

BrokerCheck Report

DOUGLAS CHARLES LAMB

CRD# 2550574

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	5 - 6
Disclosure Events	7



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.

DOUGLAS C. LAMB

CRD# 2550574

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 COVA CAPITAL PARTNERS LLC**
CRD# 109761
SYOSSET, NY
12/2016 - 01/2025
- B FINANCIAL AMERICA SECURITIES, INC.**
CRD# 5100
CLEVELAND, OH
01/2014 - 12/2015
- B HENNION & WALSH, INC.**
CRD# 25766
BEACHWOOD, OH
09/2012 - 01/2014

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
Customer Dispute	6

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 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	11/05/2007

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	04/27/1995

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	05/31/1995

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 12/2016 - 01/2025	COVA CAPITAL PARTNERS LLC	109761	SYOSSET, NY
B 01/2014 - 12/2015	FINANCIAL AMERICA SECURITIES, INC.	5100	CLEVELAND, OH
B 09/2012 - 01/2014	HENNION & WALSH, INC.	25766	BEACHWOOD, OH
B 03/2009 - 08/2012	FINTEGRA, LLC	16741	MAYFIELD HEIGHTS, OH
B 12/2005 - 03/2009	SMH CAPITAL INC.	20580	BEACHWOOD, OH
B 02/2003 - 12/2005	RYAN BECK & CO.	3248	FLORHAM PARK, NJ
B 04/1997 - 02/2003	LADENBURG, THALMANN & CO., INC.	505	NEW YORK, NY
B 09/1995 - 04/1997	MESIROW FINANCIAL, INC.	2764	CHICAGO, IL
B 04/1995 - 09/1995	RODMAN & RENSHAW INC.	724	CHICAGO, IL

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
11/2016 - Present	Cova Capital Partners LLC	Registered Representative	Y	Syosset, NY, United States
12/2015 - 11/2016	unemployed	unemployed	N	cleveland, OH, United States
01/2014 - 12/2015	FINANCIAL AMERICA SECURITIES, INC.	FINANCIAL ADVISOR REGISTERED REP	Y	CLEVELAND, OH, 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.

Registration and Employment History



Other Business Activities, continued

1- Company name: Nitro Swing
Business - Exercise Equipment
Position - Introductions/Referrals
1 hour per week

2- Company Name - Circuit Pay
Business - Mobil payments
Position - Founder/Partner
Develop Relationships and User Relationships
3-5 Hours per week

3- Company name: Boca Rio Golf Club
Business - Golf
Position - Operations/Caddie
Support Golfers
Weekends - 5-10 Hours

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.
 -
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
Customer Dispute	2	4	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

Reporting Source:	Broker
Regulatory Action Initiated By:	State of Nevada Securities Division
Sanction(s) Sought:	Other: Heighten Supervision
Date Initiated:	08/11/2017
Docket/Case Number:	S17-03
Employing firm when activity occurred which led to the regulatory action:	Cova Capital Partners
Product Type:	No Product
Allegations:	The action by Nevada was based on a previous settled case from 12/22/15 which is fully disclosed on CRD and not on any new event
Current Status:	Final
Resolution:	Firm and Rep accepted Heightened Supervision



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: 07/25/2017

Sanctions Ordered: Other: Heightened supervision

Broker Statement I agreed to a heightened supervision plan so I could continue long term client relationships that reside in Nevada

Rep has had no customer complaints or allegations of impropriety since registered with Cova Capital Partners.

Disclosure 2 of 3

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 12/22/2015

Docket/Case Number: 2010021971101

Employing firm when activity occurred which led to the regulatory action: Sanders Morris Harris Capital Inc. and Fintegra, LLC

Product Type: Other: non-traditional ETFs

Allegations: Without admitting or denying the findings, Lamb consented to the sanctions and to the entry of findings that he recommended and caused to be executed purchase transactions of non-traditional Exchange Traded funds (ETFs) in securities accounts of his customers, a married couple with limited investment experience and sophistication, without performing reasonable diligence to understand the nature and features of the ETFs, including the risks associated with the daily reset of the securities. The findings stated that accordingly, the recommendations to purchase the ETFs made by Lamb lacked a reasonable basis and were unsuitable. The findings also stated that Lamb recommended the non-traditional ETFs without having reasonable grounds for believing that the securities were suitable for the customers in view of their financial situation, investment objectives and needs. Moreover, at a time, the accounts were almost fully invested in non-traditional



ETFs, and Lamb also used margin to purchase the non-traditional ETFs. Lamb's member firm paid restitution to the customers and made the customers whole.

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:

12/22/2015

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:	Any capacity
Duration:	two months
Start Date:	01/04/2016
End Date:	03/03/2016

**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:** 10/16/2017**Was any portion of penalty waived?** No**Amount Waived:****Reporting Source:** Broker**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)**Date Initiated:** 12/22/2015**Docket/Case Number:** 2010021971101**Employing firm when activity occurred which led to the regulatory action:** Sanders Morris Harris Capital Inc.**Product Type:** Other: Non-Traditional Exchange Traded Funds**Allegations:** NASD Rule 2310 & 2110, and FINRA Rule 2010. From November 2008 through June 2009, Lamb failed to perform a reasonable suitability analysis prior to recommending non-traditional ETFs. Lamb also recommended unsuitable transactions in ETFs to a married couple with limited investment experience.**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:	12/22/2015
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	All capacities
Duration:	two months
Start Date:	01/01/2016
End Date:	03/01/2016
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:	Installments
Is Payment Plan Current:	Yes
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Broker Statement	After consulting with counsel and without admitting to the findings, I decided to settle this issue in the interest of avoiding a costly and time consuming formal proceeding.

Disclosure 3 of 3

Reporting Source: Regulator



Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	08/07/2012
Docket/Case Number:	2008015360002
Employing firm when activity occurred which led to the regulatory action:	SANDERS MORRIS HARRIS INC.
Product Type:	No Product
Allegations:	FINRA RULE 2010, NASD RULES 2110, 3010 - A MEMBER FIRM, ACTING THROUGH LAMB AND ANOTHER PRINCIPAL, FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE. LAMB BEGAN ASSUMING SUPERVISORY RESPONSIBILITY FOR A BRANCH OFFICE, INCLUDING ACTING AS A DESIGNEE FOR THE OTHER PRINCIPAL IN PERFORMING THE ENHANCED SUPERVISION OVER THE REGISTERED REPRESENTATIVE, BUT THE SIGNED PLAN WAS NEVER AMENDED TO IDENTIFY LAMB AS BEING RESPONSIBLE FOR CONDUCTING THE ENHANCED SUPERVISION. LAMB AND THE OTHER PRINCIPAL FAILED TO ADEQUATELY IMPLEMENT THE REPRESENTATIVE'S HEIGHTENED SUPERVISION PLAN, IN THAT THEY FAILED TO PRE-APPROVE LOW-PRICED EQUITY TRANSACTIONS EXECUTED BY HIM AND FAILED TO EVIDENCE THEY HAD CONTACTED HIS CUSTOMERS ON A QUARTERLY BASIS AS REQUIRED BY THE HEIGHTENED SUPERVISION PLAN.
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:	08/07/2012
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s)



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?

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: 08/15/2012

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, LAMB CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$5,000, JOINTLY AND SEVERALLY. FINE PAID IN FULL ON 08/15/2012.

Reporting Source: Firm

Regulatory Action Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY



Sanction(s) Sought:	Other: N/A
Date Initiated:	08/07/2012
Docket/Case Number:	2008015360002
Employing firm when activity occurred which led to the regulatory action:	SANDERS MORRIS HARRIS INC.
Product Type:	No Product
Allegations:	FINRA RULE 2010, NASD RULES 2110, 3010 - A MEMBER FIRM, ACTING THROUGH LAMB AND ANOTHER PRINCIPAL, FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE. LAMB BEGAN ASSUMING SUPERVISORY RESPONSIBILITY FOR A BRANCH OFFICE, INCLUDING ACTING AS A DESIGNEE FOR THE OTHER PRINCIPAL IN PERFORMING THE ENHANCED SUPERVISION OVER THE REGISTERED REPRESENTATIVE, BUT THE SIGNED PLAN WAS NEVER AMENDED TO IDENTIFY LAMB AS BEING RESPONSIBLE FOR CONDUCTING THE ENHANCED SUPERVISION. LAMB AND THE OTHER PRINCIPAL FAILED TO ADEQUATELY IMPLEMENT THE REPRESENTATIVE'S HEIGHTENED SUPERVISION PLAN, IN THAT THEY FAILED TO PRE-APPROVE LOW-PRICED EQUITY TRANSACTIONS EXECUTED BY HIM AND FAILED TO EVIDENCE THEY HAD CONTACTED HIS CUSTOMERS ON A QUARTERLY BASIS AS REQUIRED BY THE HEIGHTENED SUPERVISION PLAN.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/07/2012
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s)
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?

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: 08/15/2012

Was any portion of penalty waived? No

Amount Waived:

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, LAMB CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$5,000, JOINTLY AND SEVERALLY.

Reporting Source: Broker

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Civil and Administrative Penalty(ies)/Fine(s)



Date Initiated: 08/07/2012

Docket/Case Number: 2008015360002

Employing firm when activity occurred which led to the regulatory action: SANDERS MORRIS HARRIS INC.

Product Type: No Product

Allegations: FINRA RULE 2010, NASD RULES 2110,3010 - A MEMBER FIRM, ACTING THROUGH LAMB AND ANOTHER PRINCIPAL, FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE. LAMB BEGAN ASSUMING SUPERVISORY RESPONSIBILITY FOR A BRANCH OFFICE, INCLUDING ACTING AS A DESIGNEE FOR THE OTHER PRINCIPAL IN PERFORMING THE ENHANCED SUPERVISION OVER THE REGISTERED REPRESENTATIVE, BUT THE SIGNED PLAN WAS NEVER AMENDED TO IDENTIFY LAMB AS BEING RESPONSIBLE FOR CONDUCTING THE ENHANCED SUPERVISION. LAMB AND THE OTHER PRINCIPAL FAILED TO ADEQUATELY IMPLEMENT THE REPRESENTATIVE'S HEIGHTENED SUPERVISION PLAN, IN THAT THEY FAILED TO PRE-APPROVE LOW-PRICED EQUITY TRANSACTIONS EXECUTED BY HIM AND FAILED TO EVIDENCE THEY HAD CONTACTED HIS CUSTOMERS ON A QUARTERLY BASIS AS REQUIRED BY THE HEIGHTENED SUPERVISION PLAN.

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: 08/07/2012

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)

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: 08/15/2012

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

After consulting with counsel and without admitting to the findings, I decided to settle this issue in the interest of avoiding a costly and time consuming formal proceeding.

WITHOUT ADMITTING OR DENYING THE FINDINGS, LAMB CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$5,000, JOINTLY AND SEVERALLY.



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 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	SANDERS MORRIS HARRIS INC.
Allegations:	AN ATTORNEY FOR THE CLAIMANT ALLEGES THAT SANDERS MORRIS HARRIS INC. DURING THE TIME PERIOD OF DECEMBER 2005 THROUGH JANUARY 2009 FAILED TO PROPERLY SUPERVISE DOUG LAMB, WHO ALLEGEDLY MADE INAPPROPRIATE AND UNSUITABLE RECOMMENDATIONS TO INVEST IN HIGH RISK SECURITIES AND SPECULATIVE PENNY STOCKS. THE ALLEGATION FURTHER STATES BOTH THE INDIVIDUAL AND IRA ACCOUNTS WERE UNDIVERSIFIED AND CHURNED TO GENERATE COMMISSIONS.
Product Type:	Equity Listed (Common & Preferred Stock) Penny Stock Unit Investment Trust Other: ETFS
Alleged Damages:	\$25,000.00
Alleged Damages Amount Explanation (if amount not exact):	ALLEGED COMPENSATORY DAMAGE IS AN APPROXIMATION SINCE NO AMOUNT IS SPECIFIED.
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:	06/15/2010
Complaint Pending?	No
Status:	Settled
Status Date:	06/15/2010
Settlement Amount:	\$25,000.00



Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: SANDERS MORRIS HARRIS INC

Allegations: AN ATTORNEY FOR THE CLAIMANT ALLEGES THAT SANDERS MORRIS HARRIS INC. DURING THE TIME PERIOD OF DECEMBER 2005 THROUGH JANUARY 2009 FAILED TO PROPERLY SUPERVISE DOUGLAS LAMB, WHO ALLEGEDLY MADE INAPPROPRIATE AND UNSUITABLE RECOMMENDATIONS TO INVEST IN HIGH RISK SECURITIES AND SPECULATIVE PENNY STOCKS. THE ALLEGATION FURTHER STATES BOTH THE INDIVIDUAL AND IRA ACCOUNTS WERE UNDIVERSIFIED AND CHURNED TO GENERATE COMMISSIONS.

Product Type: Equity Listed (Common & Preferred Stock)
Penny Stock
Unit Investment Trust
Other: ETFs

Alleged Damages: \$25,000.00

Alleged Damages Amount Explanation (if amount not exact): ALLEGED COMPENSATORY DAMAGE IS AN APPROXIMATION SINCE NO AMOUNT IS SPECIFIED.

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: 06/15/2010

Complaint Pending? No

Status: Settled

Status Date: 06/15/2010

Settlement Amount: \$25,000.00



Individual Contribution Amount: \$0.00

Broker Statement I strongly deny any wrongdoing. At the time I had limited OSJ responsibilities and I was assigned these accounts when the claimants long time broker was terminated for cause in September of 2008. The claimants experienced significant losses in their accounts as a result of a long pattern of speculative option strategies and high risk equity trading which went against them during an unprecedented downturn in the market. I did not participate in the settlement of these claims. I did not contribute to the settlement of these claims

Disclosure 2 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: SANDERS MORRIS HARRIS INC.

Allegations: A STATEMENT OF CLAIM WAS SUBMITTED BY AN ATTORNEY REPRESENTING THE CLAIMANTS ALLEGING THAT SMH CAPITAL INC. NEGLIGENTLY RETAINED AND SUPERVISED THREE BROKERS, INCLUDING DOUG LAMB, WHO ALLEGEDLY ENGAGED IN MISCONDUCT REGARDING OPTIONS TRADING UTILIZING ETFS, INAPPROPRIATE USE OF LEVERAGE AND RISKY DAY TRADING IN LEVERAGED ETFS . THE CLAIM STATES THAT DOUG LAMB, WHO TOOK OVER THE ACCOUNTS FROM TWO OTHER BROKERS, HANDLED THE ACCOUNTS FROM JUNE 2008 THROUGH MARCH 2009.

Product Type: Equity Listed (Common & Preferred Stock)
Options
Other: EXCHANGE-TRADED FUNDS

Alleged Damages: \$3,000,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA DISPUTE RESOLUTION

Docket/Case #: 10-00766



Filing date of arbitration/CFTC reparation or civil litigation: 02/16/2010

Customer Complaint Information

Date Complaint Received: 03/02/2010
Complaint Pending? No
Status: Settled
Status Date: 02/07/2011
Settlement Amount: \$2,280,500.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: SANDERS MORRIS HARRIS INC.

Allegations: A STATEMENT OF CLAIM WAS SUBMITTED BY AN ATTORNEY REPRESENTING THE CLAIMANTS ALLEGING THAT SMH CAPITAL INC. NEGLIGENTLY RETAINED AND SUPERVISED THREE BROKERS, INCLUDING DOUG LAMB, WHO ALLEGEDLY ENGAGED IN MISCONDUCT REGARDING OPTIONS TRADING UTILIZING ETFS, INAPPROPRIATE USE OF LEVERAGE AND RISKY DAY TRADING IN LEVERAGED ETFS. THE CLAIM STATES THAT DOUG LAMB, WHO TOOK OVER THE ACCOUNTS FROM TWO OTHER BROKERS, HANDLED THE ACCOUNTS FROM JUNE 2008 THROUGH MARCH 2009.

Product Type: Equity Listed (Common & Preferred Stock)
 Options
 Other: EXCHANGE-TRADED FUNDS

Alleged Damages: \$3,000,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes



Arbitration/Reparation forum or court name and location: FINRA DISPUTE RESOLUTION

Docket/Case #: 10-00766

Filing date of arbitration/CFTC reparation or civil litigation: 02/16/2010

Customer Complaint Information

Date Complaint Received: 03/02/2010

Complaint Pending? No

Status: Settled

Status Date: 02/07/2011

Settlement Amount: \$2,280,500.00

Individual Contribution Amount: \$0.00

Broker Statement I strongly deny any wrongdoing. At the time I had limited OSJ responsibilities and I was assigned these accounts when the claimants long time broker was terminated for cause in September of 2008. The claimants experienced significant losses in their accounts as a result of a long pattern of speculative option strategies and high risk equity trading which went against them during an unprecedented downturn in the market. I did not participate in the settlement of these claims. I did not contribute to the settlement of these claims

Disclosure 3 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: SMH CAPITAL INC.

Allegations: A DRAFT STATEMENT OF CLAIM WAS SUBMITTED BY AN ATTORNEY REPRESENTING [CUSTOMERS] ALLEGING THAT SMH CAPITAL INC. NEGLIGENTLY RETAINED AND SUPERVISED THREE BROKERS, INCLUDING DOUGLAS LAMB, WHO ALLEGEDLY ENGAGED IN MISCONDUCT REGARDING THE USE OF OPTIONS, OVERCONCENTRATION IN EQUITIES AND USE OF UNAUTHORIZED DISCRETION. COUNSEL THREATENED TO FILE THE STATEMENT OF CLAIM IF THE FIRM DOES NOT AGREE TO MEDIATE. THE CLAIM ALLEGES THAT DOUGLAS LAMB MANAGED THE ACCOUNTS DURING THE LAST QUARTER OF 2008.



Product Type:	Equity Listed (Common & Preferred Stock) Options
Alleged Damages:	\$2,630,000.00
Alleged Damages Amount Explanation (if amount not exact):	[CUSTOMERS] - \$750,000.00, [CUSTOMER] - \$1,7000,000.00, [CUSTOMER] AND [CUSTOMER] - \$180,000.00
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:	07/15/2009
Complaint Pending?	No
Status:	Settled
Status Date:	11/02/2009
Settlement Amount:	\$205,000.00
Individual Contribution Amount:	\$0.00
Firm Statement	CUSTOMER COMPLAINT PARTIALLY SETTLED WITH [CUSTOMERS] FOR \$205,000.00. CUSTOMER COMPLAINT PENDING FOR [CUSTOMERS]

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	SMH CAPITAL INCE.

Allegations:	A DRAFT STATEMENT OF CLAIM WAS SUBMITTED BY AN ATTORNEY REPRESENTING [CUSTOMERS] ALLEGING THAT SMH CAPITAL INC NEGLIGENTLY RETAINED AND SUPERVISED THREE BROKERS, INCLUDING DOUGLAS LAMB, WHO ALLEGEDLY ENGAGED IN MISCONDUCT REGARDING THE USE OF OPTIONS, OVERCONCENTRATION IN EQUITIES AND USE OF UNAUTHORIZED DISCRETION. COUNSEL THREATENED TO FILE THE STATEMENT OF CLAIM IF THE FIRM DOES NOT AGREE TO MEDIATE. THE CLAIM ALLEGES THAT DOUGLAS LAMB MANAGED THE ACCOUNTS DURING THE LAS QUARTER OF 2008.
---------------------	---



Product Type: Equity Listed (Common & Preferred Stock)
Options

Alleged Damages: \$2,630,000.00

Alleged Damages Amount Explanation (if amount not exact): [CUSTOMERS] - \$750,000.00, [CUSTOMER] - \$1,700,000.00, AND [CUSTOMER] - \$180,000.00

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: 07/15/2009

Complaint Pending? Yes

Status:

Status Date: 11/02/2009

Settlement Amount: \$205,000.00

Individual Contribution Amount: \$0.00

Broker Statement

I strongly deny any wrongdoing. At the time I had limited OSJ responsibilities and I was assigned these accounts when the claimants long time broker was terminated for cause in September of 2008. The claimants experienced significant losses in their accounts as a result of a long pattern of speculative option strategies and high risk equity trading which went against them during an unprecedented downturn in the market. I did not participate in the settlement of these claims. I did not contribute to the settlement of these claims

CUSTOMER COMPLAINT PARTIALLY SETTLED WITH [CUSTOMERS] FOR \$205,000.00. CUSTOMER COMPLAINT PENDING FOR [CUSTOMERS].



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Hennion Walsh
Allegations:	Inadequate Supervision
Product Type:	Real Estate Security
Alleged Damages:	\$450,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	finra arbitration
Docket/Case #:	15-00637
Filing date of arbitration/CFTC reparation or civil litigation:	03/10/2015

Customer Complaint Information

Date Complaint Received:	03/10/2015
Complaint Pending?	No
Status:	Withdrawn
Status Date:	08/31/2016
Settlement Amount:	
Individual Contribution Amount:	\$0.00
Broker Statement	Mr. Lamb had no supervisory responsibility while at the employing Firm Hennion



Walsh. Mr. Lamb later executed a mutual release with the claimants.



Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	FINTEGRA, LLC
Allegations:	[CUSTOMERS] CLAIM TRADES WERE NOT CONSISTENT WITH THEIR FINANCIAL CIRCUMSTANCES, GOALS, AND RISK TOLERANCE AND THE OVERALL FRQUENCY AND COSTS WERE EXCESSIVE AND CONTRARY TO THEIR NEEDS AND DESIRES.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$60,000.00
Alleged Damages Amount Explanation (if amount not exact):	CLIENTS ALLEGE LOSSES OF APPROXIMATELY \$60,000 BUT ARE SEEKING \$500,000 IN PUNITIVE DAMAGES.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	10-00089
Filing date of arbitration/CFTC reparation or civil litigation:	01/04/2010

Customer Complaint Information

Date Complaint Received:	01/26/2010
Complaint Pending?	Yes
Settlement Amount:	



Individual Contribution Amount:

Broker Statement

I strongly deny any wrongdoing. At the time I had limited OSJ responsibilities and I was assigned these accounts when the claimants long time broker was terminated for cause in September of 2008. The claimants experienced significant losses in their accounts as a result of a long pattern of speculative option strategies and high risk equity trading which went against them during an unprecedented downturn in the market. I did not participate in the settlement of these claims. I did not contribute to the settlement of these claims

Disclosure 2 of 2

Reporting Source:

Broker

Employing firm when activities occurred which led to the complaint:

LADENBURG THALMANN & CO., INC.

Allegations:

CLAIMANT ALLEGES THAT THE RESPONDENT WAS ONE OF THE "BROKER REPRESENTATIVES IN CHARGE OF HER ACCOUNT." RESPONDENT ALONG WITH THE OTHER DEFENDANTS INVESTED MONIES IN PAUL-SON GAMING CORPORATION WHICH RESULTED IN LOSSES TO THE CLAIMANT'S ACCOUNT. THE COUNTS ALLEGED IN THE COMPLAINT ARE: FRAUD, BREACH OF FIDUCIARY DUTY, CONVERSION, CIVIL CONSPIRACY. NEGLIGENCE, NEGLIGENT MISREPRESENTATION AND FAILURE TO SUPERVISE.

Product Type:

Equity-OTC

Alleged Damages:

\$25,000.00

Customer Complaint Information

Date Complaint Received:

06/04/2004

Complaint Pending?

No

Status:

Settled

Status Date:

06/04/2004

Settlement Amount:

\$37,500.00

Individual Contribution Amount:

\$0.00

Civil Litigation Information

Disposition:



Disposition Date:

11/01/2005

Broker Statement

I strongly deny any wrongdoing. I was not the broker of record for the claimant, I was not involved in any of the allegations against the respondent who had a long term relationship with the plaintiff. I was released from this claim as part of a settlement agreement made between the plaintiff, the respondent, and the employing firm. I did not participate in the settlement. I did not contribute to the settlement.

End of Report



This page is intentionally left blank.