

BrokerCheck Report

JAMES JOSEPH KEARNEY

CRD# 265734

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

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:

- o 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
- o 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.



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)

Thank you for using FINRA BrokerCheck.

JAMES J. KEARNEY

CRD# 265734

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

Registration History

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

- B RAYMOND JAMES & ASSOCIATES, INC.**
CRD# 705
HOUSTON, TX
02/2013 - 10/2018
- B MORGAN KEEGAN & COMPANY, INC.**
CRD# 4161
HOUSTON, TX
11/2003 - 02/2013
- B ROBERT W. BAIRD & CO. INCORPORATED**
CRD# 8158
MILWAUKEE, WI
10/2000 - 12/2003

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Customer Dispute	4
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 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.

This individual has passed 0 principal/supervisory exams, 3 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 Securities Industry Essentials Examination	SIE	10/01/2018
B AMEX Put and Call Exam	PC	06/02/1977
B Registered Representative Examination	Series 1	06/29/1972

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	03/17/1980

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 02/2013 - 10/2018	RAYMOND JAMES & ASSOCIATES, INC.	705	HOUSTON, TX
B 11/2003 - 02/2013	MORGAN KEEGAN & COMPANY, INC.	4161	HOUSTON, TX
B 10/2000 - 12/2003	ROBERT W. BAIRD & CO. INCORPORATED	8158	MILWAUKEE, WI
B 07/1998 - 10/2000	SG COWEN SECURITIES CORPORATION	7616	NEW YORK, NY
B 04/1974 - 07/1998	COWEN & CO.	1541	NEW YORK, NY
B 07/1972 - 05/1974	W. E. HUTTON & CO.	861	

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
09/2013 - Present	Allegiance Bank Shares	Director	N	Houston, TX, United States
02/2013 - Present	RAYMOND JAMES & ASSOCIATES, INC.	Mass Transfer	Y	HOUSTON, TX, United States
11/2003 - 02/2013	MORGAN KEEGAN AND COMPANY INC	REGISTERED ASSOCIATE	Y	HOUSTON, TX, 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.

Name of Business : Allegiance Bank Shares
 Address: 8727 West Sam Houston Parkway North Suite 210,Houston,, TX
 Nature of the Business: Board Member/Officer/Director
 Position/Title: Director
 Investment Related: No

Registration and Employment History



Other Business Activities, continued

Start Date: 09/30/2013

Hours per month devoted to this business: 6

Hours per month devoted to this business during trading hours: 10

Description of duties: Director, Alco asset liability committee



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:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o 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.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o 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.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o 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.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

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

	Pending	Final	On Appeal
Regulatory Event	0	1	0
Customer Dispute	0	4	N/A
Termination	N/A	1	N/A



Disclosure Event Details

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

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

Regulatory - Final

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

Disclosure 1 of 1

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 11/14/2019

Docket/Case Number: [2018060118401](#)

Employing firm when activity occurred which led to the regulatory action: Raymond James & Associates, Inc.

Product Type: Other: Unspecified Securities

Allegations: Without admitting or denying the findings, Kearney consented to the sanctions and to the entry of findings that he exercised discretion by placing trades in customers' accounts without written authorization from the customers and without acceptance of the accounts as discretionary by his member firm. The findings stated that although Kearney discussed investment strategies with the customers regularly, he did not speak with the customers about the specific trades on the dates of the transactions. The findings also stated that Kearney mismarked some of the orders for the trades as unsolicited and marked none of them as discretionary, thereby causing his firm to create and maintain inaccurate books and records.

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: 11/14/2019

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

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise? No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?



(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	15 business days
Start Date:	11/18/2019
End Date:	12/09/2019



Monetary Sanction 1 of 1

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

Total Amount: \$2,500.00

Portion Levied against individual: \$2,500.00

Payment Plan: deferred

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:



Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Raymond James & Associates, Inc.
Allegations:	4/1/2011- 2/12/2018 - Client alleges investments were unsuitable and trades were excessive and not authorized.
Product Type:	Other: Equities
Alleged Damages:	\$225,000.00
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:	11/15/2018
Complaint Pending?	No
Status:	Settled
Status Date:	01/17/2019
Settlement Amount:	\$50,000.00
Individual Contribution Amount:	\$0.00

Disclosure 2 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	COWEN & COMPANY
Allegations:	CUSTOMER ALLEGES SUITABILITY OF SUMMARY CORP. PURCHASE IN JULY 19,1995.



Product Type: Equity - OTC

Alleged Damages: \$18,000.00

Customer Complaint Information

Date Complaint Received: 08/08/2000

Complaint Pending? No

Status: Settled

Status Date: 04/27/2001

Settlement Amount: \$12,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: COWEN & COMPANY

Allegations: CUSTOMERS ALLEGES SUITABILITY OF SUMMARY CORP. PURCHASE IN JULY 19, 1995.

Product Type: Equity - OTC

Alleged Damages: \$18,000.00

Customer Complaint Information

Date Complaint Received: 08/08/2000

Complaint Pending? No

Status: Settled

Status Date: 04/27/2001

Settlement Amount: \$12,000.00

Individual Contribution Amount: \$0.00

Disclosure 3 of 3

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint:

COWEN

Allegations:

BREACH OF FIDUCIARY DUTY, VIOLATION OF SEC 10(B). FRAUD, DECEPTIVE TRADE PRACTICES, BREACH OF CONTRACT, AND NEGLIGENCE. \$60,000.00 PLUS PUNITIVE DAMAGES OF \$1,000,000.00.

Product Type:

Other

Other Product Type(s):

COMMON STOCK

Alleged Damages:

\$60,000.00

Customer Complaint Information

Date Complaint Received:

07/09/1991

Complaint Pending?

No

Status:

Arbitration/Reparation

Status Date:

03/04/1993

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:

UNKNOWN CONVERSION; 91-02140

Date Notice/Process Served:

07/09/1991

Arbitration Pending?

No

Disposition:

Settled

Disposition Date:

03/04/1993

Monetary Compensation Amount:

\$55,000.00

Individual Contribution Amount:

\$0.00

Broker Statement

COWEN SETTLED WITH CUSTOMERS FOR THE SUM OF \$55,000.00 IN ORDER TO AVOID THE COSTS AND UNCERTAINTY OF LITIGATION. THE ALLEGATION SET FORTH IN THE STATEMENT OF CLAIM



WERE AND ARE EXPRESSLY CONTESTED, DISPUTED AND DENIED. MR.
KEARNEY DID NOT CONTRIBUTE TO THE SETTLEMENT.
NOT PROVIDED



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

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a 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, which was closed without action, withdrawn, or denied.

Disclosure 1 of 1

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: CLAIM ALLEGES MISREPRESENTATION WITH REGARD TO THE PURCHASE OF H QUOTIENT, INC. DAMAGES ARE UNSPECIFIED BUT ARE BELIEVED TO BE APPROXIMATELY \$7,700.00.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 06/22/2005

Complaint Pending? No

Status: Closed/No Action

Status Date: 01/10/2006

Settlement Amount:

Individual Contribution Amount:

Broker Statement AS OF JUNE 25, 2007, THIS ITEM IS NO LONGER REPORTABLE.



Employment Separation After Allegations

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

Disclosure 1 of 1

Reporting Source:	Firm
Employer Name:	RAYMOND JAMES & ASSOCIATES, INC
Termination Type:	Discharged
Termination Date:	09/11/2018
Allegations:	Customer alleged that FA was using discretion when purchasing stocks.
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock)

End of Report



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