

BrokerCheck Report

JOHN SCOTT SIMPSON

CRD# 719367

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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:

- o 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
- o 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.



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.](http://www.finra.org)

Thank you for using FINRA BrokerCheck.

JOHN S. SIMPSON

CRD# 719367

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):

RBC CAPITAL MARKETS, LLC

CRD# 31194
HUNT VALLEY, MD
03/2009 - 02/2016

FERRIS, BAKER WATTS, LLC

CRD# 285
BALTIMORE, MD
05/2003 - 03/2009

UBS PAINWEBBER INC.

CRD# 8174
WEEHAWKEN, NJ
08/1992 - 05/2003

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Criminal	1
Customer Dispute	8
Termination	2

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
Securities Industry Essentials Examination	SIE	02/19/2016
Futures Managed Funds Examination	Series 31	03/12/2005
General Securities Representative Examination	Series 7	11/15/1980

State Securities Law Exams

Exam	Category	Date
Uniform Investment Adviser Law Examination	Series 65	09/24/1991
Uniform Securities Agent State Law Examination	Series 63	05/06/1982

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/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
03/2009 - 02/2016	RBC CAPITAL MARKETS, LLC	31194	HUNT VALLEY, MD
05/2003 - 03/2009	FERRIS, BAKER WATTS, LLC	285	BALTIMORE, MD
08/1992 - 05/2003	UBS PAINWEBBER INC.	8174	WEEHAWKEN, NJ
11/1980 - 07/1992	PAINWEBBER INCORPORATED	8174	WEEHAWKEN, NJ

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment Dates	Employer Name	Employer Location
03/2009 - Present	RBC CAPITAL MARKETS LLC	HUNT VALLEY, MD

Other Business Activities

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

No information reported.



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending, on appeal, or final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated, settled or otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Criminal	0	1	0
Customer Dispute	0	8	N/A
Termination	N/A	2	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 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	12/09/2016
Docket/Case Number:	2016049917701
Employing firm when activity occurred which led to the regulatory action:	RBC Capital Markets, LLC
Product Type:	No Product
Allegations:	Without admitting or denying the findings, Simpson consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony as requested by FINRA in connection with FINRA's investigation of the conduct that gave rise to Simpson's termination from his member firm for violation of firm policy regarding use of discretion in client accounts.
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:

12/09/2016

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:

Start Date: 12/09/2016

End Date:



Criminal - Final Disposition

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

Disclosure 1 of 1

Reporting Source:	Broker
Court Details:	Not Provided N/A
Charge Date:	12/05/1970
Charge Details:	SHOPLIFTING
Felony?	
Current Status:	Final
Status Date:	
Disposition Details:	PROBATION
Broker Statement	COLLEGE PRANK



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 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	RBC Capital Markets, LLC
Allegations:	Claimant alleges unauthorized and unsuitable transactions in energy and limited partnership as well as misrepresentation of account performance from 2012-2016.
Product Type:	Oil & Gas
Alleged Damages:	\$100,000.00
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:	FINRA
Docket/Case #:	18-02562
Filing date of arbitration/CFTC reparation or civil litigation:	07/17/2018

Customer Complaint Information

Date Complaint Received:	07/30/2018
Complaint Pending?	No
Status:	Settled
Status Date:	11/21/2018
Settlement Amount:	\$27,500.00
Individual Contribution Amount:	\$0.00



Disclosure 2 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	RBC Capital Markets LLC
Allegations:	Clients allege FA recommended unsuitable energy and mineral securities, in period 2012 to 1/2016.
Product Type:	Equity Listed (Common & Preferred Stock) Oil & Gas Other: Minerals
Alleged Damages:	\$5,000.00
Alleged Damages Amount Explanation (if amount not exact):	Above \$5,000.00. No specific demand made in Claim.
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:	FINRA
Docket/Case #:	17-02404
Filing date of arbitration/CFTC reparation or civil litigation:	09/08/2017

Customer Complaint Information

Date Complaint Received:	09/08/2017
Complaint Pending?	No
Status:	Settled
Status Date:	06/14/2018
Settlement Amount:	\$250,000.00
Individual Contribution Amount:	\$0.00



Disclosure 3 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	RBC Capital Markets, LLC
Allegations:	Customers seek reimbursement of past 24 months in commissions paid after learning that their financial advisor was expected to obtain their authorization prior to placing trades in their accounts.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$20,285.78
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:	02/23/2016
Complaint Pending?	No
Status:	Settled
Status Date:	04/18/2016
Settlement Amount:	\$20,285.78
Individual Contribution Amount:	\$0.00

Disclosure 4 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	RBC Capital Markets, LLC
Allegations:	Customers allege they have a low risk profile and were over concentrated in the oil sector, and that their portfolio was not adequately monitored since January 2015, resulting in investment losses. They also state they have found no signed document giving the representative permission to trade without consulting them first.



Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$448,000.00
Alleged Damages Amount Explanation (if amount not exact):	Losses cited in complaint letter.
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:	04/04/2016
Complaint Pending?	No
Status:	Settled
Status Date:	07/05/2016
Settlement Amount:	\$10,360.90
Individual Contribution Amount:	\$0.00

Disclosure 5 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	RBC Capital Markets, LLC

Allegations: Customers contend their portfolio was concentrated and not suitable for their investment objectives, and believe that the firm did not have written authorization on file for the representative to exercise discretionary trading authority. Time frame identified is last several years.

Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	Damage claim not specified but reasonably believed to exceed \$5,000.



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: 03/10/2016
Complaint Pending? No
Status: Settled
Status Date: 04/25/2016
Settlement Amount: \$11,042.25
**Individual Contribution
 Amount:** \$0.00

Disclosure 6 of 7

Reporting Source: Firm
**Employing firm when
 activities occurred which led
 to the complaint:** RBC Capital Markets, LLC

Allegations: Customer alleges representative ignored her requests to reduce the exposure to the oil and gas sector in her portfolio. Time frame is May 2015 - January 2016.

Product Type: Equity-OTC
Alleged Damages: \$366,387.00

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: 03/14/2016
Complaint Pending? No
Status: Settled
Status Date: 05/24/2016



Settlement Amount: \$7,700.80
Individual Contribution Amount: \$0.00

Disclosure 7 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: RBC Capital Markets, LLC

Allegations: Clients allege dating back to 2014, the customers portfolio was concentrated in the energy and metals sectors and was unsuitable for people of their age and risk tolerance.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$11,000,000.00

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 #: 16-02205

Filing date of arbitration/CFTC reparation or civil litigation: 08/05/2016

Customer Complaint Information

Date Complaint Received: 08/10/2016

Complaint Pending? No

Status: Settled

Status Date: 06/08/2017

Settlement Amount: \$175,000.00

Individual Contribution Amount: \$0.00



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	FERRIS, BAKER WATTS LLC
Allegations:	CLIENT ALLEGES BROKER FAILED TO FOLLOW INSTRUCTIONS. DAMAGES NOT SPECIFIED BUT BELIEVED TO BE IN EXCESS OF \$5000
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
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:	09/24/2008
Complaint Pending?	No
Status:	Denied
Status Date:	06/09/2010
Settlement Amount:	
Individual Contribution Amount:	



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 2

Reporting Source:	Firm
Employer Name:	RBC Capital Markets, LLC
Termination Type:	Discharged
Termination Date:	01/22/2016
Allegations:	Violation of firm policy regarding use of discretion in client accounts.
Product Type:	Equity Listed (Common & Preferred Stock)

Disclosure 2 of 2

Reporting Source:	Broker
Employer Name:	UBS PAINWEBBER
Termination Type:	Discharged
Termination Date:	04/28/2003
Allegations:	UBS PAINWEBBER ALLEGED UNAUTHORIZED TRADING, VIOLATION OF THE FIRM'S SOLICITATION POLICY, AND MANAGEMENT'S LOSS OF CONFIDENCE IN ME.
Product Type:	Equity Listed (Common & Preferred Stock)

Other Product Types:

Broker Statement

MY FATHER AND PARTNER, HOWARD SIMPSON, WAS THE SUCCESSOR TRUSTEE ON AN ACCOUNT THAT HE SERVICED FOR APPROXIMATELY 40 YEARS. THE TRUSTEE DIED. UNDER THE AUTHORITY GRANTED AS THE NEW AND SOLE TRUSTEE, HOWARD SIMPSON, DIRECTED ME TO PLACE TWO TRADES. I FOLLOWED THE INSTRUCTIONS AS DIRECTED BY THE ONLY PERSON AUTHORIZED BY THE TRUST INSTRUMENT. UBS PAINWEBBER CONTENDS THAT THESE TWO TRADES WERE UNAUTHORIZED BECAUSE THE LEGAL PAPERWORK HAD NOT BEEN PROCESSED.

End of Report



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