

BrokerCheck Report

BROOK BULGER TAUBE

CRD# 2564596

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

BROOK B. TAUBE

CRD# 2564596

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:

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

Registration History

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

- B** **BT SECURITIES CORPORATION**
CRD# 17790
BALTIMORE, MD
12/1994 - 11/1996

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

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 0 principal/supervisory exams, 2 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 National Commodity Futures Examination	Series 3	02/06/1997
B General Securities Representative Examination	Series 7	12/08/1994

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	03/07/1995

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.

Only professional designations listed in Question 8 of the Form U4 will appear in this section if the appropriate box is checked and verified by the issuing organization at the time of the filing. Learn more about eligible designations at [IARD](#) and [NASAA](#).



Registration and Employment History

Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 12/1994 - 11/1996	BT SECURITIES CORPORATION	17790	BALTIMORE, MD

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
No information reported.				

Disclosure Events



What you should know about reported disclosure events:

1. Disclosure events in BrokerCheck reports come from different sources:

- As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Final	On Appeal
Regulatory Event	1	0



Disclosure Event Details

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

Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	04/28/2022
Docket/Case Number:	3-20836
Employing firm when activity occurred which led to the regulatory action:	Medley Management Inc.
Product Type:	No Product
Allegations:	<p>The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against Medley Management Inc. ("MDLY"), Brook B. Taube ("B. Taube") and Seth B. Taube ("S. Taube") (S. Taube" and, together with B. Taube, "the Taubes") (collectively, "Respondents"). The Commission finds that this case involves misrepresentations to investors by MDLY, its affiliate Medley LLC (together with MDLY, "Medley") and its co-CEOs, the Taubes. B. Taube has received no compensation from MDLY for serving as its co-CEO. He received, however, pro rata income distributions from Medley LLC, including distributions of approximately \$2 million per quarter from the second quarter of 2016 through the third quarter of 2018. Medley negligently overstated an important financial metric, its assets under management ("AUM"), creating a misleading appearance of likely future growth. Specifically, Medley misleadingly included in AUM, as reported in its offering registration statements and periodic reports, the "commitment" amounts reflected in the investment management agreements of two fully non-discretionary Separately Managed Accounts (each, an</p>



"SMA"). The Taubes were aware of the terms of these non-discretionary SMA agreements and that amounts set forth in the agreements would be included as part of Medley's AUM. MDLY's operating affiliate, Medley LLC, raised approximately \$122 million from retail investors based on offering registration statements that included the full amount of the non-discretionary SMA "commitments" in AUM and also described the SMAs as "new institutional capital commitments" with an anticipated investment period of 18 to 24 months. MDLY and Medley LLC failed to maintain adequate disclosure controls and procedures as required by the Exchange Act rules for issuers with a class of securities registered under the Exchange Act. The Taubes also failed to evaluate the effectiveness of the entities' disclosure controls and procedures. They nevertheless signed quarterly certifications representing that they had done so. Medley LLC has filed a bankruptcy case captioned In re: Medley LLC, Case No. 21-10526 (Bankr. D. Del., filed March 7, 2021). On October 18, 2021, an order was entered confirming the Chapter 11 plan. As a result of the conduct described in the Order, B. Taube B. Taube willfully caused violations by Medley LLC of Section 17(a)(2) of the Securities Act; willfully violated, and caused violations by Medley LLC of, Section 17(a)(3) of the Securities Act; caused MDLY's violations of, Sections 14(a) and 13(a) of the Exchange Act and Rules 14a-9, 13a-1, 13a-11, 13a-13, 12b-20, 13a-15(a) and 13a-15(b) thereunder; caused violations by Medley LLC of Section 13(a) of the Exchange Act and Exchange Act Rules 13a-1, 13a-13, 12b-20, 13a-15(a) and 13a-15(b) thereunder; and willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder and Exchange Act Rule 13a-14(a).

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:	04/28/2022
Sanctions Ordered:	Cease and Desist Censure 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?	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

Monetary Sanction 1 of 1

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

Total Amount: \$4,000,000.00

Portion Levied against individual: \$4,000,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

Brook Taube has submitted an Offer of Settlement (the Offer) which the Commission has determined to accept. As a result of his conduct, B. Taube willfully caused violations by Medley LLC of Section 17(a)(2) of the Securities Act; willfully violated, and caused violations by Medley LLC of, Section 17(a)(3) of the Securities Act; caused MDLY's violations of, Sections 14(a) and 13(a) of the Exchange Act and Rules 14a-9, 13a-1, 13a-11, 13a-13, 12b-20, 13a-15(a) and 13a-15(b) thereunder; caused violations by Medley LLC of Section 13(a) of the Exchange Act and Exchange Act Rules 13a-1, 13a-13, 12b-20, 13a-15(a) and 13a-15(b) thereunder; and willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder and Exchange Act Rule 13a-14(a). Accordingly,



it is hereby ordered that Brook Taube cease and desist from committing or causing any violations or any future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act, Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, Section 14(a) of the Exchange Act and Rule 14a-9 thereunder, and Section 13(a) of the Exchange Act and Rules 12b-10, 13a-1, 13a-11, 13a-13, 13a-14(a), 13a-15(a) and 13a-15(b) thereunder; is censured; and shall pay a civil money penalty in the amount of \$4,000,000 to the Securities and Exchange Commission, with such penalty to be paid, to the extent not offset by payments made in the Bankruptcy Case.

End of Report



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