

BrokerCheck Report

RICHARD SAMUEL ALTER

CRD# 2697740

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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.

RICHARD S. ALTER

CRD# 2697740

Currently employed by and registered with the following Firm(s):**B ALTERNATIVE EXECUTION GROUP**Bayonne, NJ
CRD# 167830

Registered with this firm since: 12/04/2013

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
- 0 U.S. states and territories

This broker has passed:

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

Registration History**This broker was previously registered with the following securities firm(s):****B MERCATOR ASSOCIATES, LLC**CRD# 112903
NEW YORK, NY
08/2008 - 01/2014**B GROSSMAN & CO., LLC.**CRD# 10222
NEW YORK, NY
02/2008 - 08/2008**B THE VERTICAL GROUP**CRD# 104353
RED BANK, NJ
05/2005 - 02/2008**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
Criminal	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 0 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **ALTERNATIVE EXECUTION GROUP**

Main Office Address: **111 W 41ST STREET
BAYONNE, NJ 07002**

Firm CRD#: **167830**

SRO	Category	Status	Date
B FINRA	General Securities Principal	Approved	12/04/2013
B FINRA	General Securities Representative	Approved	12/04/2013
B FINRA	Operations Professional	Approved	12/26/2014
B FINRA	Securities Trader	Approved	01/04/2016
B FINRA	Securities Trader Principal	Approved	02/18/2016
B Nasdaq Stock Market	General Securities Principal	Approved	01/22/2014
B Nasdaq Stock Market	General Securities Representative	Approved	01/22/2014
B Nasdaq Stock Market	Securities Trader	Approved	01/04/2016

Branch Office Locations

ALTERNATIVE EXECUTION GROUP

111 W 41ST STREET
BAYONNE, NJ 07002

ALTERNATIVE EXECUTION GROUP

Bayonne, NJ

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

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	02/21/2003

General Industry/Product Exams

Exam	Category	Date
B Operations Professional Examination	Series 99TO	01/02/2023
B Securities Trader Exam	Series 57TO	01/02/2023
B Securities Industry Essentials Examination	SIE	10/01/2018
B Limited Representative-Equity Trader Exam	Series 55	03/25/2000
B General Securities Representative Examination	Series 7	03/26/1996

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	04/15/1998

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 08/2008 - 01/2014	MERCATOR ASSOCIATES, LLC	112903	NEW YORK, NY
B 02/2008 - 08/2008	GROSSMAN & CO., LLC.	10222	NEW YORK, NY
B 05/2005 - 02/2008	THE VERTICAL GROUP	104353	RED BANK, NJ
B 08/2004 - 05/2005	PUGLISI & CO.	19451	NEW YORK, NY
B 10/2000 - 07/2004	CROWN FINANCIAL GROUP, INC.	540	JERSEY CITY, NJ
B 01/1997 - 11/2000	SHARPE CAPITAL, INC.	18452	NEW YORK, NY
B 08/1996 - 01/1997	FIRST MONTAUK SECURITIES CORP.	13755	RED BANK, NJ

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
08/2008 - Present	MERCATOR ASSOCIATES, LLC	REGISTERED REPRESENTATIVE	Y	NEW YORK, NY, United States
04/2018 - 06/2019	Alternative Execution Group	Chief Compliance Officer	Y	New York, NY, United States
10/2013 - 06/2016	ALTERNATIVE EXECUTION GROUP	CHIEF COMPLIANCE OFFICER	Y	NEW YORK, NY, 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:**
 - 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
Criminal	0	1	0



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: 04/09/2021

Docket/Case Number: [2018056458301](#)

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

Product Type: No Product

Allegations: Without admitting or denying the findings, Alter consented to the sanctions and to the entry of findings that he failed to establish and implement an anti-money laundering (AML) compliance program reasonably designed to detect and cause the reporting of potentially suspicious transactions. The findings stated that the firm's anti-money laundering compliance officer (AMLCO) was responsible for the firm's AML program. Alter knew the AMLCO lacked AML oversight experience relevant to his duties and did not take corrective action after becoming aware that the AMLCO had not performed his AML duties in a reasonable manner. The firm's AML procedures did not provide meaningful guidance regarding how the AMLCO was to identify or review red flags specific to the customer account business. The firm did not use any exception reports or automated tools to monitor customer



account activity for suspicious transactions, including customer transactions in microcap securities. The firm's review for potentially suspicious transactions was limited to the AMLCO's manual review of transactions. This manual review was unreasonable given that the AMLCO had no experience with customer account business and no training in reviewing for AML red flags in customer accounts. The firm's failure to implement an AML program reasonably tailored to its business line resulted in the firm's failing to identify or investigate potentially suspicious transactions. The firm's clearing firm contacted the firm about suspicious transactions that had not been flagged by the firm. Nonetheless, following the clearing firm's outreach, Alter did not cause the firm to tailor its AML procedures to the firm's business line or promptly act to strengthen the firm's AML program and procedures. The findings also stated that Alter failed to establish and maintain a supervisory system reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933 (Section 5). Although the firm's AMLCO was responsible for maintaining a supervisory system reasonably designed to achieve compliance with Section 5, Alter was aware that the AMLCO was not carrying out those duties in a reasonable manner. The AMLCO failed to ensure that reasonable inquiries were conducted to determine whether securities deposited into customer accounts for resale were registered or exempt from registration. The AMLCO repeatedly permitted deposits and resales of microcap securities despite missing documentation, such as proof of payment, appropriate legal opinions, and other documents critical to determining whether microcap securities deposited were freely tradeable. In an internal memo, Alter detailed the AMLCO's failings, describing how he had not obtained complete information detailing the history of the acquisitions of several microcap securities. Nonetheless, Alter did not take any action to improve the firm's unreasonable supervisory system for determining whether microcap securities deposited were freely tradeable.

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:

04/09/2021

Sanctions Ordered:

Civil and Administrative Penalty(ies)/Fine(s)

Suspension

Undertaking

Other: Alter shall undertake, within 90 days of the acceptance of the AWC, to attend and satisfactorily complete 16 hours of anti-money laundering related continuing education by a provider not unacceptable to FINRA.



If the regulator is the SEC, No

CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

(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 principal capacity

Duration: two months

Start Date: 05/03/2021

End Date: 07/02/2021

Monetary Sanction 1 of 1

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

Total Amount: \$15,000.00

Portion Levied against individual: \$15,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 05/05/2021

Was any portion of penalty waived? No

Amount Waived:



Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Suspension Other: Fine of \$15,000
Date Initiated:	04/09/2021
Docket/Case Number:	2018056458301
Employing firm when activity occurred which led to the regulatory action:	Three Brothers Trading, LLC d/b/a Alternative Execution Group
Product Type:	No Product
Allegations:	AEXG and Mr. Alter failed to establish and implement an AML program reasonably designed to detect and cause the reporting of suspicious transactions, thereby violating FINRA Rules 3310(a) and 2010. AEXG and Mr. Alter failed to establish and maintain a supervisory system reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933, thereby violating FINRA Rules 3110(a) and 2010.
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:	04/09/2021
Sanctions Ordered:	Suspension Other: Fine of \$15,000
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	General Securities Principal suspension
Duration:	60 Days
Start Date:	05/03/2021



End Date: 07/02/2021



Criminal - Final Disposition

This type of disclosure event involves a criminal charge against the broker that has resulted in a conviction, acquittal, dismissal, or plea. The criminal matter may pertain to any felony or certain misdemeanor offenses, including bribery, perjury, forgery, counterfeiting, extortion, fraud, and wrongful taking of property.

Disclosure 1 of 1

Reporting Source: Broker

Formal Charges were brought in: State Court

Name of Court: Massachusetts District Court

Location of Court: Sommerville, Massachusetts

Docket/Case #: 0065/95

Charge Date: 01/10/1995

Charge(s) 1 of 1

Formal Charge(s)/Description: Assault & Battery - c265 s15a

No of Counts: 2

Felony or Misdemeanor: Felony

Plea for each charge: Not Guilty

Disposition of charge: Dismissed

Current Status: Final

Status Date: 05/10/1995

Disposition Date: 05/10/1995

Sentence/Penalty: Charges dropped.

Broker Statement
I was arrested in Massachusetts for Assault & Battery. This was based on allegations that I struck someone with my car; allegations which were part of an insurance scam being run in the area. A civil suit was contemporaneously filed. All charges were subsequently dropped. The civil suit was similarly dropped and no amounts were ever paid. The complainant was found guilty of filing a false police report. I believe my record was expunged.

End of Report



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