CUSTOMER COMPLAINT, ORAL OR WRITTEN, CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT AS A REGISTERED REPRESENTATIVE; (I) BERAN SHALL NOTIFY MR. HACKER, OR HIS SUCCESSOR, OF THE INITIATION OF ANY ARBITRATION PROCEEDING, REGULATORY INVESTIGATION, OR SECURITIES-RELATED LITIGATION CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT OF SECURITIES BUSINESS NO LATER THAN THE END OF THE FIFTH BUSINESS DAY AFTER WHICH HE IS MADE AWARE OF THE PROCEEDING, INVESTIGATION OR LITIGATION; (J) BERAN SHALL NOTIFY MR. HACKER OF ANY INACCURACY IN ANY REPRESENTATION MADE TO THE DIVISION HEREIN OR THE BREACH OF ANY PROVISION OF HIS UNDERTAKINGS AND REPRESENTATIONS; (K) TWENTY-FOUR (24) MONTHS AFTER THE ENTRY OF THE ORDER, BERAN SHALL



SUBMIT TO PULSE AND THE DIRECTOR AN AFFIDAVIT STATING THAT HE HAS FULLY COMPLIED WITH ALL CONDITIONS OF PART 13 OF THE ORDER. IN THE EVENT THAT BERAN CANNOT SUBMIT THE REQUIRED AFFIDAVIT, HE SHALL INSTEAD SUBMIT A STATEMENT EXPLAINING WHY THE AFFIDAVIT CANNOT BE SUBMITTED.

### Regulator Statement

BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE BY FMR CO., INC. ("FMR") WITH FDC'S GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON OR ABOUT JANUARY 13, 2005. ON OR ABOUT APRIL 5, 2005, PIPER JAFFRAY & CO. ("PJC") SUBMITTED TO THE CENTRAL REGISTRATION DEPOSITORY (THE "CRD") OF THE NASD AN APPLICATION FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PJC IN MASSACHUSETTS. THESE CIRCUMSTANCES MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PJC IN A CONSENT ORDER ENTERED ON JUNE 30, 2005 (DOCKET NO. R-2005-167). ON OR ABOUT SEPTEMBER 22, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OFFERED BERAN THE OPPORTUNITY TO MAKE A WELLS SUBMISSION WITH RESPECT TO ISSUES REGARDING GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT. BERAN'S REGISTRATION AS AN AGENT OF PJC IN MASSACHUSETTS WAS TERMINATED ON NOVEMBER 7, 2005. ON OR ABOUT DECEMBER 5, 2005, PULSE SUBMITTED TO THE CRD OF THE NASD AN APPLICATION (THE "APPLICATION") FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PULSE IN MASSACHUSETTS. THE DIVISION HAS MOVED TO PLACE SIMILAR CONDITIONS FOUND IN THE CONSENT ORDER (DOCKET NO. R-2005-167) ON BERAN'S REGISTRATION AS AN AGENT OF HIS NEW BROKER-DEALER, PULSE.

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	MASSACHUSETTS SECURITIES DIVISION
<b>Sanction(s) Sought:</b>	Undertaking
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	03/07/2006
<b>Docket/Case Number:</b>	R-2005-221



<b>Employing firm when activity occurred which led to the regulatory action:</b>	PULSE TRADING, INC>
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITIES
<b>Allegations:</b>	<p>BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE BY FMR CO., INC. ("FMR") WITH FDC'S GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON OR ABOUT JANUARY 13, 2005. ON OR ABOUT APRIL 5, 2005, PIPER JAFFRAY &amp; CO. ("PJC") SUBMITTED TO THE CENTRAL REGISTRATION DEPOSITORY (THE "CRD") OF THE NASD AN APPLICATION FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PJC IN MASSACHUSETTS. THESE CIRCUMSTANCES MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PJC IN A CONSENT ORDER ENTERED ON JUNE 30, 2005 (DOCKET NO. R-2005-167). ON OR ABOUT SEPTEMBER 22, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OFFERED BERAN THE OPPORTUNITY TO MAKE A WELLS SUBMISSION WITH RESPECT TO ISSUES REGARDING GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT. BERAN'S REGISTRATION AS AN AGENT OF PJC IN MASSACHUSETTS WAS TERMINATED ON NOVEMBER 7, 2005. ON OR ABOUT DECEMBER 5, 2005, PULSE SUBMITTED TO THE CRD OF THE NASD AN APPLICATION (THE "APPLICATION") FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PULSE IN MASSACHUSETTS. THE DIVISION HAS MOVED TO PLACE SIMILAR CONDITIONS FOUND IN THE CONSENT ORDER (DOCKET NO. R-2005-167) ON BERAN'S REGISTRATION AS AN AGENT OF HIS NEW BROKER-DEALER, PULSE.</p>
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	03/07/2006
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	<p>THE DIVISION APPROVED BERAN'S APPLICATION FOR REGISTRATION IN MASSACHUSETTS AS AN AGENT OF PULSE UPON THE CONDITIONS SET FORTH BELOW, WHICH ARE EFFECTIVE FOR TWO (2) YEARS: (A) BERAN SHALL BE SUPERVISED, ON A HEIGHTENED BASIS; (B) PULSE SHALL NOT PERMIT BERAN TO HAVE ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PULSE; (C) ON A QUARTERLY BASIS, PULSE SHALL ENSURE THAT MR. HACKER, OR HIS DESIGNEE, OR HIS</p>



SUCCESSOR, SHALL SPECIFICALLY VERIFY THAT ALL EXPENSE REPORTS SUBMITTED BY MR. BERAN HAVE BEEN REVIEWED TO VERIFY THAT: (1) ALL GIFT EXPENSES ARE PROPERLY RECORDED ON THE GIFT LOG AND WERE APPROVED IN ACCORDANCE WITH PULSE POLICIES; 2) ALL ENTERTAINMENT EXPENSES WERE APPROVED IN ACCORDANCE WITH PULSE POLICIES; AND 3) ALL NON-GIFT EXPENSES ARE LEGITIMATE BUSINESS EXPENSES. (D) SHOULD BERAN BECOME THE SUBJECT OF ANY WRITTEN OR ORAL CUSTOMER COMPLAINT CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT OF SECURITIES BUSINESS, PULSE SHALL NOTIFY THE DIRECTOR, IN WRITING, WITHIN TEN (10) BUSINESS DAYS OF PULSE'S RECEIPT OF SUCH COMPLAINT; (E) SHOULD BERAN BECOME THE SUBJECT OF ANY REGULATORY INVESTIGATION, INTERNAL INVESTIGATION, ARBITRATION PROCEEDING, OR SECURITIES-RELATED LITIGATION CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT OF SECURITIES BUSINESS, PULSE SHALL NOTIFY THE DIRECTOR, IN WRITING, WITHIN TEN (10) BUSINESS DAYS OF THE INVESTIGATION, PROCEEDING, OR LITIGATION;

#### **Sanction Details:**

(F) ON A QUARTERLY BASIS, MR. BERAN SHALL PROVIDE A SIGNED AFFIDAVIT TO MR. HACKER, OR HIS SUCCESSOR, STATING THAT HE HAS COMPLIED WITH APPLICABLE SEC RULES AND REGULATIONS, NASD RULES AND REGULATIONS, AND PULSE'S POLICIES, PROCEDURES AND AGREEMENTS, WITH RESPECT TO THE MAKING AND ACCEPTANCE OF GIFTS, GRATUITIES AND ENTERTAINMENT EXPENSES; (G) BERAN SHALL NOT PERFORM ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PULSE; (H) BERAN SHALL NOTIFY MR. HACKER OF THE RECEIPT OF ANY CUSTOMER COMPLAINT, ORAL OR WRITTEN, CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT AS A REGISTERED REPRESENTATIVE; (I) BERAN SHALL NOTIFY MR. HACKER, OR HIS SUCCESSOR, OF THE INITIATION OF ANY ARBITRATION PROCEEDING, REGULATORY INVESTIGATION, OR SECURITIES- RELATED LITIGATION CONCERNING ALLEGATIONS ARISING FROM HIS CONDUCT OF SECURITIES BUSINESS NO LATER THAN THE END OF THE FIFTH BUSINESS DAY AFTER WHICH HE IS MADE AWARE OF THE PROCEEDING, INVESTIGATION OR LITIGATION; (J) BERAN SHALL NOTIFY MR. HACKER OF ANY INACCURACY IN ANY REPRESENTATION MADE TO THE DIVISION HEREIN OR THE BREACH OF ANY PROVISION OF HIS UNDERTAKINGS AND REPRESENTATIONS; (K) TWENTY- FOUR (24) MONTHS AFTER THE ENTRY OF THE ORDER, BERAN SHALL SUBMIT TO PULSE AND THE DIRECTOR AN AFFIDAVIT STATING THAT HE HAS FULLY COMPLIED WITH ALL CONDITIONS OF PART 13 OF THE ORDER. IN THE EVENT THAT BERAN CANNOT SUBMIT THE REQUIRED AFFIDAVIT, HE SHALL INSTEAD SUBMIT A STATEMENT EXPLAINING WHY THE AFFIDAVIT CANNOT BE SUBMITTED.

#### **Broker Statement**

BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE BY FMR CO., INC. ("FMR") WITH FDC'S GIFTS, GRATUITIES AND BUSINESS



ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON OR ABOUT JANUARY 13, 2005. ON OR ABOUT APRIL 5, 2005, PIPER JAFFRAY & CO. ("PJC") SUBMITTED TO THE CENTRAL REGISTRATION DEPOSITORY (THE "CRD") OF THE NASD AN APPLICATION FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PJC IN MASSACHUSETTS. THESE CIRCUMSTANCES MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PJC IN A CONSENT ORDER ENTERED ON JUNE 30, 2005 (DOCKET NO. R-2005-167). ON OR ABOUT SEPTEMBER 22, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OFFERED BERAN THE OPPORTUNITY TO MAKE A WELLS SUBMISSION WITH RESPECT TO ISSUES REGARDING GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT. BERAN'S REGISTRATION AS AN AGENT OF PJC IN MASSACHUSETTS WAS TERMINATED ON NOVEMBER 7, 2005. ON OR ABOUT DECEMBER 5, 2005, PULSE SUBMITTED TO THE CRD OF THE NASD AN APPLICATION (THE "APPLICATION") FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PULSE IN MASSACHUSETTS. THE DIVISION HAS MOVED TO PLACE SIMILAR CONDITIONS FOUND IN THE CONSENT ORDER (DOCKET NO. R-2005-167) ON BERAN'S REGISTRATION AS AN AGENT OF HIS NEW BROKER-DEALER, PULSE.

### Disclosure 3 of 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	MASSACHUSETTS
<b>Sanction(s) Sought:</b>	Undertaking
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	06/30/2005
<b>Docket/Case Number:</b>	R-2005-167
<b>Employing firm when activity occurred which led to the regulatory action:</b>	FMR CO.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITIES
<b>Allegations:</b>	ON OR ABOUT APRIL 5, 2005, PJC SUBMITTED TO THE CENTRAL REGISTRATION DEPOSITORY (THE "CRD") OF THE NASD AN APPLICATION (THE "APPLICATION") FOR SECURITIES INDUSTRY REGISTRATION SEEKING



REGISTRATION OF BERAN AS AN AGENT OF PJC IN MASSACHUSETTS. BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE BY FMR CO., INC. ("FMR") WITH FDC'S GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON OR ABOUT JANUARY 13, 2005. THESE CIRCUMSTANCES AGAINST BERAN HAVE MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PJC.

**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?**

No

**Resolution Date:**

06/30/2005

**Sanctions Ordered:****Other Sanctions Ordered:**

THE DIVISION APPROVED BERAN'S APPLICATION FOR REGISTRATION IN MASSACHUSETTS AS AN AGENT OF PJC UPON THE CONDITIONS SET FORTH BELOW, WHICH ARE IN EFFECT FOR TWO (2) YEARS; A) BERAN SHALL BE SUPERVISED, ON A HEIGHTENED BASIS; B) PJC SHALL NOT PERMIT BERAN TO HAVE ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PJC; C) ON A QUARTERLY BASIS, PJC SHALL ENSURE THAT MR. REILLY, OR HIS DESIGNEE, OR HIS SUCCESSOR, SHALL SPECIFICALLY VERIFY THAT ALL EXPENSE REPORTS SUBMITTED BY MR. BERAN HAVE BEEN REVIEWED TO VERIFY THAT: 1) ALL GIFT EXPENSES ARE PROPERLY RECORDED ON THE GIFT LOG AND WERE APPROVED IN ACCORDANCE WITH PJC POLICIES; 2) ALL ENTERTAINMENT EXPENSES WERE APPROVED IN ACCORDANCE WITH PJC POLICIES; AND 3) ALL NON-GIFT EXPENSES ARE LEGITIMATE BUSINESS EXPENSES; D) ON A QUARTERLY BASIS, MR. BERAN SHALL PROVIDE A SIGNED AFFIDAVIT TO MR. REILLY, OR HIS SUCCESSOR, STATING THAT HE HAS COMPLIED WITH APPLICABLE SEC RULES AND REGULATIONS, NASD RULES AND REGULATIONS, AND PJC'S POLICIES, PROCEDURES AND AGREEMENTS, INCLUDING, BUT NOT LIMITED TO THOSE IN THE SUPERVISORY MEMORANDUM, WITH RESPECT TO THE MAKING AND ACCEPTANCE OF GIFTS, GRATUITIES AND ENTERTAINMENT EXPENSES; E) BERAN SHALL NOTIFY MR. REILLY OF ANY INACCURACY IN ANY REPRESENTATION MADE TO THE DIVISION HEREIN OR THE BREACH OF ANY PROVISION OF HIS UNDERTAKINGS AND REPRESENTATIONS; F) TWENTY-FOUR (24) MONTHS AFTER THE ENTRY OF THE ORDER, BERAN SHALL SUBMIT TO PJC AND



THE DIRECTOR AN AFFIDAVIT STATING THAT HE HAS FULLY COMPLIED WITH ALL CONDITIONS OF PART 9 OF THE ORDER. IN THE EVENT THAT BERAN CANNOT SUBMIT THE REQUIRED AFFIDAVIT, HE SHALL INSTEAD SUBMIT A STATEMENT EXPLAINING WHY THE AFFIDAVIT CANNOT BE SUBMITTED.

#### **Sanction Details:**

THE DIVISION APPROVED BERAN'S APPLICATION FOR REGISTRATION IN MASSACHUSETTS AS AN AGENT OF PJC UPON THE CONDITIONS SET FORTH BELOW, WHICH ARE IN EFFECT FOR TWO (2) YEARS; A) BERAN SHALL BE SUPERVISED, ON A HEIGHTENED BASIS; B) PJC SHALL NOT PERMIT BERAN TO HAVE ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PJC; C) ON A QUARTERLY BASIS, PJC SHALL ENSURE THAT MR. REILLY, OR HIS DESIGNEE, OR HIS SUCCESSOR, SHALL SPECIFICALLY VERIFY THAT ALL EXPENSE REPORTS SUBMITTED BY MR. BERAN HAVE BEEN REVIEWED TO VERIFY THAT: 1) ALL GIFT EXPENSES ARE PROPERLY RECORDED ON THE GIFT LOG AND WERE APPROVED IN ACCORDANCE WITH PJC POLICIES; 2) ALL ENTERTAINMENT EXPENSES WERE APPROVED IN ACCORDANCE WITH PJC POLICIES; AND 3) ALL NON-GIFT EXPENSES ARE LEGITIMATE BUSINESS EXPENSES; D) ON A QUARTERLY BASIS, MR. BERAN SHALL PROVIDE A SIGNED AFFIDAVIT TO MR. REILLY, OR HIS SUCCESSOR, STATING THAT HE HAS COMPLIED WITH APPLICABLE SEC RULES AND REGULATIONS, NASD RULES AND REGULATIONS, AND PJC'S POLICIES, PROCEDURES AND AGREEMENTS, INCLUDING, BUT NOT LIMITED TO THOSE IN THE SUPERVISORY MEMORANDUM, WITH RESPECT TO THE MAKING AND ACCEPTANCE OF GIFTS, GRATUITIES AND ENTERTAINMENT EXPENSES; E) BERAN SHALL NOTIFY MR. REILLY OF ANY INACCURACY IN ANY REPRESENTATION MADE TO THE DIVISION HEREIN OR THE BREACH OF ANY PROVISION OF HIS UNDERTAKINGS AND REPRESENTATIONS; F) TWENTY-FOUR (24) MONTHS AFTER THE ENTRY OF THE ORDER, BERAN SHALL SUBMIT TO PJC AND THE DIRECTOR AN AFFIDAVIT STATING THAT HE HAS FULLY COMPLIED WITH ALL CONDITIONS OF PART 9 OF THE ORDER. IN THE EVENT THAT BERAN CANNOT SUBMIT THE REQUIRED AFFIDAVIT, HE SHALL INSTEAD SUBMIT A STATEMENT EXPLAINING WHY THE AFFIDAVIT CANNOT BE SUBMITTED.

#### **Regulator Statement**

ON OR ABOUT APRIL 5, 2005, PJC SUBMITTED TO THE CENTRAL REGISTRATION DEPOSITORY (THE "CRD") OF THE NASD AN APPLICATION (THE "APPLICATION") FOR SECURITIES INDUSTRY REGISTRATION SEEKING REGISTRATION OF BERAN AS AN AGENT OF PJC IN MASSACHUSETTS. BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE BY FMR CO., INC. ("FMR") WITH FDC'S GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON OR ABOUT JANUARY 13, 2005. THESE CIRCUMSTANCES AGAINST BERAN HAVE MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PJC.





**Reporting Source:** Broker

**Regulatory Action Initiated By:** MASSACHUSETTS SECURITIES DIVISION

**Sanction(s) Sought:** Undertaking

**Other Sanction(s) Sought:**

**Date Initiated:** 06/30/2005

**Docket/Case Number:** R-2005-167

**Employing firm when activity occurred which led to the regulatory action:** FMR CO.

**Product Type:** Other

**Other Product Type(s):** EQUITIES

**Allegations:** ON APRIL 5, 2005, PIPER JAFFRAY SUBMITTED TO THE CRD OF THE NASD AN APPLICATION FOR REGISTRATION OF BERAN AS AN AGENT FOR PIPER IN MASSACHUSETTS. BERAN WAS THE SUBJECT OF AN INTERNAL REVIEW OF HIS COMPLIANCE BY FMR CO., INC. WITH FDC'S GIFTS, GRATUITIES AND BUSINESS ENTERTAINMENT POLICIES. THIS REVIEW RESULTED IN BERAN BEING PERMITTED TO RESIGN FROM FMR ON JANUARY 13, 2005. THESE CIRCUMSTANCES HAVE MOVED THE DIVISION TO PLACE CONDITIONS ON BERAN'S REGISTRATION AS AN AGENT OF PIPER.

**Current Status:** Final

**Resolution:** Consent

**Resolution Date:** 06/30/2005

**Sanctions Ordered:**

**Other Sanctions Ordered:** THE DIVISION APPROVED BERAN'S APPLICATION FOR REGISTRATION IN MASSACHUSETTS AS AN AGENT OF PIPER JAFFRAY UPON THE CONDITIONS SET FORTH BELOW, WHICH ARE IN EFFECT FOR 2 YEARS; A)BERAN SHALL BE SUPERVISED ON A HEIGHTENED BASIS; B)PIPER SHALL NOT PERMIT BERAN TO HAVE ANY PRINCIPAL, SUPERVISORY OR MANAGERIAL DUTIES WHILE ASSOCIATED WITH PIPER; C)ON A QUARTERLY BASIS, PIPER SHALL ENSURE THAT BERAN'S SUPERVISOR, OR HIS DESIGNEE, OR HIS SUCCESSOR, SHALL SPECIFICALLY VERIFY THAT ALL EXPENSE REPORTS SUBMITTED BY BERAN HAVE BEEN REVIEWED TO VERIFY THAT: 1)ALL GIFT EXPENSES ARE PROPERLY





RECORDED ON THE GIFT LOG AND WERE APPROVED IN ACCORDANCE WITH PIPER POLICIES; 2)ALL ENTERTAINMENT EXPENSES WERE APPROVED IN ACCORDANCE WITH PIPER POLICIES; AND 3)ALL NON-GIFT EXPENSES ARE LEGITIMATE BUSINESS EXPENSES; D)ON A QUARTERLY BASIS, BERAN SHALL PROVIDE A SIGNED AFFIDAVIT TO HIS SUPERVISOR, OR HIS SUCCESSOR, STATING THAT HE COMPLIED WITH APPLICABLE SEC RULES AND REGULATIONS, NASD RULES AND REGULATIONS AND PIPER'S POLICIES, PROCEDURES AND AGREEMENTS, INCLUDING BUT NOT LIMITED TO THOSE IN THE SUPERVISORY MEMORANDUM, WITH RESPECT TO THE MAKING AND ACCEPTANCE OF GIFTS, GRATUITIES AND ENTERTAINMENT EXPENSES; E)BERAN SHALL NOTIFY HIS SUPERVISOR OF ANY INACCURACY IN ANY REPRESENTATION MADE TO THE DIVISION HEREIN OR THE BREACH OF ANY PROVISION OF HIS UNDERTAKINGS AND REPRESENTATIONS; F)24 MONTHS AFTER THE ENTRY OF THE ORDER, BERAN SHALL SUBMIT TO PIPER AND THE DIRECTOR AN AFFIDAVIT STATING THAT HE HAS FULLY COMPLIED WITH ALL CONDITIONS OF PART 9 OF THE ORDER. IN THE EVENT THAT BERAN CANNOT SUBMIT THE REQUIRED AFFIDAVIT, HE SHALL INSTEAD SUBMIT A STATEMENT EXPLAINING WHY THE AFFIDAVIT CANNOT BE SUBMITTED.



## 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:** FIDELITY INVESTMENTS

**Termination Type:** Permitted to Resign

**Termination Date:** 01/13/2005

**Allegations:** SEE COMMENT FIELD

**Product Type:** Other

**Other Product Types:**

**Broker Statement** I WAS PERMITTED TO RESIGN FOLLOWING A COMPANY REVIEW OF GIFTS, GRATUITIES, AND BUSINESS ENTERTAINMENT. I UPDATED INFORMATION I PREVIOUSLY PROVIDED DURING THE COMPANY REVIEW AND THE COMPANY CONCLUDED THAT I SHOULD HAVE PROVIDED ACCURATE AND COMPLETE INFORMATION EARLIER.

## End of Report



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