

BrokerCheck Report

MICHAEL BARRY CARTER

CRD# 3232017

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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.

MICHAEL B. CARTER

CRD# 3232017

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
- 2 State Securities Law Exams

Registration History

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

- B MORGAN STANLEY**
CRD# 149777
MCLEAN, VA
12/2011 - 08/2019
- B AMERIPRISE FINANCIAL SERVICES, INC.**
CRD# 6363
VIENNA, VA
04/2011 - 06/2011
- B MORGAN STANLEY SMITH BARNEY**
CRD# 149777
VIENNA, VA
06/2009 - 05/2011

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	4
Civil Event	1
Customer Dispute	5
Termination	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<https://www.adviserinfo.sec.gov>

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 2 state securities law exams.

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 Futures Managed Funds Examination	Series 31	02/15/2007
B General Securities Representative Examination	Series 7	06/22/1999

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	04/24/2003
B Uniform Securities Agent State Law Examination	Series 63	07/09/1999

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/.

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 12/2011 - 08/2019	MORGAN STANLEY	149777	MCLEAN, VA
B 04/2011 - 06/2011	AMERIPRISE FINANCIAL SERVICES, INC.	6363	VIENNA, VA
B 06/2009 - 05/2011	MORGAN STANLEY SMITH BARNEY	149777	VIENNA, VA
B 04/2007 - 06/2009	MORGAN STANLEY & CO. INCORPORATED	8209	VIENNA, VA
B 09/2006 - 04/2007	MORGAN STANLEY DW INC.	7556	VIENNA, VA
B 10/2002 - 06/2006	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	VIENNA, VA
B 06/2000 - 03/2002	FINANCIAL NETWORK INVESTMENT CORPORATION	13572	EL SEGUNDO, CA
B 06/1999 - 03/2000	DEAN WITTER REYNOLDS INC.	7556	PURCHASE, NY

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
01/2015 - Present	MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION	FINANCIAL ADVISOR	Y	NEW YORK, NY, United States
11/2011 - Present	MORGAN STANLEY SMITH BARNEY	RMA	Y	MCLEAN, VA, 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.
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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.
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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	4	0
Civil Event	0	1	0
Customer Dispute	0	5	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 4

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Other: n/a
Date Initiated:	07/02/2021
Docket/Case Number:	3-20386
Employing firm when activity occurred which led to the regulatory action:	n/a
Product Type:	No Product
Allegations:	The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Michael Barry Carter ("Carter" or "Respondent"). The Commission finds that Carter was employed by Financial Institution A as an investment adviser representative and registered representative in McLean, VA from August 2006 until April 2011 and again from November 2011 until he was terminated in July 2019 in connection with the conduct described herein. Financial Institution A is an investment adviser and broker dealer registered with the Commission. Carter, 46 years old, is a resident of Knoxville, Tennessee. On June



30, 2021, a final judgment was entered by consent against Carter, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Michael Barry Carter, Civil Action Number 20-cv-2112, in the United States District Court for the District of Maryland. The Commission's complaint alleged that from approximately October 2007 through May 2019, Carter misappropriated approximately \$6 million from brokerage customers and an elderly investment advisory client while he served as their financial advisor at Financial Institution A. The complaint alleged that Carter carried out his scheme by falsifying internal forms to effect approximately 60 unauthorized cash wire transfers from the customers' and client's accounts to his personal bank account at another financial institution. On July 20, 2020, Carter pled guilty to Wire Fraud and Investment Advisers Fraud before the United States District Court for the District of Maryland, in United States v. Michael Barry Carter, Crim. No. 20-cr-151. On March 29, 2021, a judgment in the criminal case was entered against Carter. He was sentenced to a prison term of 60 months followed by three years of supervised release and ordered to make restitution in the amount of \$4,355,110.39. The counts of the criminal information to which Carter pled guilty alleged, inter alia, that Carter misappropriated over \$6 million from customers and clients while he served as their financial advisor, by effecting numerous unauthorized transactions from their accounts

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?	No
Resolution Date:	07/02/2021
Sanctions Ordered:	Bar (Permanent)
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 2

Sanction Type: Bar (Permanent)

Capacities Affected: participation in an offering of penny stock

Duration: indefinite

Start Date: 07/02/2021

End Date:

Sanction 2 of 2

Sanction Type: Bar (Permanent)

Capacities Affected: All capacities

Duration: indefinite

Start Date: 07/02/2021

End Date:

Regulator Statement

Carter has submitted an Offer of Settlement (the Offer) which the Commission has determined to accept. Accordingly, Carter is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. Carter is also barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.



Disclosure 2 of 4

Reporting Source:	Regulator
Regulatory Action Initiated By:	Maryland
Sanction(s) Sought:	Bar Cease and Desist Monetary Penalty other than Fines Revocation
Date Initiated:	10/15/2020
Docket/Case Number:	2019-0176
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	Morgan Stanley
Product Type:	No Product
Allegations:	Respondent violated the antifraud provisions of section 11-301 of the Securities Act by, among other things, misappropriating millions of dollars from his clients' accounts for his own personal benefit, misrepresenting or omitting to disclose material facts to his clients and falsifying his clients' account statements. Respondent violated the dishonest and unethical provisions of section 11-306 of the Securities Act by, among other things, misappropriating millions of dollars from his clients' accounts for his own personal benefit.
Current Status:	Final
Resolution:	Consent
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:	12/15/2020
Sanctions Ordered:	Bar (Permanent) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s)



Revocation

Sanction 1 of 1

Sanction Type: Bar (Permanent)

Capacities Affected: Broker-dealer, Agent, Investment Adviser, Investment Adviser Representative

Duration:

Start Date: 12/15/2020

End Date:

Monetary Sanction 1 of 1

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

Total Amount: \$220,000.00

Portion Levied against individual: \$220,000.00

Payment Plan:**Is Payment Plan Current:****Date Paid by individual:**

Was any portion of penalty waived? Yes

Amount Waived: \$220,000.00

Regulator Statement Collection of civil monetary penalty will be waived in light of Morgan Stanley's reimbursement of victim losses and multimillion dollar restitution order expected to be imposed at sentencing hearing.

Disclosure 3 of 4

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Suspension

Date Initiated: 02/28/2020

Docket/Case Number: [19-02732](#)



Employing firm when activity occurred which led to the regulatory action:	N/A
Product Type:	No Product
Allegations:	Respondent Carter failed to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance.
Current Status:	Final
Resolution:	Letter
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:	02/28/2020
Sanctions Ordered:	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: Indefinite

Start Date: 02/28/2020

End Date:

Regulator Statement Pursuant to Article VI, Section 3 of FINRA By-Laws, and FINRA Rule 9554, Respondent Carter is suspended on February 28, 2020 for failure to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance.

Disclosure 4 of 4

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 09/09/2019

Docket/Case Number: [2019063523501](#)



Employing firm when activity occurred which led to the regulatory action:	Morgan Stanley
Product Type:	No Product
Allegations:	Without admitting or denying the findings, Carter consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA during the course of an investigation initiated after FINRA received an external tip relating to allegations of misconduct that were ultimately contained in a Form U5 filed by his member firm.
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:	09/09/2019
Sanctions Ordered:	Bar (Permanent)
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:	Bar (Permanent)
Capacities Affected:	All capacities
Duration:	Indefinite
Start Date:	09/09/2019
End Date:	



Civil - Final

This type of disclosure event involves (1) an injunction issued by a court in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action brought by a state or foreign financial regulatory authority that is dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Regulator
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Relief Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
Date Court Action Filed:	07/20/2020
Product Type:	No Product
Type of Court:	Federal Court
Name of Court:	U.S. District Court for the District of Maryland
Location of Court:	Maryland
Docket/Case #:	1:20-cv-2112
Employing firm when activity occurred which led to the action:	N/A
Allegations:	The Securities and Exchange Commission (the "Commission"), for its Complaint against defendant Michael Carter ("Carter" or "Defendant"), alleges that, from approximately October 2007 through May 2019, he misappropriated approximately \$6 million from brokerage customers and an elderly investment advisory client while he served as their financial advisor at a large financial institution registered with the Commission as broker-dealer and investment adviser ("Financial Institution A"). Of that sum, Carter misappropriated approximately \$2.5 million in the last five years. Carter's victims include people close to him who knew and trusted him through familial ties and friendship. Carter carried out his scheme by falsifying internal forms to effect approximately 60 unauthorized cash wire transfers from the customers' and client's accounts to his personal bank account at another financial institution ("Financial Institution B"). Carter concealed his fraud from the investors by providing them with fake account statements that he fabricated, diverting their real account statements and other correspondence to post office boxes that he controlled or to a false email address that he created, and by making misrepresentations to them concerning their securities investments. Carter used the funds that he misappropriated from the investors to support his lifestyle, which



included hundreds of thousands of dollars of credit card bills, thousands of dollars of cash withdrawals, payments for a substantial home mortgage, and a luxury car. By virtue of the foregoing conduct and as alleged further herein, Carter has violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Section 206(1) and Section 206(2) of the Investment Advisers Act of 1940 ("Advisers Act").

Current Status:	Final
Resolution:	Judgment Rendered
Resolution Date:	06/30/2021
Sanctions Ordered or Relief Granted:	Disgorgement Injunction Monetary Penalty other than Fines
Capacities 1 of 1	
Capacities Affected:	n/a
Duration:	permanent
Start Date:	06/30/2021
End Date:	
Monetary Sanction 1 of 2	
Monetary Sanction:	pre-judgment interest on disgorgement
Total Amount:	\$225,393.52
Portion against individual:	225393.52
Date Paid:	
Portion Waived:	No
Amount Waived:	
Monetary Sanction 2 of 2	
Monetary Sanction:	Disgorgement
Total Amount:	\$4,010,568.39
Portion against individual:	4010568.39
Date Paid:	
Portion Waived:	No
Amount Waived:	

**Regulator Statement**

On June 30, 2021, a final judgment was entered, by consent, against Carter wherein he was permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, permanently restrained and enjoined from violating, directly or indirectly, Section 206(1) and Section 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), and is liable for disgorgement of \$4,010,568.39, representing net profits gained as a result of conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$225,393.52.

Said disgorgement and prejudgment interest are deemed satisfied by the entry of the order of restitution entered in United States v. Michael Barry Carter, Crim. No. 20-cr-151 (D. Md.) (D.E. #36).



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 5

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MORGAN STANLEY
Allegations:	CLIENT'S ATTORNEY ALLEGES, INTER ALIA THAT FUNDS WERE MISAPPROPRIATED FROM THE CLIENT'S ACCOUNT AND THAT SHARES OF STOCK WERE SOLD WITHOUT AUTHORIZATION. 2015 - 2016
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$73,458.00
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:	06/12/2020
Complaint Pending?	No
Status:	Settled
Status Date:	06/26/2020
Settlement Amount:	\$16,731.00
Individual Contribution Amount:	\$0.00

Disclosure 2 of 5

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MSSB
Allegations:	Complaint from client's attorney alleging misappropriation by former FA from client's account. 10/01/2012-07/31/2019



Product Type: Other: Non-Broker-Dealer Affiliate Product

Alleged Damages: \$6,838,155.55

Alleged Damages Amount Explanation (if amount not exact): including punitive damages

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: 11/15/2019

Complaint Pending? No

Status: Settled

Status Date: 02/28/2020

Settlement Amount: \$1,300,000.00

Individual Contribution Amount: \$0.00

Disclosure 3 of 5

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MSSB

Allegations: Client did not authorize withdrawals in the account that took place between 2/2007-08/2014.

Product Type: Other: Non-Broker-Dealer Affiliate Product

Alleged Damages: \$4,000,000.00

Is this an oral complaint? Yes

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? No



Customer Complaint Information

Date Complaint Received: 10/18/2019
Complaint Pending? No
Status: Settled
Status Date: 10/18/2019
Settlement Amount: \$3,193,500.00
Individual Contribution Amount: \$0.00

Disclosure 4 of 5

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: MSSB
Allegations: Client was unaware of withdrawals in the account that took place between 6/2015 AND 9/2017.
Product Type: Other: Non-Broker-Dealer Affiliate Product
Alleged Damages: \$0.00
Alleged Damages Amount Explanation (if amount not exact): Unspecified
Is this an oral complaint? Yes
Is this a written complaint? No
Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 09/12/2019
Complaint Pending? No
Status: Settled
Status Date: 09/12/2019
Settlement Amount: \$676,174.01



Individual Contribution Amount: \$0.00

Disclosure 5 of 5

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MSSB

Allegations: Client's POA agent verbally alleged that a Liquidity Access Line was opened without authorization and certain withdrawals were unauthorized - December 2017 through May 2019.

Product Type: Other: Non-Broker-Dealer Affiliate Product

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): Unspecified

Is this an oral complaint? Yes

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 09/03/2019

Complaint Pending? No

Status: Settled

Status Date: 09/03/2019

Settlement Amount: \$1,357,841.68

Individual Contribution Amount: \$0.00



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:	1.MSWM
Termination Type:	Discharged
Termination Date:	07/30/2019
Allegations:	FA was terminated after allegations he misappropriated client funds.
Product Type:	Other: NA
Firm Statement	NA

End of Report



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