

BrokerCheck Report

DONALD ANTHONY SANDERS

CRD# 410116

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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.

**DONALD A. SANDERS**

CRD# 410116

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

IA SANDERS MORRIS LLC
 600 TRAVIS
 SUITE 5900
 HOUSTON, TX 77002
 CRD# 20580
 Registered with this firm since: 07/17/2006

B SANDERS MORRIS LLC
 600 TRAVIS
 SUITE 5900
 HOUSTON, TX 77002
 CRD# 20580
 Registered with this firm since: 11/02/1987

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
- 48 U.S. states and territories

This broker has passed:

- 3 Principal/Supervisory Exams
- 5 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

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

IA SOF MANAGEMENT, LLC
 CRD# 138787
 HOUSTON, TX
 02/2006 - 12/2012

B E. F. HUTTON & COMPANY INC
 CRD# 235
 09/1970 - 05/1988

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
Customer Dispute	6



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 48 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **SANDERS MORRIS LLC**
 Main Office Address: **600 TRAVIS
 SUITE 5900
 HOUSTON, TX 77002-3003**
 Firm CRD#: **20580**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	11/02/1987
B	FINRA	General Securities Representative	Approved	11/02/1987
B	FINRA	Municipal Securities Principal	Approved	02/12/1988
B	FINRA	Investment Banking Representative	Approved	02/22/2010
B	FINRA	Investment Banking Principal	Approved	10/01/2018
B	Nasdaq Stock Market	General Securities Principal	Approved	07/12/2006
B	Nasdaq Stock Market	General Securities Representative	Approved	07/12/2006

	U.S. State/ Territory	Category	Status	Date
B	Alabama	Agent	Approved	10/12/2017
B	Alaska	Agent	Approved	04/08/1993
B	Arizona	Agent	Approved	03/18/1993
IA	Arizona	Investment Adviser Representative	Approved	09/12/2006
B	Arkansas	Agent	Approved	08/06/1993
B	California	Agent	Approved	07/28/1988

Broker Qualifications



Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
IA	California	Investment Adviser Representative	Approved	08/30/2006
B	Colorado	Agent	Approved	03/11/1993
IA	Colorado	Investment Adviser Representative	Approved	09/05/2006
B	Connecticut	Agent	Approved	03/17/1993
IA	Connecticut	Investment Adviser Representative	Approved	09/01/2006
B	Delaware	Agent	Approved	03/11/1993
B	District of Columbia	Agent	Approved	08/25/1988
B	Florida	Agent	Approved	08/02/1988
IA	Florida	Investment Adviser Representative	Approved	08/31/2006
B	Georgia	Agent	Approved	03/29/1993
IA	Georgia	Investment Adviser Representative	Approved	08/31/2006
B	Idaho	Agent	Approved	03/11/1993
B	Illinois	Agent	Approved	03/16/1993
IA	Illinois	Investment Adviser Representative	Approved	08/31/2006
B	Indiana	Agent	Approved	04/20/1993
B	Iowa	Agent	Approved	03/17/1993
B	Kentucky	Agent	Approved	03/11/1993
B	Louisiana	Agent	Approved	06/14/1993
IA	Louisiana	Investment Adviser Representative	Approved	08/30/2006
B	Maryland	Agent	Approved	05/06/1998
B	Massachusetts	Agent	Approved	03/30/1993

Broker Qualifications



Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Michigan	Agent	Approved	03/18/1993
B	Minnesota	Agent	Approved	03/11/1993
B	Mississippi	Agent	Approved	03/19/1993
B	Missouri	Agent	Approved	09/05/2006
IA	Missouri	Investment Adviser Representative	Approved	09/05/2006
B	Montana	Agent	Approved	07/27/1993
B	Nebraska	Agent	Approved	03/25/1993
IA	Nebraska	Investment Adviser Representative	Approved	08/30/2006
B	Nevada	Agent	Approved	09/09/1988
B	New Jersey	Agent	Approved	03/21/1989
B	New Mexico	Agent	Approved	08/05/1988
B	New York	Agent	Approved	03/13/1990
B	North Carolina	Agent	Approved	04/19/1993
B	North Dakota	Agent	Approved	03/03/1993
B	Ohio	Agent	Approved	03/11/1993
B	Oklahoma	Agent	Approved	04/28/1988
B	Oregon	Agent	Approved	03/15/1993
B	Pennsylvania	Agent	Approved	03/19/1993
IA	Pennsylvania	Investment Adviser Representative	Approved	08/31/2006
B	Puerto Rico	Agent	Approved	10/19/2017
B	Rhode Island	Agent	Approved	03/18/1993



Broker Qualifications

Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	South Dakota	Agent	Approved	03/18/1993
B	Tennessee	Agent	Approved	08/03/1988
B	Texas	Agent	Approved	10/01/1987
IA	Texas	Investment Adviser Representative	Approved	07/17/2006
B	Utah	Agent	Approved	05/06/1993
B	Vermont	Agent	Approved	05/04/1993
B	Virgin Islands	Agent	Approved	10/23/2017
B	Virginia	Agent	Approved	08/03/1988
IA	Virginia	Investment Adviser Representative	Approved	08/31/2006
B	Washington	Agent	Approved	03/18/1993
B	West Virginia	Agent	Approved	03/11/1993
B	Wisconsin	Agent	Approved	04/29/1998
B	Wyoming	Agent	Approved	03/12/1993

Branch Office Locations

SANDERS MORRIS LLC
 600 TRAVIS
 SUITE 5900
 HOUSTON, TX 77002



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 3 principal/supervisory exams, 5 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B Municipal Securities Principal Examination	Series 53	01/02/2023
B General Securities Principal Examination	Series 24	01/02/2023
B Registered Principal Examination	Series 40	09/11/1970

General Industry/Product Exams

Exam	Category	Date
B Investment Banking Registered Representative Examination	Series 79TO	01/02/2023
B General Securities Representative Examination	Series 7TO	01/02/2023
B Securities Industry Essentials Examination	SIE	10/01/2018
B AMEX Put and Call Exam	PC	05/11/1981
B Registered Representative Examination	Series 1	08/27/1959

State Securities Law Exams

Exam	Category	Date
B IA Uniform Combined State Law Examination	Series 66	08/24/2006
B Uniform Securities Agent State Law Examination	Series 63	07/16/1981

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
IA 02/2006 - 12/2012	SOF MANAGEMENT, LLC	138787	HOUSTON, TX
B 09/1970 - 05/1988	E. F. HUTTON & COMPANY INC	235	

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
01/2006 - Present	SOF MANAGEMENT, LLC	MANAGING DIRECTOR	Y	HOUSTON, TX, United States
07/1987 - Present	SANDERS MORRIS HARRIS GROUP INC.	CHAIRMAN OF THE EXECUTIVE COMMITTEE	Y	HOUSTON, TX, United States
07/1987 - Present	SANDERS MORRIS HARRIS INC.	REGISTERED REPRESENTATIVE	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.

1) RYAN SANDERS BASEBALL GP, LLC, NO, ROUND ROCK, TX, GP OF RYAN SANDERS BASEBALL LP, MGR, 4/04, 4HRS, .25 HRS, ATTEND BOARD MTGS; 2) HOUSTON TEXANS BOWL BACKERS, NOT INVESTMENT RELATED, LONE STAR ENTERTAINMENT RELIANT STADIUM TWO RELIANT PARK, HOUSTON TX, CORPORATION, BOARD OF DIRECTORS, 8/2006, 4 HRS PER MONTH, 1HR PER MONTH; 3) CHRISTIE'S AUCTION, NOT INVESTMENT RELATED, NEW YORK, NY, PERSONEL ART OWNERSHIP, OWNER OF ART COLECTION, 9/14/2014, 20 HR PER MONTH, 5 HRS DURING SECURITIES TRADING, COORDINATING ARE SALE; 4) SMH INVESTMENTS I, LLC, INVESTMENT RELATED, HOUSTON, TX, LLC, MANAGING MEMBER, OCTOBER 10, 2012, 10 HR PER MONTH, 8 HRS DURING SECURITIES TRADING HOURS; 5) HOUSTON POLICE OFFICERS PENSION SYSTEM, NOT INVESTMENT RELATED, HOUSTON, TX, CITY POLICE RETIREMENT PROGRAM, BOARD MEMBER, 4/1/2016, 5 HRS PER MONTH, 3 HRS DURING SECURITIES TRADING HOURS, ATTEND BOARD MEETINGS. 6) DON SANDERS CHOCOLATES, DBA THE CHOCOLATE BAR, NOT INVESTMENT RELATED, HOUSTON TX, OWNER, 4/19, 1 HR PER MONTH, 1 HR DURING SECURITIES TRADING HOURS, OWNER. 7) SMW INVESTMENTS LLC, INVESTMENT

Registration and Employment History



Other Business Activities, continued

RELATED, HOUSTON TX, MANAGING MEMBER, 3/17, 2 HRS PER MONTH, 1 HR DURING SECURITIES TRADING HOURS, MANAGER.

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.
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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
Customer Dispute	0	6	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.

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 6

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Sanders Morris Harris LLC
Allegations:	The Complainant alleged losses were result of investing strategies not consistent with her level of investment experience and investment objectives.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$100,000.00
Alleged Damages Amount Explanation (if amount not exact):	The claim for damages was neither specific to the alleged claims with regard to any security or precise in that the losses claimed/compensation sought ranged from \$50,000 to \$100,000 and legal fees.
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	17-002429
Filing date of arbitration/CFTC reparation or civil litigation:	09/12/2017



Customer Complaint Information

Date Complaint Received:	09/12/2017
Complaint Pending?	No
Status:	Settled
Status Date:	11/06/2017
Settlement Amount:	\$18,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	The Statement of Claim was withdrawn because of settlement, case closed on or about November 6, 2017, and never was submitted to an arbitrator in an arbitration proceeding.

Disclosure 2 of 6

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	SANDERS MORRIS HARRIS
Allegations:	A NON-CLIENT INDIVIDUAL CONTACTED THE FIRM ON AN UNSOLICITED BASIS SEEKING TO BUY SHARES OF AN ENERGY COMPANY. THE PERSON PURPORTEDLY PURCHASED SHARES IN THE COMPANY FROM ANOTHER BROKER-DEALER. FOR UNKNOWN REASONS, HE ALLEGES THE SMH REPRESENTATIVE SHOULD HAVE CONVEYED INFORMATION RELATED TO POSSIBLE FUTURE EARNINGS AND OPERATIONS OF THE COMPANY. THE FIRM BELIEVES THE NON-CLIENT'S CLAIM IS FRIVOLOUS AND DENIES THAT IT HAS ENGAGED IN ANY DUBIOUS CONDUCT
Product Type:	Oil & Gas
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	AT THIS TIME, DAMAGE AMOUNT IS UNKNOWN. PLAINTIFF IS SEEKING RESCISSION OF TRADE, EXEMPLARY DAMAGES, AND ATTORNEY COSTS.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes



Arbitration/Reparation forum or court name and location: DISTRICT COURT, HARRIS COUNTY , TEXAS 80TH JUDICIAL DISTRICT

Docket/Case #: 2015-11227

Filing date of arbitration/CFTC reparation or civil litigation: 04/15/2015

Customer Complaint Information

Date Complaint Received: 04/15/2015

Complaint Pending? No

Status: Settled

Status Date: 11/11/2016

Settlement Amount: \$2,150,000.00

Individual Contribution Amount: \$450,000.00

Civil Litigation Information

Type of Court: State Court

Name of Court: DISTRICT COURT, HARRIS COUNTY, TEXAS 80TH DISTRICT

Location of Court: HARRIS COUNTY, TEXAS

Docket/Case #: 2015-11227

Date Notice/Process Served: 04/15/2015

Litigation Pending? No

Disposition: Settled

Disposition Date: 11/11/2016

Monetary Compensation Amount: \$2,150,000.00

Individual Contribution Amount: \$450,000.00

Disclosure 3 of 6

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint: SANDERS MORRIS HARRIS INC.

Allegations: CLIENT PURCHASED INTERESTS IN A LIMITED PARTNERSHIP IN 2005. SHE RECEIVED NOTIFICATION THAT THE PARTNERSHIP WAS IN THE PROCESS OF BEING LIQUIDATED, BUT THE LIQUIDATION WOULD NOT LIKELY BE COMPLETED BEFORE DECEMBER 31, 2011. SHE COMPLAINED THAT SHE NEEDED HER FUNDS TO BE LIQUID.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$87,000.00

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: 02/11/2010

Complaint Pending? No

Status: Settled

Status Date: 02/26/2010

Settlement Amount: \$58,299.99

Individual Contribution Amount: \$0.00

Disclosure 4 of 6

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint:

Allegations: CHURNING AND UNAUTHORIZED STOCK TRANSACTIONS
ALLEGED DAMAGES - \$600,000.00 - COMPENSATORY

Product Type:

Alleged Damages: \$600,000.00



Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Date Notice/Process Served: 09/25/1989

Arbitration Pending? No

Disposition: Settled

Disposition Date: 08/07/1991

Monetary Compensation Amount: \$50,000.00

Individual Contribution Amount: \$50,000.00

Firm Statement AWARD - \$50,000.00 DONALD SANDERS WILL PAY ENTIRE AWARD OF \$50,000.00 Not Provided

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint:

Allegations: THE ALLEGATIONS INCLUDE A CLAIM FOR NOT MORE THAN \$600,000.00 OF ACTUAL DAMAGES, BASE DUPON ASSERTED CHURNING AND UNAUTHORIZED STOCK TRANSACTIONS IN CUSTOMER'S ACCOUNT.

Product Type:



Alleged Damages: \$600,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Date Notice/Process Served: 09/25/1989

Arbitration Pending? No

Disposition: Settled

Disposition Date: 08/07/1991

Monetary Compensation Amount: \$50,000.00

Individual Contribution Amount: \$50,000.00

Broker Statement [CUSTOMER] (CLAIMANT) RECEIVED A SUM OF \$50,000.00 FROM DONALD A. SANDERS (RESPONDENT). NOT PROVIDED

Disclosure 5 of 6

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: E.F. HUTTON

Allegations: FAILURE TO FOLLOW INSTRUCTION, SUITABILITY BREACH OF FIDUCIARY, FRAUD NEGLIGENCE BREACH OF CONTRACT. ALLEGED DAMAGES \$120,345.00.

**Product Type:****Alleged Damages:** \$120,345.00**Customer Complaint Information****Date Complaint Received:****Complaint Pending?** No**Status:** Arbitration/Reparation**Status Date:****Settlement Amount:****Individual Contribution Amount:****Arbitration Information****Arbitration/Reparation Claim filed with and Docket/Case No.:** National Association of Securities Dealers, Inc.; 91-00550**Date Notice/Process Served:** 03/22/1991**Arbitration Pending?** No**Disposition:** Settled**Disposition Date:** 07/26/1991**Monetary Compensation Amount:** \$60,000.00**Individual Contribution Amount:** \$30,000.00**Firm Statement**

SETTLEMENT - \$60,000.00 DONALD SANDERS WILL CONTRIBUTE \$30,000.00 TOWARD SETTLEMENT. THIS IS AN OCTOBER, 1987 CRASH CASE. IN 1986 AT HER DAUGHTER'S EXPRESS REQUEST, MR. SANDERS BECAME CUSTOMER HUTTON BROKER. CUSTOMER PURCHASED A FEW POSITIONS WHILE AT THE FIRM, AND MAINTAINED THOSE POSITIONS EVEN AFTER LEAVING HUTTON IN 1987. IN EARLY 1991, CUSTOMER SUED ALLEGING UNSUITABILITY, FRAUD, EMOTIONAL DISTRESS, BEACH OF FIDUCIARY DUTY, AND FAILURE TO SUPERVISE. THE FIRM FOUND NO MERIT TO HER CLAIM, BUT SETTLED FOR BUSINESS REASONS WITH MR. SANDERS PAYING 1/2 OF THE AMOUNT.



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: E.F. HUTTON

Allegations: THE ALLEGATIONS INCLUDE A CLAIM FOR NOT MORE THAN \$120,000.00 OF ACTUAL DAMAGES, BASED UPON ASSERTED NEGLIGENCE AND/OR IMPRUDENT DECISIONS WITH RESPECT TO CHOICE OF INVESTMENTS ON CUSTOMER'S BEHALF, AND FAILURE TO PROPERLY MONITOR INVESTMENTS PURCHASED.

Product Type:

Alleged Damages: \$120,345.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.; 91-00550

Date Notice/Process Served: 03/22/1991

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/26/1991

Monetary Compensation Amount: \$60,000.00

Individual Contribution Amount: \$30,000.00

**Broker Statement**

[CUSTOMER] (CLAIMANT) RECEIVED A SUM OF \$60,000.00 IN RETURN FOR A DISMISSAL OF THE ACTION. THE CUSTOMER'S CLAIM WAS BASED UPON THE UNDERSTANDINGS REACHED WITH THE CUSTOMER AT THE TIME THE ACCOUNT WAS OPENED AS WELL AS UPON COMMUNICATIONS HAD DURING THE COURSE OF MONITORING OF THE INVESTMENTS PURCHASED FOR THE CLIENT.

Disclosure 6 of 6

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint:

Allegations: BREACH OF FIDUCIARY DUTY, FRAUD, NEGLIGENCE, CHURNING ALLEGED DAMAGES - UNCALCULATED

Product Type:

Alleged Damages: \$500,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Litigation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Civil Litigation Information

Court Details: DISTRICT, 270TH JUDICIAL; HARRIS COUNTY, TX; 89-13333

Date Notice/Process Served: 04/06/1989

Litigation Pending? No

Disposition: Settled

Disposition Date: 11/30/1990



Monetary Compensation Amount:	\$150,000.00
Individual Contribution Amount:	\$20,000.00
Firm Statement	SETTLEMENT - \$150,000.00 DON SANDERS WILL CONTRIBUTE \$20,000.00 TOWARD SETTLEMENT OPTIONS NOT INVOLVED

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint:

Allegations: PLAINTIFF ALLEGED BREACH OF FIDUCIARY DUTY, FRAUD, NEGLIGENCE AND DECEPTIVE TRADE PRACTICES. THE PLAINTIFF ALSO ALLEGED DAMAGES FROM THE MANAGEMENT OF HER INVESTMENT PORTFOLIO IN THE AMOUNT OF \$450,000 - \$500,000.

Product Type:

Alleged Damages: \$500,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Litigation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Civil Litigation Information

Court Details: DISTRICT, 270TH JUDICIAL; HARRIS COUNTY, TX; 89-13333

Date Notice/Process Served: 04/06/1989

Litigation Pending? No

Disposition: Settled

Disposition Date: 11/30/1990



Monetary Compensation Amount:	\$150,000.00
Individual Contribution Amount:	\$20,000.00
Broker Statement	SETTLEMENT AGREEMENT AND MUTUAL RELEASE WAS EXECUTED BY BOTH PARTIES WHEREBY DEFENDANTS AGREED TO PAY THE PLAINTIFF THE SUM OF \$150,000.00 AS FULL AND FINAL SETTLEMENT OF ALL CLAIMS. SHEARSON LEHMAN HUTTON, INC. PAID \$130,000 WHILE I PAID \$20,000 OF THE SETTLEMENT. Not Provided

End of Report



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