

## BrokerCheck Report

### LAWRENCE VINCENT OCONNOR III

CRD# 813950

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



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



## LAWRENCE V. OCONNOR III

CRD# 813950

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

**IA MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**  
 100 CAMPUS DR  
 FLORHAM PARK, NJ 07932  
 CRD# 7691  
 Registered with this firm since: 11/20/2009

**B MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**  
 100 CAMPUS DR  
 FLORHAM PARK, NJ 07932  
 CRD# 7691  
 Registered with this firm since: 11/20/2009

## 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:**

- 6 Self-Regulatory Organizations
- 35 U.S. states and territories

**This broker has passed:**

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

### Registration History

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

- IA UBS FINANCIAL SERVICES INC.**  
 CRD# 8174  
 WEEHAWKEN, NJ  
 07/2002 - 12/2009
- B UBS FINANCIAL SERVICES INC.**  
 CRD# 8174  
 FLORHAM PARK, NJ  
 01/1995 - 12/2009
- B KIDDER, PEABODY & CO. INCORPORATED**  
 CRD# 7613  
 NEW YORK, NY  
 05/1993 - 01/1995

### 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	7



## 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 6 SROs and is licensed in 35 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**

Main Office Address: **ONE BRYANT PARK  
NEW YORK, NY 10036**

Firm CRD#: **7691**

	SRO	Category	Status	Date
B	Cboe BYX Exchange, Inc.	General Securities Representative	Approved	05/09/2014
B	Cboe BZX Exchange, Inc.	General Securities Representative	Approved	05/09/2014
B	Cboe Exchange, Inc.	General Securities Representative	Approved	11/20/2009
B	Cboe Exchange, Inc.	General Securities Sales Supervisor	Approved	11/20/2009
B	FINRA	General Securities Representative	Approved	11/20/2009
B	FINRA	General Securities Sales Supervisor	Approved	11/20/2009
B	Nasdaq Stock Market	General Securities Representative	Approved	11/20/2009
B	Nasdaq Stock Market	General Securities Sales Supervisor	Approved	11/20/2009
B	New York Stock Exchange	General Securities Representative	Approved	11/20/2009
B	New York Stock Exchange	General Securities Sales Supervisor	Approved	10/01/2018

	U.S. State/ Territory	Category	Status	Date
B	Alabama	Agent	Approved	12/01/2009
B	Arizona	Agent	Approved	11/20/2009
B	California	Agent	Approved	11/24/2009

## Broker Qualifications



### Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Colorado	Agent	Approved	11/20/2009
B	Connecticut	Agent	Approved	11/20/2009
B	Delaware	Agent	Approved	12/18/2009
B	District of Columbia	Agent	Approved	11/20/2009
B	Florida	Agent	Approved	01/11/2010
B	Georgia	Agent	Approved	01/22/2010
B	Illinois	Agent	Approved	11/20/2009
B	Indiana	Agent	Approved	12/02/2009
B	Kentucky	Agent	Approved	01/06/2010
B	Louisiana	Agent	Approved	11/20/2009
B	Maine	Agent	Approved	11/20/2009
B	Maryland	Agent	Approved	11/20/2009
B	Massachusetts	Agent	Approved	11/23/2009
B	Michigan	Agent	Approved	11/20/2009
B	Minnesota	Agent	Approved	05/21/2017
B	Nevada	Agent	Approved	12/11/2009
B	New Hampshire	Agent	Approved	11/20/2009
B	New Jersey	Agent	Approved	11/20/2009
IA	New Jersey	Investment Adviser Representative	Approved	11/20/2009
B	New Mexico	Agent	Approved	11/20/2009
B	New York	Agent	Approved	11/20/2009



## Broker Qualifications

### Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	North Carolina	Agent	Approved	11/20/2009
B	Ohio	Agent	Approved	11/20/2009
B	Oklahoma	Agent	Approved	01/06/2010
B	Pennsylvania	Agent	Approved	11/20/2009
B	Rhode Island	Agent	Approved	11/20/2009
B	South Carolina	Agent	Approved	12/09/2009
B	Texas	Agent	Approved	12/16/2009
IA	Texas	Investment Adviser Representative	Restricted Approval	10/08/2012
B	Vermont	Agent	Approved	11/20/2009
B	Virginia	Agent	Approved	11/20/2009
B	Washington	Agent	Approved	11/20/2009
B	West Virginia	Agent	Approved	01/25/2017
B	Wisconsin	Agent	Approved	11/20/2009

### Branch Office Locations

**MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**  
 100 CAMPUS DR  
 FLORHAM PARK, NJ 07932



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

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Sales Supervisor - Options Module Examination	Series 9	01/02/2023
<b>B</b> General Securities Sales Supervisor - General Module Examination	Series 10	01/02/2023
<b>B</b> General Securities Sales Supervisor Examination (Options Module & General Module)	Series 8	05/09/1984

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> National Commodity Futures Examination	Series 3	12/26/1989
<b>B</b> AMEX Put and Call Exam	PC	09/08/1977
<b>B</b> General Securities Representative Examination	Series 7	10/18/1975

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	12/19/1980

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

## Broker Qualifications



## Professional Designations

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

No information reported.





## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>IA</b> 07/2002 - 12/2009	UBS FINANCIAL SERVICES INC.	8174	FLORHAM PARK, NJ
<b>B</b> 01/1995 - 12/2009	UBS FINANCIAL SERVICES INC.	8174	FLORHAM PARK, NJ
<b>B</b> 05/1993 - 01/1995	KIDDER, PEABODY & CO. INCORPORATED	7613	NEW YORK, NY
<b>B</b> 02/1988 - 05/1993	PAINWEBBER INCORPORATED	8174	WEEHAWKEN, NJ
<b>B</b> 09/1978 - 02/1988	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	
<b>B</b> 10/1975 - 09/1978	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.	572	

### 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
12/2009 - Present	BANK OF AMERICA,NA	WEALTH MANAGMENT ADVISOR	Y	FLORHAM, NJ, United States
11/2009 - Present	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	FINANCIAL ADVISOR	Y	FLORHAM PARK, NJ, United States

### Other Business Activities

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

No information reported.

## Disclosure Events



### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
  -
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
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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	7	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 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	Merrill Lynch, Pierce, Fenner & Smith Incorporated
<b>Allegations:</b>	The Customer alleges unauthorized transfers and unsuitable investment recommendations.
<b>Product Type:</b>	Other: Bond Account
<b>Alleged Damages:</b>	\$15,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	Superior Court of New Jersey Law Division, Special Civil Part
<b>Docket/Case #:</b>	MRS-DC-005465-18
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/18/2018

### Customer Complaint Information

**Date Complaint Received:** 07/26/2018



<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	09/04/2018
<b>Settlement Amount:</b>	\$10,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	Merrill Lynch and Lawrence O'Connor deny all allegations set forth by [REDACTED] in his Statement of Claim. Mr. O'Connor was not named as a party in this small claims action and did not contribute to the settlement. ML settled this claim for business reasons to avoid the expense and uncertainty of litigation

#### Disclosure 2 of 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
<b>Allegations:</b>	THE CUSTOMER ALLEGES UNAUTHORIZED TRADING, UNSUITABLE INVESTMENT RECOMMENDATIONS AND MISREPRESENTATION AND OMISSION OF MATERIAL FACTS IN MAY 2011
<b>Product Type:</b>	Annuity-Variable Debt-Government
<b>Alleged Damages:</b>	\$250,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	12-03946
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/14/2012

#### Customer Complaint Information



<b>Date Complaint Received:</b>	11/26/2012
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/11/2013
<b>Settlement Amount:</b>	\$75,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	MR. O'CONNOR DENIES THE ALLEGATIONS IN THE STATEMENT OF CLAIM. THIS MATTER WAS SETTLED FOR BUSINESS REASONS TO AVOID THE EXPENSE AND UNCERTAINTY OF LITIGATION. MR. O'CONNOR DID NOT CONTRIBUTE TO THE SETTLEMENT.

#### Disclosure 3 of 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS FINANCIAL SERVICES INC.
<b>Allegations:</b>	THE COMPLAINT AROSE OUT OF THE SALE OF AN AUCTION RATE SECURITY (ARS) THAT WAS MADE PRIOR TO THE WIDESPREAD ILLIQUIDITY IN THE ARS MARKET THAT OCCURRED IN FEBRUARY 2008.
<b>Product Type:</b>	Other: AUCTION RATE SECURITIES
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	THE CUSTOMER DID NOT MAKE A CLAIM FOR COMPENSATORY DAMAGES AND/OR DAMAGES WERE DETERMINED TO BE LESS THAN \$5,000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

#### Customer Complaint Information

<b>Date Complaint Received:</b>	03/05/2008
<b>Complaint Pending?</b>	No



**Status:** Settled

**Status Date:** 12/23/2008

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

**Individual Contribution Amount:** \$0.00

**Broker Statement**

THE COMPLAINT AROSE IN CONNECTION WITH THE INDUSTRY WIDE BREAKDOWN OF THE LIQUIDITY IN THE MARKET FOR AUCTION RATE SECURITIES ("ARS"). THE FIRM AGREED TO REPURCHASE THE ARS SECURITIES AT ISSUE AT PAR VALUE FROM THE CLIENT PURSUANT TO A GLOBAL REPURCHASE AGREEMENT IT ENTERED INTO WITH SEVERAL REGULATORY BODIES. THIS WAS NOT A SETTLEMENT OF A DISPUTE BETWEEN THE CLIENT AND THE REPRESENTATIVE AND WAS NOT BASED ON THE MERITS OF THE CLIENT'S SPECIFIC CONCERNS OR ANY FINDING OF FAULT OR WRONGDOING BY THE NAMED REPRESENTATIVE. THE NAMED REPRESENTATIVE WAS NOT A PARTY TO, AND DID NOT AGREE TO OR PARTICIPATE IN, THE REPURCHASE AGREEMENT BETWEEN THE FIRM AND THE RELEVANT REGULATORY BODIES. THE NAMED REPRESENTATIVE DID NOT MAKE ANY PAYMENTS TO THE CLIENT AND THE NAMED REPRESENTATIVE WAS NOT ASKED TO AND DID NOT CONTRIBUTE TO THE SETTLEMENT AMOUNT. THE LISTED "SETTLEMENT AMOUNT" REPRESENTS ONLY THE GROSS INITIAL PAR VALUE OF THE ARS POSITION AND DOES NOT TAKE INTO ACCOUNT THE ACTUAL VALUE OF THE ARS POSITION AT THE TIME THE FIRM RECEIVED IT BACK FROM THE CLIENT IN CONNECTION WITH THE SETTLEMENT. THIS MATTER IS BEING REPORTED AS A SETTLEMENT PURSUANT TO THE REQUIREMENTS OF FINRA REGULATORY NOTICE 09-12.

**Disclosure 4 of 4**

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** PAINEWEBBER INC.

**Allegations:** CLIENT ALLEGES THAT FA FAILED TO ADVISE HER OF THE LEVEL OF RISK ASSOCIATED WITH PGEX, MISREPRESENTED THE BASIS FOR A SELL RECOMMENDATION OF AKSY, UTILIZED MARGIN WITHOUT AUTHORIZATION, AND CONCENTRATED HER PORTFOLIO IN TELECOMMUNICATION STOCKS: LUCENT, PACIFIC GATEWAY, AND AT&T. TIME PERIOD UNSPECIFIED. DAMAGES WERE NOT SPECIFIED, BUT ESTIMATED TO BE IN EXCESS OF \$5,000.



**Product Type:** Equity - OTC

**Alleged Damages:**

### **Customer Complaint Information**

**Date Complaint Received:** 10/02/2000

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/04/2001

**Settlement Amount:** \$9,500.00

**Individual Contribution Amount:** \$0.00

### **Broker Statement**

PAINWEBBER HAS MADE A DECISION TO SETTLE THIS COMPLAINT BASED ON THE ANTICIPATED COST OF LITIGATION. I DID NOT CONTRIBUTE TO THE SETTLEMENT. - CUSTOMER HAD SIGNED ALL OF THE REQUIRED NEW ACCOUNT AND MARGIN PAPERWORK. SHE HAD INITIALED THESE DOCUMENTS CONFIRMING HER APPROVAL, INVESTMENT OBJECTIVES, INCOME ASSETS AND OTHER NECESSARY INFORMATION. SHE HAD COMPLETED AN ASSET ALLOCATION QUESTIONNAIRE AND WE HAD REVIEWED IT TOGETHER IN DETAIL, ANALYZING HER HOLDINGS AT ANOTHER FIRM IN THAT PROCESS. SHE HAD REVIEWED VARIOUS COMPANIES (IN DIFFERENT INDUSTRIES) BEFORE DECIDING UPON AND INVESTING IN THE ONES SHE LIKED, INCLUDING ONE HIGH RISK ISSUE OF HER OWN CHOICE. ALL PAINWEBBER RESEARCH, MONTHLY STATEMENTS, MARGIN AGREEMENTS (SIGNED BY CUSTOMER) AND CONFIRMATIONS WERE MAILED TO HER HOME OR GIVEN TO HER BY HAND IN A TIMELY MANNER. SHE HAD COMPLETE KNOWLEDGE OF ALL OF THE ACTIVITIES IN HER ACCOUNT AT ALL TIMES. SHE HAD FAILED TO LIMIT HER RISK (AS I HAD ADVISED) BY NOT INVESTING IN MUTUAL FUNDS, TAKING PROFITS OR UTILIZING STOP LIMIT ORDERS. THE SUBSEQUENT DECLINE IN PRICE OF PGEX (A PAINWEBBER BUY OPINION) AND EXTREME MARKET VOLATILITY THROUGHOUT 2000 WERE CONTRIBUTING FACTORS THAT LED TO HER COMPLAINT.



## 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 3

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** UBS PAINWEBBER INC.

**Allegations:** CUSTOMER CLAIMS THAT THE INVESTMENTS MADE BY THE BROKER WERE NOT APPROPRIATE FOR HER BASED UPON AGE AND INVESTMENT OBJECTIVES. CUSTOMER ALSO ALLEGES POSSIBLE CHURNING BASED ON THE NUMBER OF PURCHASES AND SALES MADE IN THE ACCOUNTS.

**Product Type:** Mutual Fund(s)

**Alleged Damages:** \$66,000.00

### Customer Complaint Information

**Date Complaint Received:** 02/11/2002

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/05/2002

**Settlement Amount:**

### Individual Contribution Amount:

**Broker Statement** UBS PAINWEBBER FOUND THE CUSTOMER'S COMPLAINT TO BE WITHOUT MERIT IN REVIEWING ACTIVITIES. REQUEST FOR COMPENSATION WAS DENIED. -- THE CUSTOMER'S INVESTMENTS WERE APPROPRIATE BASED UPON HER OBJECTIVES, INCOME NEEDS, EDUCATION AND RISK PROFILE. THEY WERE CONFIRMED AND UPDATED THROUGH FREQUENT CONVERSATIONS AS WERE ALL OF HER SECURITY ORDERS. SHE ALSO RECEIVED CONFIRMATIONS AND MONTHLY STATEMENTS THAT WERE MAILED TO HER HOME. SHE DID NOT INCUR LOSSES, AS HER ENDING VALUE (WITH WITHDRAWALS AND SECURITY TRANSFERS) WAS GREATER THAN HER STARTING VALUE. CASH WITHDRAWALS AND SECURITY TRANSFER WERE PROCESSED AT THE CLIENT'S REQUEST FOR FUNDS. NUMEROUS LIQUIDATIONS WERE THE





RESULT OF THE CLIENT'S NEED FOR CASH. IN ADDITION, MANY MUTUAL FUNDS EXCHANGES WITHIN THE SAME FAMILY OF FUNDS (AT NAV WITH NO ADDITIONAL COMMISSIONS) WERE INCORRECTLY INCLUDED AS "CHURNING" IN THIS COMPLAINT. I DENY ALL OF THESE ACCUSATIONS AS FALSE.

#### Disclosure 2 of 3

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** PAINWEBBER INC.

**Allegations:** CLIENT ALLEGES THAT HE WAS NOT INFORMED REGARDING THE AGGRESSIVE NATURE OF PGEX AND ANTS, AND THAT PGEX AND ANTS WERE NOT SUITABLE INVESTMENTS. TIME PERIOD 1999-2000. ESTIMATED DAMAGES EXCEED \$5000.

**Product Type:** Equity - OTC

**Alleged Damages:**

#### Customer Complaint Information

**Date Complaint Received:** 11/27/2000

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 02/16/2001

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** CUSTOMER IS A SOPHISCATED INVESTOR WITH APPROXIMATELY 20 YEARS INVESTMENT EXPERIENCE. HE HAD EXTENSIVE HISTORY WITH HIGH-RISK INVESTMENTS AND STRATEGIES, INCLUDING THE SELLING OF UNCOVERED CALLS AND PUT OPTIONS, TRADING ON MARGIN, THE USE OF STOP ORDERS, ETC., BEFORE TRANSFERRING HIS ACCOUNTS TO PAINWEBBER. HIS NEW ACCOUNT INFORMATION (WHICH HE REVIEWED AND APPROVED), AND MONTHLY STATEMENTS CLEARLY INDICATED AGGRESSIVE, MODERATE AS HIS INVESTMENT OBJECTIVES. HE PURCHASED BOTH PACIFIC GATEWAY EXCHANGE (WHICH WAS RATED A "BUY" BY PAINWEBBER) AND ANTS SOFTWARE, UNDERSTANDING THEIR SPECULATIVE NATURE AFTER DISCUSSING BOTH SMALL CAP



TECHNOLOGY ISSUES WITH ME. PGEX WAS PROFITABLE SHORTLY AFTER HIS INITIAL PURCHASE, AND HE DECIDED NOT TO TAKE A PROFIT AT THAT TIME OR ON SEVERAL OTHER INSTANCES THEREAFTER. CUSTOMER ALSO BOUGHT AND SOLD ANTS ON SEVERAL OCCASIONS AND MADE A PROFIT EACH TIME BEFORE AVERAGING DOWN ON SUBSEQUENT POSITIONS IN FEB. 2000. HE FOLLOWED PGEX AND ANTS IN CHAT ROOMS, PERIODICALS, RESEARCH REPORTS AND ON THEIR RESPECTIVE WEBSITES. CUSTOMER ALSO PURCHASED OTHER SPECULATIVE ISSUES ON AN UNSOLICITED BASIS WITHOUT INCIDENT DURING 1999-2000. THESE TWO ISSUES WERE SUITABLE GIVEN CUSTOMER'S HISTORY, EXPERIENCE AND RISK TOLERANCE.

### Disclosure 3 of 3

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** PAINWEBBER

**Allegations:** THE CLIENT ALLEGES THAT HIS PAINWEBBER IE EXECUTED TRADES ON 6/12/98 AND 6/16/98 TO GENERATE COMMISSINS, CAUSING CLIENT TO INCURR \$8,423 IN FESS AND COMMISSIONS. PRODUCTS INCLUDE AOL AND MCDONALDS.

**Product Type:**

**Alleged Damages:** \$8,423.00

### Customer Complaint Information

**Date Complaint Received:** 02/16/1999

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 04/06/1999

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** PAINWEBBER DENIED THE CLAIM. NOT PROVIDED

## End of Report



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