

BrokerCheck Report

BILLY RANDOLPH CARTY

CRD# 42297

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 4
Registration and Employment History	6
Disclosure Events	7



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.



BILLY R. CARTY

CRD# 42297

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

- B

CARTY, HARDING & HEARN, INC.
6263 POPLAR AVE SUITE 800
MEMPHIS, TN 38119
CRD# 7001
Registered with this firm since: 02/06/1976

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:

- 1 Self-Regulatory Organization
- 12 U.S. states and territories

This broker has passed:

- 3 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

KANE CARTY & BOLTON INC
CRD# 1000002
05/1972 - 08/1974

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	13



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 1 SRO and is licensed in 12 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **CARTY, HARDING & HEARN, INC.**

Main Office Address: **6263 POPLAR AVENUE
SUITE 800
MEMPHIS, TN 38119**

Firm CRD#: **7001**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	02/06/1976
B	FINRA	General Securities Representative	Approved	02/06/1976
B	FINRA	Municipal Securities Principal	Approved	02/06/1976

	U.S. State/ Territory	Category	Status	Date
B	Arkansas	Agent	Approved	05/20/1983
B	Connecticut	Agent	Approved	02/08/1989
B	Florida	Agent	Approved	05/09/1983
B	Illinois	Agent	Approved	01/08/1990
B	Indiana	Agent	Approved	03/14/1986
B	Iowa	Agent	Approved	10/30/1990
B	Kansas	Agent	Approved	04/16/1990
B	Missouri	Agent	Approved	08/26/1983
B	Oklahoma	Agent	Approved	02/22/1989
B	Tennessee	Agent	Approved	03/06/1989



Broker Qualifications

Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Texas	Agent	Approved	08/23/1983
B	Utah	Agent	Approved	06/26/1998

Branch Office Locations

CARTY, HARDING & HEARN, INC.
6263 POPLAR AVENUE
SUITE 800
MEMPHIS, TN 38119

CARTY, HARDING & HEARN, INC.
6263 POPLAR AVE SUITE 800
MEMPHIS, TN 38119



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, 3 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 General Securities Principal Examination	Series 00	03/24/1972

General Industry/Product Exams

Exam	Category	Date
B General Securities Representative Examination	Series 7TO	01/02/2023
B Securities Industry Essentials Examination	SIE	10/01/2018
B Registered Representative Examination	Series 1	07/26/1968

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	12/28/1999
B Uniform Securities Agent State Law Examination	Series 63	09/15/1980

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

Broker Qualifications



Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 05/1972 - 08/1974	KANE CARTY & BOLTON INC	1000002	

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
02/1976 - Present	Carty, Harding & Hearn, Inc	OTHER - Principal	Y	MEMPHIS, TN, United States
11/1970 - Present	Carty Financial Corporation	PRESIDENT - President	N	MEMPHIS, TN, United States

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

Name of Business:FAMILY FIRST LLC IS A TENNESSEE LIMITED LIABILITY COMPANY SET UP IN MARCH 2009 FOR THE MEMBERS OF THE CARTY FAMILY TO PURCHASE AND SELL REAL ESTATE. BILL R CARTY PRESIDENT

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.
 -
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	13	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 13

Reporting Source:	Regulator
Regulatory Action Initiated By:	STATE OF INDIANA
Sanction(s) Sought:	
Date Initiated:	12/20/1999
Docket/Case Number:	99-0349 SC
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	CARTY & CO.
Product Type:	No Product
Allegations:	THE COMMISSIONER ISSUED AN ORDER OF SHOW CAUSE FOR AGENT REGISTRATION REVOCATION BASED UPON FILINGS WITH THE CRD OF DISCLOSABLE EVENTS CONCERNING INVESTMENT-RELATED MATTERS, CUSTOMER INITIATED COMPLAINTS, AND/OR OTHER PROCEEDINGS.
Current Status:	Final
Resolution:	Settled



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: 08/26/2004

Sanctions Ordered: Other: none

Reporting Source: Broker

Regulatory Action Initiated By: STATE OF INDIANA

Sanction(s) Sought: Revocation

Date Initiated: 12/20/1999

Docket/Case Number: 99-0349-SC

Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC

Product Type: No Product

Allegations: THE COMMISSIONER ISSUED AN ORDER OF SHOW CAUSE FOR AGENT REGISTRATION REVOCATION BASED UPON FILINGS WITH THE CRD OF DISCLOSEABLE EVENTS CONCERNING INVESTMENT RELATED MATTERS, CUSTOMERS INITIATED COMPLAINTS AND OR OTHER PROCEEDINGS

Current Status: Final

Resolution: NO ACTION..DRP UPDATED AS REQUESTED.

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: 02/22/2000

Sanctions Ordered: Other: NO SANCTION ORDERED.

**Broker Statement**

THE COMMISSIONER ISSUED AN ORDER OF SHOW CAUSE FOR AGENT REGISTRATION REVOCATION BASED UPON FILINGS WITH THE CRD OF DISCLOSABLE EVENTS CONCERNING INVESTMENT RELATED MATTERS CUSTOMER INITIATED COMPLAINTS AND OR OTHER PROCEEDINGS.

Disclosure 2 of 13**Reporting Source:**

Broker

Regulatory Action Initiated By:

SECURITIES DIVISION, STATE OF TENNESSEE

Sanction(s) Sought:**Other Sanction(s) Sought:****Date Initiated:**

01/01/1989

Docket/Case Number:

UNKNOWN

Employing firm when activity occurred which led to the regulatory action:**Product Type:**

Debt - Municipal

Other Product Type(s):**Allegations:**

I TRANSACTED BUSINESS IN MUNICIPAL BONDS PRIOR TO MY LICENSE BEING EFFECTIVE IN TENNESSEE, AND DID NOT DISCLOSE SEVERAL PRIOR DISCIPLINARY MATTERS ON MY APPLICATION FOR AN AGENTS LICENSE IN TENNESSEE.

Current Status:

Final

Resolution:

Consent

Resolution Date:

03/31/1989

Sanctions Ordered:

Cease and Desist/Injunction
Monetary/Fine \$3,500.00

Other Sanctions Ordered:**Sanction Details:**

I WAS ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE TENNESSEE SECURITIES ACT, FINED \$3,500.00 AND MADE RECISSION OFFERS TO THE CUSTOMERS INVOLVED.

Broker Statement

TOM GOFF AND MIKE GADD WERE HIRED IN 1989 TO BE WHOLESALE



TRADERS. WE DID NOT KNOW THAT THE LAW CHANGED IN 1986, AND THAT DEALER TO DEALER TRADES WERE NO LONGER EXEMPT. WE SHOULD HAVE WAITED FOR THEIR LICENSE RE-APPROVAL BEFORE ALLOWING THEM ON THE PHONE. ALSO, THE FORM SENT TO US BY THE STATE OF TENNESSEE WAS OBVIOUSLY AN OLD FORM, AND IT SAID "DO NOT INCLUDE PRINCIPALS", AND MY STAFF EXCLUDED ME (BILL CARTY) FROM THE APPLICATION FOR A LICENSE. THERE WERE ACTUALLY NO SALES ON MY PART, JUST ONE ALLEGED PURCHASE.

Disclosure 3 of 13

Reporting Source:	Broker
Regulatory Action Initiated By:	ALABAMA SECURITIES COMMISSION
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	04/01/1980
Docket/Case Number:	C5-81-7
Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY INC
Product Type:	
Other Product Type(s):	
Allegations:	CARTY & COMPANY, INC. HAD EMPLOYED SALESMEN WHO WERE NOT REGISTERED IN ALABAMA TO SELL IN ALABAMA.
Current Status:	Final
Resolution:	Consent
Resolution Date:	04/01/1981
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	CARTY & COMPANY, INC. WAS SUSPENDED FOR 30 DAYS FROM SELLING SECURITIES TO INDIVIDUAL RESIDENTS OF ALABAMA.
Broker Statement	< NOT PROVIDED >



Disclosure 4 of 13

Reporting Source:	Broker
Regulatory Action Initiated By:	GEORGIA COMMISSIONER OF SECURITIES
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	11/01/1980
Docket/Case Number:	S80-40
Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY INC
Product Type:	
Other Product Type(s):	
Allegations:	CARTY & COMPANY, INC. AND BILL R. CARTY HAD OFFERED AND/OR SOLD MUNICIPAL BONDS TO GEORGIA RESIDENTS AT A TIME WHEN THEY WERE NOT REGISTERED AS DEALERS OR SALESMEN.
Current Status:	Final
Resolution:	Decision
Resolution Date:	01/01/1981
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CARTY & COMPANY, INC. AND BILL R. CARTY WERE ORDERED TO CEASE AND DESIST MAKING OFFERS AND SALES IN GEORGIA AND FROM VIOLATING THE GEORGIA SECURITIES ACT. CARTY & COMPANY, INC. SUBSEQUENTLY APPLIED FOR AND RECEIVED A LICENSE IN THE STATE OF GEORGIA.
Broker Statement	< NOT PROVIDED >

Disclosure 5 of 13

Reporting Source:	Broker
Regulatory Action Initiated By:	ARKANSAS SECURITIES DIVISION

**Sanction(s) Sought:****Other Sanction(s) Sought:****Date Initiated:** 08/01/1980**Docket/Case Number:** 81-13-S**Employing firm when activity occurred which led to the regulatory action:** CARTY & COMPANY INC**Product Type:****Other Product Type(s):****Allegations:** CARTY & COMPANY, INC. HAD FAILED TO SUPERVISE AGENTS WHO HAD TRANSACTED BUSINESS IN ARKANSAS WHEN UNREGISTERED IN ARKANSAS.**Current Status:** Final**Resolution:** Decision**Resolution Date:** 08/01/1981**Sanctions Ordered:** Monetary/Fine \$1,000.00
Suspension**Other Sanctions Ordered:****Sanction Details:** CARTY & COMPANY, INC. WAS FINED \$1,000.00 AND SUSPENDED FROM TRADING FOR ONE DAY.**Broker Statement** < NOT PROVIDED >**Disclosure 6 of 13****Reporting Source:** Broker**Regulatory Action Initiated By:** MONTANA SECURITIES DEPARTMENT**Sanction(s) Sought:****Other Sanction(s) Sought:****Date Initiated:** 06/01/1983**Docket/Case Number:** Unknown



Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY INC
Product Type:	
Other Product Type(s):	
Allegations:	CARTY & COMPANY, INC. HAD ACTED AS A BROKER/DEALER IN MONTANA WHILE NOT REGISTERED IN MONTANA AS A BROKER/DEALER.
Current Status:	Final
Resolution:	Decision
Resolution Date:	10/01/1983
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CARTY & COMPANY, INC. WAS ORDERED TO CEASE AND DESIST FROM TRANSACTING BUSINESS IN MONTANA. CARTY & COMPANY, INC. SUBSEQUENTLY APPLIED FOR AND RECEIVED A BROKER/DEALER LICENSE IN MONTANA.
Broker Statement	< NOT PROVIDED >

Disclosure 7 of 13

Reporting Source:	Broker
Regulatory Action Initiated By:	DEPUTY SECURITIES ADMINISTRATOR OF NORTH CAROLINA
Sanction(s) Sought:	Suspension
Other Sanction(s) Sought:	
Date Initiated:	06/01/1983
Docket/Case Number:	UNKNOWN
Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY INC
Product Type:	Debt - Municipal

**Other Product Type(s):**

Allegations: CARTY & COMPANY, INC. EMPLOYED A SALESMAN TO SELL SECURITIES IN NORTH CAROLINA AT A TIME WHEN THE SALESMAN WAS UNREGISTERED IN NORTH CAROLINA.

Current Status: Final

Resolution: Consent

Resolution Date: 06/01/1983

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: CARTY & COMPANY, INC. REGISTRATION WAS SUSPENDED FOR TWENTY-SIX DAYS.

Broker Statement < NOT PROVIDED >

Disclosure 8 of 13

Reporting Source: Broker

Regulatory Action Initiated By: ILLINOIS SECURITIES DEPARTMENT

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 11/01/1983

Docket/Case Number: Unknown

Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC.

Product Type:

Other Product Type(s):

Allegations: ILLINOIS NOTIFIED CARTY & COMPANY, INC. THAT IT POSSIBLY VIOLATED THE LAW BY SELLING SECURITIES IN ILLINOIS WHILE UNREGISTERED AS A DEALER.

Current Status: Final

Resolution: Decision



Resolution Date: 11/01/1983

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: CARTY & COMPANY, INC. FILED A WRITTEN UNDERTAKING NOT TO VIOLATE THE ILLINOIS SECURITIES LAW IN THE FUTURE.

Broker Statement < NOT PROVIDED >

Disclosure 9 of 13

Reporting Source: Broker

Regulatory Action Initiated By: VIRGINIA STATE CORPORATION COMMISSION

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 06/01/1983

Docket/Case Number: UNKNOWN

Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC

Product Type: Debt - Municipal

Other Product Type(s):

Allegations: CARTY & COMPANY, INC. HAD TRANSACTED BUSINESS IN VIRGINIA AS A BROKER/DEALER WITHOUT BEING SO REGISTERED AND HAD EMPLOYED UNREGISTERED AGENTS.

Current Status: Final

Resolution: Consent

Resolution Date: 08/01/1984

Sanctions Ordered: Monetary/Fine \$13,000.00

Other Sanctions Ordered:

Sanction Details: CARTY & COMPANY, INC. WAS FINED \$13,000.00

Broker Statement < NOT PROVIDED >



Disclosure 10 of 13

Reporting Source:	Broker
Regulatory Action Initiated By:	STATE OF TENNESSEE SECURITIES DIVISION
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	01/01/1976
Docket/Case Number:	Unknown
Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY INC
Product Type:	
Other Product Type(s):	
Allegations:	CARTY & COMPANY INC. HAD SOLD SECURITIES THROUGH UNREGISTERED SALESMEN.
Current Status:	Final
Resolution:	Decision
Resolution Date:	01/01/1976
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	CARTY & COMPANY, INC. AND BILL R. CARTY REGISTRATIONS WERE SUSPENDED FOR 5 DAYS, BUT THE SANCTION WAS SUSPENDED CONDITIONED UPON THEIR COMMITTING NO VIOLATIONS OF THE ACT FOR A ONE YEAR PERIOD.
Broker Statement	< NOT PROVIDED >

Disclosure 11 of 13

Reporting Source:	Regulator
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Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 07/28/1988

Docket/Case Number: NEW-608-AWC

Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC.

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/28/1988

Sanctions Ordered: Censure
Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ON JULY 28, 1988, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. NEW-608-AWC (DISTRICT NO. 5) SUBMITTED BY RESPONDENTS CARTY & COMPANY, INC., BILL R. CARTY AND JOHN C. DALLOSTA, JR. WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$2,500.00, JOINTLY AND SEVERALLY (ARTICLE III, SECTIONS 1, 21, 27, AND 33, APPENDIX E, SUBSECTIONS 12, 16 AND 20 OF THE RULES OF FAIR PRACTICE AND SCHEDULE C OF THE BY-LAWS - RESPONDENT MEMBER, ACTING THROUGH RESPONDENTS CARTY AND DALLOSTA, ALLOWED THREE OPTIONS TRANSACTIONS TO BE EXECUTED WITH THREE PUBLIC CUSTOMERS AND FAILED AND NEGLECTED TO HAVE AT LEAST ONE REGISTERED OPTIONS PRINCIPAL AND FAILED TO HAVE A REGISTERED OPTIONS PRINCIPAL SPECIFICALLY APPROVE IN WRITING THESE THREE CUSTOMER ACCOUNTS; THE WRITTEN CONFIRMATION FOR AN OPTIONS TRANSACTION



CONTAINED INADEQUATE INFORMATION; AND, OPENED TEN OPTION ACCOUNTS AND FAILED AND NEGLECTED TO HAVE A REGISTERED OPTIONS PRINCIPAL APPROVE OR DISAPPROVE IN WRITING THE CUSTOMERS' ACCOUNTS FOR OPTIONS TRADING). ***** \$2,500 PAID J&S 8-16-88.

Reporting Source:	Broker
Regulatory Action Initiated By:	NASD
Sanction(s) Sought:	Censure
Other Sanction(s) Sought:	FINE \$2500.
Date Initiated:	07/28/1988
Docket/Case Number:	NEW-608-AWC
Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY, INC
Product Type:	No Product
Other Product Type(s):	
Allegations:	THEIR CONDUCT WAS INCONSISTENT WITH HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE, AND THAT THEY WERE IN VIOLATION OF ARTICLE III, SECTIONS 1, 21, 27, AND 33, APPENDIX E, SUBSECTIONS 12, 16, AND 20 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE AND SCHEDULE C OF THE ASSOCIATION'S BY-LAWS.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/28/1988
Sanctions Ordered:	Censure Monetary/Fine \$2,500.00
Other Sanctions Ordered:	
Sanction Details:	THEY CONSENTED TO A PENALTY OF A CENSURE AND MONETARY FINE IN THE AMOUNT OF \$2,500, ASSESSED JOINTLY AND SEVERALLY. THE ACCEPTANCE AND CONSENT WAS SIGNED BY BILL CARTY AND JOHN



DALLOSTA, JR. ON MAY 18, 1988. THE ACCEPTANCE WAS SIGNED BY THE NASD ON JULY 28, 1988.

Broker Statement

NOT PROVIDED.

Disclosure 12 of 13

Reporting Source: Regulator

Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 10/20/1986

Docket/Case Number: NEW-493-AWC

Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC.

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/20/1986

Sanctions Ordered: Censure
Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON OCTOBER 20, 1986, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. NEW-493-AWC (DISTRICT NO. 5) SUBMITTED BY RESPONDENTS CARTY & COMPANY, INC., BILL R. CARTY, AND JOHN C. DALLOSTA, JR. WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$2,000.00, JOINTLY AND SEVERALLY (ARTICLE III, SECTIONS 1, 21 AND 32 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENTS CARTY AND DALLOSTA, ISSUED INTEREST



CHECKS TO CUSTOMERS FROM ITS (K)(2)(i) ACCOUNT WHICH WERE NOT REFLECTED ON THE CUSTOMERS' LEDGERS; FAILED TO RECORD MONIES PAID TO CUSTOMERS FOR TRADE DIFFERENCES ON THE CUSTOMERS' LEDGERS; DISBURSED CUSTOMER TRANSACTION OVERPAYMENTS AND FAILED TO RECORD SAID DISBURSEMENTS ON THE CUSTOMERS' LEDGERS; FAILED TO MAKE, KEEP CURRENT AND PRESERVE AN ACCURATE STOCK RECORD SUMMARY; FAILED TO COMPLY WITH ITS (K)(2)(i) EXEMPTION IN THAT THE FIRM HELD CUSTOMER FUNDS AND DID NOT MAINTAIN WITH A BANK A SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS AND MAINTAIN IN SUCH ACCOUNT THE AMOUNTS REQUIRED; FAILED TO DEDUCT ITS EXCESS BROKER'S BLANKET BOND DEDUCTIBLE FROM ITS MONTHLY COMPUTATION OF NET CAPITAL; AND, AT VARIOUS TIMES, INACCURATELY REPORTED THE FIRM'S NET CAPITAL REQUIREMENT ON FOCUS PART I AND/OR PART II REPORTS FILED WITH THE ASSOCIATION). **** 2/12/87-FC# 9615 PAID IN FULL 12-10-86.

Reporting Source:	Broker
Regulatory Action Initiated By:	NASD
Sanction(s) Sought:	Censure
Other Sanction(s) Sought:	
Date Initiated:	10/20/1986
Docket/Case Number:	NEW 493 AWC
Employing firm when activity occurred which led to the regulatory action:	CARTY & COMPANY INC
Product Type:	Other
Other Product Type(s):	
Allegations:	SEE QUESTION 13
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/20/1986



Sanctions Ordered:	Censure Monetary/Fine \$2,000.00
Other Sanctions Ordered:	
Sanction Details:	FINE PAID ING FULL 12/10/86 2000.00
Broker Statement	<p>ON OCT 20 1986 THE LETTER OF ACCEPTANCE WAIVER AND CONSENT NO. NEW 493 AWC DISTRICT NO 5 SUBMITTED BY RESPONDENTS CARTY & COMPANY INC, BILL R CARTY AND JOHN DALLOSTA WAS ACCEPTED, THEREFORE THEY ARE CENSURED AND FINED 2000.00 JOINTLY AND SEVERALLY (ARTICLE III SECT 1,21 AND 32 OF THE RULES OF FAIR PRACTICE-RESPONDENT MEMBER ACTING THROUGH RESPONDENTS CARTT AND DALLOSTA ISSUED INTEREST CHECKS TO CUSTOMERS FROM ITS (K) (2) (I) ACCOUNT WHICH WERE NOT REFLECTED ON THE CUSTOMERS LEDGERS,FAILED TO RECORD MONIES PAID TO CUSTOMERS FOR TRADE DIFFERENCES ON THE CUSTOMERS LEDGERS,DISBURSED CUSTOMER TRANSACTIONS OVERPAYMENTS AND FAILED TO RECORD SAID DISBURSEMENTS ON THE CUSTOMERS LEDGERS,FAILED TO MAKE, KEEP CURRENT AND PRESERVE AN ACCURATE STOCK RECORD SUMMARY,FAILED TO COMPLY WITH ITS K2I EXEMPTION IN THAT THE FIRM HELD CUSTOMER FUNDS AND DID NOT MAINTAIN WITH A BANK A SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THE CUSTOMERS AND MAINTAIN IN SUCH ACCOUNT THE AMOUNTS REQUIRED;FAILED TO DEDUCT ITS EXCESS BROKERS BLANKET BOND DEDUCTIBLE FROM ITS MONTHLY COMPUTATION OF NET CAPITAL REQUIREMENT ON FOCUS PART I AND OR PART II REPORTS FILED WITH THE ASSOC. 2/12/87-FC # 9615 PAID IN FULL 12/10/86 2000.00.</p>

Disclosure 13 of 13

Reporting Source:	Regulator
Regulatory Action Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	05/13/1981
Docket/Case Number:	AWC-56



Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC.

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/13/1981

Sanctions Ordered: Censure
Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement NASD COMPLAINT #AWC-56 FILED 5/13/81 BY DISTRICT #5. RESPONDENT CARTY SUBMITTED A LETTER OF ADMISSION, WAIVER AND CONSENT OF VIOLATION OF ARTICLE III, SECTIONS 1, 12 AND 21 AND MSRB RULES G-8, G-27, AND G-30. RESPONDENT CARTY IS CENSURED AND FINED \$500.00, JOINTLY AND SEVERALLY. ALL RIGHTS OF APPEAL WAIVED. DECISION FINAL 5/13/81. FC# 7992 PAID 5/28/81, JOINTLY AND SEVERALLY.

Reporting Source: Broker

Regulatory Action Initiated By: NASD

Sanction(s) Sought: Censure

Other Sanction(s) Sought: FINE \$500.

Date Initiated: 02/18/1981

Docket/Case Number:

Employing firm when activity occurred which led to the regulatory action: CARTY & COMPANY, INC.

Product Type: No Product


Other Product Type(s):

Allegations: VIOLATIONS OF SECTIONS 1, 12 AND 21 OF ARTICLE III OF THE RULES OF FAIR PRACTICE AND RULES G-8 AND G-3D OF THE MUNICIPAL SECURITIES RULEMAKING BOARD.

Current Status: Final

Resolution: Consent

Resolution Date: 05/13/1981

Sanctions Ordered: Censure
Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: CARTY & COMPANY, INC., BILL R. CARTY AND JOHN C. DALLOSTA, JR. ALSO CONSENTED TO A PENALTY OF CENSURE AND A MONETARY FINE OF \$500.00 WHICH WAS ASSESSED JOINTLY AND SEVERALLY. THESE WERE ACCEPTED BY THE DISTRICT BUSINESS CONDUCT COMMITTEE FOR DISTRICT NO. 5 AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON MAY 13, 1981.

Broker Statement CARTY & COMPANY, INC., BILL R. CARTY AND JOHN C. DALLOSTA, JR. ALSO CONSENTED TO A PENALTY OF CENSURE AND A MONETARY FINE OF \$500.00 WHICH WAS ASSESSED JOINTLY AND SEVERALLY. THESE WERE ACCEPTED BY THE DISTRICT BUSINESS CONDUCT COMMITTEE FOR DISTRICT NO. 5 AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON MAY 13, 1981.

End of Report



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