

## BrokerCheck Report

**MARK MCCABE DUNCAN**

CRD# 3094678

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 7
Registration and Employment History	9 - 10
Disclosure Events	11



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

Please contact FINRA with any concerns.

## About BrokerCheck®

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).

**MARK M. DUNCAN**

CRD# 3094678

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

- B VIRTU AMERICAS LLC**  
 101 JFK Parkway  
 6th Floor  
 Short Hills, NJ 07078  
 CRD# 149823  
 Registered with this firm since: 07/01/2016

**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:**

- 22 Self-Regulatory Organizations
- 2 U.S. states and territories

**This broker has passed:**

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

**Registration History**

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

- B AUTOMATED TRADING DESK FINANCIAL SERVICES, LLC**  
 CRD# 103768  
 MT. PLEASANT, SC  
 09/2011 - 07/2016
- B CITIGROUP GLOBAL MARKETS INC.**  
 CRD# 7059  
 NEW YORK, NY  
 08/2011 - 07/2016
- B LAVAFLow, INC.**  
 CRD# 120444  
 NEW YORK, NY  
 08/2011 - 02/2013

**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	2



## 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 22 SROs and is licensed in 2 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **VIRTU AMERICAS LLC**

Main Office Address: **1633 BROADWAY  
41ST FLOOR  
NEW YORK, NY 10019**

Firm CRD#: **149823**

	SRO	Category	Status	Date
B	Cboe BYX Exchange, Inc.	General Securities Principal	Approved	07/01/2016
B	Cboe BYX Exchange, Inc.	General Securities Representative	Approved	07/01/2016
B	Cboe BYX Exchange, Inc.	Securities Trader	Approved	07/01/2016
B	Cboe BYX Exchange, Inc.	Securities Trader Principal	Approved	07/01/2016
B	Cboe BZX Exchange, Inc.	General Securities Principal	Approved	07/01/2016
B	Cboe BZX Exchange, Inc.	General Securities Representative	Approved	07/01/2016
B	Cboe BZX Exchange, Inc.	Securities Trader	Approved	07/01/2016
B	Cboe BZX Exchange, Inc.	Securities Trader Principal	Approved	07/01/2016
B	Cboe C2 Exchange, Inc.	General Securities Representative	Approved	07/01/2016
B	Cboe C2 Exchange, Inc.	General Securities Principal	Approved	08/05/2021
B	Cboe EDGA Exchange, Inc.	General Securities Principal	Approved	07/01/2016
B	Cboe EDGA Exchange, Inc.	General Securities Representative	Approved	07/01/2016
B	Cboe EDGA Exchange, Inc.	Securities Trader	Approved	07/01/2016
B	Cboe EDGA Exchange, Inc.	Securities Trader Principal	Approved	07/01/2016
B	Cboe EDGX Exchange, Inc.	General Securities Principal	Approved	07/01/2016

## Broker Qualifications



### Employment 1 of 1, continued

	SRO	Category	Status	Date
B	Cboe EDGX Exchange, Inc.	General Securities Representative	Approved	07/01/2016
B	Cboe EDGX Exchange, Inc.	Securities Trader	Approved	07/01/2016
B	Cboe EDGX Exchange, Inc.	Securities Trader Principal	Approved	07/01/2016
B	Cboe Exchange, Inc.	General Securities Representative	Approved	07/01/2016
B	Cboe Exchange, Inc.	General Securities Principal	Approved	08/05/2021
B	FINRA	General Securities Principal	Approved	07/01/2016
B	FINRA	General Securities Representative	Approved	07/01/2016
B	FINRA	Securities Trader	Approved	07/01/2016
B	FINRA	Securities Trader Principal	Approved	07/01/2016
B	Investors' Exchange LLC	General Securities Principal	Approved	06/18/2019
B	Investors' Exchange LLC	General Securities Representative	Approved	06/18/2019
B	Investors' Exchange LLC	Securities Trader	Approved	06/18/2019
B	Investors' Exchange LLC	Securities Trader Principal	Approved	06/18/2019
B	Long-Term Stock Exchange, Inc.	General Securities Principal	Approved	08/05/2021
B	Long-Term Stock Exchange, Inc.	General Securities Representative	Approved	08/05/2021
B	Long-Term Stock Exchange, Inc.	Securities Trader	Approved	08/05/2021
B	Long-Term Stock Exchange, Inc.	Securities Trader Principal	Approved	08/05/2021
B	MEMX LLC	General Securities Principal	Approved	08/05/2021
B	MEMX LLC	General Securities Representative	Approved	08/05/2021
B	MEMX LLC	Securities Trader	Approved	08/05/2021
B	MEMX LLC	Securities Trader Principal	Approved	08/05/2021
B	MIAX PEARL, LLC	General Securities Principal	Approved	08/05/2021

## Broker Qualifications



### Employment 1 of 1, continued

	SRO	Category	Status	Date
B	MIAX PEARL, LLC	General Securities Representative	Approved	08/05/2021
B	MIAX PEARL, LLC	Securities Trader	Approved	08/05/2021
B	MIAX PEARL, LLC	Securities Trader Principal	Approved	08/05/2021
B	NYSE American LLC	General Securities Principal	Approved	07/01/2016
B	NYSE American LLC	General Securities Representative	Approved	07/01/2016
B	NYSE American LLC	Securities Trader	Approved	07/01/2016
B	NYSE American LLC	Securities Trader Principal	Approved	07/01/2016
B	NYSE Arca, Inc.	General Securities Principal	Approved	07/01/2016
B	NYSE Arca, Inc.	General Securities Representative	Approved	07/01/2016
B	NYSE Arca, Inc.	Securities Trader	Approved	07/01/2016
B	NYSE Arca, Inc.	Securities Trader Principal	Approved	07/01/2016
B	NYSE National, Inc.	General Securities Principal	Approved	06/18/2019
B	NYSE National, Inc.	General Securities Representative	Approved	06/18/2019
B	NYSE National, Inc.	Securities Trader	Approved	06/18/2019
B	NYSE National, Inc.	Securities Trader Principal	Approved	06/18/2019
B	NYSE Texas, Inc.	General Securities Principal	Approved	07/01/2016
B	NYSE Texas, Inc.	General Securities Representative	Approved	07/01/2016
B	NYSE Texas, Inc.	Securities Trader	Approved	07/01/2016
B	NYSE Texas, Inc.	Securities Trader Principal	Approved	07/01/2016
B	Nasdaq BX, Inc.	General Securities Principal	Approved	07/01/2016
B	Nasdaq BX, Inc.	General Securities Representative	Approved	07/01/2016
B	Nasdaq BX, Inc.	Securities Trader	Approved	06/18/2019

## Broker Qualifications



### Employment 1 of 1, continued

	SRO	Category	Status	Date
B	Nasdaq BX, Inc.	Securities Trader Principal	Approved	06/18/2019
B	Nasdaq GEMX, LLC	General Securities Principal	Approved	08/05/2021
B	Nasdaq GEMX, LLC	General Securities Representative	Approved	08/05/2021
B	Nasdaq GEMX, LLC	Securities Trader	Approved	08/05/2021
B	Nasdaq GEMX, LLC	Securities Trader Principal	Approved	08/05/2021
B	Nasdaq ISE, LLC	General Securities Principal	Approved	07/01/2016
B	Nasdaq ISE, LLC	General Securities Representative	Approved	07/01/2016
B	Nasdaq ISE, LLC	Securities Trader	Approved	08/05/2021
B	Nasdaq ISE, LLC	Securities Trader Principal	Approved	08/05/2021
B	Nasdaq MRX, LLC	General Securities Principal	Approved	08/05/2021
B	Nasdaq MRX, LLC	General Securities Representative	Approved	08/05/2021
B	Nasdaq MRX, LLC	Securities Trader	Approved	08/05/2021
B	Nasdaq MRX, LLC	Securities Trader Principal	Approved	08/05/2021
B	Nasdaq PHLX LLC	General Securities Principal	Approved	07/01/2016
B	Nasdaq PHLX LLC	General Securities Representative	Approved	07/01/2016
B	Nasdaq PHLX LLC	Securities Trader	Approved	06/18/2019
B	Nasdaq PHLX LLC	Securities Trader Principal	Approved	06/18/2019
B	Nasdaq Stock Market	General Securities Principal	Approved	07/01/2016
B	Nasdaq Stock Market	General Securities Representative	Approved	07/01/2016
B	Nasdaq Stock Market	Securities Trader	Approved	07/01/2016
B	Nasdaq Stock Market	Securities Trader Principal	Approved	07/01/2016
B	New York Stock Exchange	General Securities Principal	Approved	07/01/2016



## Broker Qualifications

### Employment 1 of 1, continued

SRO	Category	Status	Date
<b>B</b> New York Stock Exchange	General Securities Representative	Approved	07/01/2016
<b>B</b> New York Stock Exchange	Securities Trader	Approved	07/01/2016
<b>B</b> New York Stock Exchange	Securities Trader Principal	Approved	07/01/2016

U.S. State/ Territory	Category	Status	Date
<b>B</b> New Jersey	Agent	Approved	07/05/2016
<b>B</b> New York	Agent	Approved	07/01/2016

### Branch Office Locations

**VIRTU AMERICAS LLC**  
 101 JFK Parkway  
 6th Floor  
 Short Hills, NJ 07078

---





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

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Principal Examination	Series 24	01/10/2002

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Trader Exam	Series 57TO	01/02/2023
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> Limited Representative-Equity Trader Exam	Series 55	12/09/1999
<b>B</b> General Securities Representative Examination	Series 7	06/25/1999

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	07/07/1999

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).

## Broker Qualifications



## Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 09/2011 - 07/2016	AUTOMATED TRADING DESK FINANCIAL SERVICES, LLC	103768	MT. PLEASANT, SC
<b>B</b> 08/2011 - 07/2016	CITIGROUP GLOBAL MARKETS INC.	7059	NEW YORK, NY
<b>B</b> 08/2011 - 02/2013	LAVAFLOW, INC.	120444	NEW YORK, NY
<b>B</b> 08/2011 - 09/2011	AUTOMATED TRADING DESK BROKERAGE SERVICES, LLC	36000	MT. PLEASANT, SC
<b>B</b> 01/2008 - 08/2011	THE VERTICAL GROUP	104353	RED BANK, NJ
<b>B</b> 08/2006 - 02/2008	CITIGROUP GLOBAL MARKETS INC.	7059	NEW YORK, NY
<b>B</b> 05/2002 - 08/2006	TD WATERHOUSE CAPITAL MARKETS, INC.	116757	BELLEVUE, NE
<b>B</b> 07/2000 - 06/2002	LADENBURG, THALMANN & CO., INC.	505	NEW YORK, NY
<b>B</b> 05/2002 - 05/2002	TD WATERHOUSE INVESTOR SERVICES, INC.	7870	OMAHA, NE
<b>B</b> 11/1999 - 11/2000	FIRST UNION SECURITIES, INC.	19616	ST. LOUIS, MO
<b>B</b> 06/1999 - 10/1999	FIRST CLEARING CORPORATION	17344	ST. LOUIS, MO

### 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
06/2016 - Present	KCG	Relationship Manager	Y	Jersey City, NJ, United States
08/2011 - Present	AUTOMATED TRADING DESK FINANCIAL SERVICES, LLC	REG. REP.	Y	MT. PLEASANT, SC, United States



Registration and Employment History

Employment History, continued

Employment	Employer Name	Position	Investment Related	Employer Location
08/2011 - 06/2016	CITIGROUP GLOBAL MARKETS	DIRECTOR	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:**
  - 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	2	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 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	INDIANA SECURITIES DIVISION
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	02/04/2014
<b>Docket/Case Number:</b>	14-0098 SS
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	
<b>Product Type:</b>	No Product
<b>Allegations:</b>	THE RESPONDENT WAS SUSPENDED BY A SELF-REGULATORY ORGANIZATION, IN VIOLATION OF IND. CODE 23-19-4-12(D).
<b>Current Status:</b>	Final
<b>Resolution:</b>	Order



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	02/04/2014
<b>Sanctions Ordered:</b>	Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ALL
<b>Duration:</b>	UNTIL REINSTATED
<b>Start Date:</b>	02/04/2014
<b>End Date:</b>	
<b>Regulator Statement</b>	DUNCAN HAS PROVIDED NOTICE OF HIS REINSTATEMENT TO FINRA, AND BY THE TERMS OF THE ORDER FROM THE INDIANA SECURITIES COMMISSIONER, HE IS NO LONGER SUSPENDED IN INDIANA.
<hr/>	
<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	STATE OF INDIANA OFFICE OF THE SECRETARY OF STATE, SECURITIES DIVISION
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	02/04/2014
<b>Docket/Case Number:</b>	14-0098SS
<b>Employing firm when activity occurred which led to the regulatory action:</b>	THE VERTICAL GROUP
<b>Product Type:</b>	No Product
<b>Allegations:</b>	THE RESPONDENT WAS SUSPENDED BY A SELF-REGULATORY ORGANIZATION IN VIOLATION OF INDIANA CODE 23-19-6-4-12(D).
<b>Current Status:</b>	Final
<b>Resolution:</b>	Order



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	02/04/2014
<b>Sanctions Ordered:</b>	Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ALL CAPACITIES
<b>Duration:</b>	UNTIL REINSTATED
<b>Start Date:</b>	02/04/2014
<b>End Date:</b>	

#### Disclosure 2 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	01/10/2014
<b>Docket/Case Number:</b>	2010022017301
<b>Employing firm when activity occurred which led to the regulatory action:</b>	THE VERTICAL TRADING GROUP, LLC
<b>Product Type:</b>	Other: THINLY TRADED SECURITIES
<b>Allegations:</b>	SOLD SECURITIES IN VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933, VIOLATED FINRA RULE 2010: DUNCAN AND HIS MEMBER FIRM ENGAGED IN THE DISTRIBUTION OF \$10 MILLION IN UNREGISTERED SECURITIES. DUNCAN WAS THE BROKER OF RECORD AND TRADER ON A CORPORATE ACCOUNT AT THE FIRM, AND, WITHIN ABOUT SIX MONTHS, DUNCAN'S CUSTOMER DEPOSITED AND THEN PROMPTLY SOLD MORE THAN \$10 MILLION WORTH OF FOUR THINLY TRADED SECURITIES OF





SPECULATIVE ISSUERS THAT HAD LITTLE OR NO OPERATING HISTORIES. THE SECURITIES THE CUSTOMER SOLD WERE NOT REGISTERED AND WERE NOT SUBJECT TO AN EXEMPTION FROM REGISTRATION. IN EACH INSTANCE, THE CUSTOMER REPRESENTED THAT IT HAD CONVERTED DEBT THAT THE ISSUER OWED TO THIRD PARTIES INTO EQUITY OF THE ISSUER. DUNCAN AND THE FIRM KNEW, OR REASONABLY SHOULD HAVE KNOWN, THAT THE CUSTOMER UTILIZED A STRATEGY OF CONVERTING DEBT TO EQUITIES IN SMALLER INCREMENTS OVER MULTIPLE DAYS IN ORDER TO AVOID QUALIFYING AS A CONTROL PERSON, WHICH WOULD HAVE RESULTED IN STRICT VOLUME LIMITATIONS ON HIS ABILITY TO LIQUIDATE THE SHARES. THE FIRM AND DUNCAN HAD ACCESS TO INFORMATION THAT SHOWED THAT THE ISSUERS HAD LITTLE OR NO OPERATING HISTORIES; HAD LITTLE REVENUE AND FEW ASSETS, SOMETIMES COMBINED WITH LARGE LOSSES; HAD ENGAGED IN RECENT REVERSE MERGERS; AND CEASED THEIR REPORTING OBLIGATIONS WITH THE SEC. THEREFORE, THE FIRM AND DUNCAN FAILED TO CONDUCT AN ADEQUATE INDEPENDENT INQUIRY TO DETERMINE WHETHER THE SHARES OF THE FOUR SECURITIES WERE FREELY TRADABLE. THE FIRM AND DUNCAN FAILED TO UNDERTAKE SUFFICIENT EFFORTS TO ASCERTAIN WHETHER THE FOUR STOCKS COULD BE PROPERLY SOLD UNDER THE CLAIMED EXEMPTION, AND ACCORDINGLY DID NOT SATISFY THEIR DUTY TO CONDUCT A REASONABLE INQUIRY, WHICH IS A CRUCIAL PART OF THE BROKERS' EXEMPTION.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	01/10/2014
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>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?</b>	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:** TWO MONTHS

**Start Date:** 02/03/2014

**End Date:** 04/02/2014

#### **Monetary Sanction 1 of 1**

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

**Total Amount:** \$50,000.00

**Portion Levied against individual:** \$50,000.00

**Payment Plan:**

**Is Payment Plan Current:** Yes

**Date Paid by individual:** 02/05/2016

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

#### **Amount Waived:**

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, DUNCAN CONSENTED



TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;  
THEREFORE, HE IS FINED \$50,000 AND SUSPENDED FROM ASSOCIATION  
WITH ANY FINRA MEMBER IN ALL CAPACITIES FOR TWO MONTHS. THE  
SUSPENSION IS IN EFFECT FROM FEBRUARY 3, 2014, THROUGH APRIL 2,  
2014.

Fine paid in full on February 5, 2015.

<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Date Initiated:</b>	01/10/2014
<b>Docket/Case Number:</b>	2010022017301
<b>Employing firm when activity occurred which led to the regulatory action:</b>	THE VERTICAL TRADING GROUP LLC
<b>Product Type:</b>	No Product
<b>Allegations:</b>	SOLD SECURITIES IN VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933, VIOLATED FINRA RULE 2010: DUNCAN AND HIS MEMBER FIRM ENGAGED IN THE DISTRIBUTION OF \$10 MILLION IN UNREGISTERED SECURITIES. DUNCAN WAS THE BROKER OF RECORD AND TRADER ON A CORPORATE ACCOUNT AT THE FIRM, AND, WITHIN ABOUT SIX MONTHS, DUNCAN'S CUSTOMER DEPOSITED AND THEN PROMPTLY SOLD MORE THAN \$10 MILLION WORTH OF FOUR THINLY TRADED SECURITIES OF SPECULATIVE ISSUERS THAT HAD LITTLE OR NO OPERATING HISTORIES. THE SECURITIES THE CUSTOMER SOLD WERE NOT REGISTERED AND WERE NOT SUBJECT TO AN EXEMPTION FROM REGISTRATION. IN EACH INSTANCE, THE CUSTOMER REPRESENTED THAT IT HAD CONVERTED DEBT THAT THE ISSUER OWED TO THIRD PARTIES INTO EQUITY OF THE ISSUER. DUNCAN AND THE FIRM KNEW, OR REASONABLY SHOULD HAVE KNOWN, THAT THE CUSTOMER UTILIZED A STRATEGY OF CONVERTING DEBT TO EQUITIES IN SMALLER INCREMENTS OVER MULTIPLE DAYS IN ORDER TO AVOID QUALIFYING AS A CONTROL PERSON, WHICH WOULD HAVE RESULTED IN STRICT VOLUME LIMITATIONS ON HIS ABILITY TO LIQUIDATE THE SHARES. THE FIRM AND DUNCAN HAD ACCESS TO INFORMATION THAT SHOWED THAT THE ISSUERS HAD LITTLE OR NO OPERATING HISTORIES; HAD LITTLE REVENUE AND FEW ASSETS, SOMETIMES COMBINED WITH LARGE LOSSES; HAD ENGAGED IN RECENT



REVERSE MERGERS; AND CEASED THEIR REPORTING OBLIGATIONS WITH THE SEC. THEREFORE, THE FIRM AND DUNCAN FAILED TO CONDUCT AN ADEQUATE INDEPENDENT INQUIRY TO DETERMINE WHETHER THE SHARES OF THE FOUR SECURITIES WERE FREELY TRADABLE. THE FIRM AND DUNCAN FAILED TO UNDERTAKE SUFFICIENT EFFORTS TO ASCERTAIN WHETHER THE FOUR STOCKS COULD BE PROPERLY SOLD UNDER THE CLAIMED EXEMPTION, AND ACCORDINGLY DID NOT SATISFY THEIR DUTY TO CONDUCT A REASONABLE INQUIRY, WHICH IS A CRUCIAL PART OF THE BROKERS' EXEMPTION.

**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?** Yes

**Resolution Date:** 01/10/2014

**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:** 02/03/2014

**End Date:** 04/02/2014

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$50,000.00

**Portion Levied against individual:** \$50,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**



**Was any portion of penalty waived?**

No

**Amount Waived:**

**Broker Statement**

DUNCAN ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER, AND CONSENT (AWC) IN WHICH, WITHOUT ADMITTING OR DENYING THE FINDINGS THEREIN, HE WAS ALLEGED TO HAVE VIOLATED FINRA RULE 2010 BY ENGAGING IN THE DISTRIBUTION OF UNREGISTERED SECURITIES. AS PART OF THE AWC, DUNCAN CONSENTED TO A \$50,000 FINE AND A SUSPENSION FROM ASSOCIATION WITH ANY FINRA MEMBER IN ALL CAPACITIES FOR THE PERIOD OF FEBRUARY 3, 2014 THROUGH APRIL 2, 2014.

## End of Report



**This page is intentionally left blank.**