

BrokerCheck Report

CARL JOSEPH SETTE

CRD# 822542

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	5
Disclosure Events	6



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.

CARL J. SETTE

CRD# 822542

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:

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

Registration History

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

- B MORGAN STANLEY**
CRD# 149777
MODESTO, CA
06/2009 - 03/2020
- B CITIGROUP GLOBAL MARKETS INC.**
CRD# 7059
STOCKTON, CA
07/1993 - 06/2009
- B LEHMAN BROTHERS INC.**
CRD# 7506
NEW YORK, NY
04/1988 - 07/1993

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	2
Customer Dispute	3

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

Principal/Supervisory Exams

Exam	Category	Date
B Registered Options Principal Examination	Series 4	05/29/1990
B Municipal Securities Principal Examination	Series 53	11/21/1988
B General Securities Principal Examination	Series 24	07/22/1988
B NYSE Branch Manager Examination	Series 12	12/05/1979

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B AMEX Put and Call Exam	PC	08/31/1977
B General Securities Representative Examination	Series 7	05/15/1976

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	03/06/1992
B Uniform Securities Agent State Law Examination	Series 63	10/08/1980

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 06/2009 - 03/2020	MORGAN STANLEY	149777	MODESTO, CA
B 07/1993 - 06/2009	CITIGROUP GLOBAL MARKETS INC.	7059	STOCKTON, CA
B 04/1988 - 07/1993	LEHMAN BROTHERS INC.	7506	NEW YORK, NY
B 05/1976 - 04/1988	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
01/2015 - Present	MORGAN STANLEY PRIVATE BANK, N.A.	FINANCIAL ADVISOR	Y	NEW YORK, NY, United States
11/2012 - Present	MORGAN STANLEY SMITH BARNEY LLC	FINANCIAL ADVISOR	Y	MODESTO, CA, United States
06/2009 - Present	MORGAN STANLEY SMITH BARNEY LLC	FINANCIAL ADVISOR	Y	STOCKTON, CA, 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
Regulatory Event	0	2	0
Customer Dispute	0	3	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 2

Reporting Source:	Broker
Regulatory Action Initiated By:	BUSINESS CONDUCT COMMITTEE OF CHICAGO BOARD OF OPTIONS EXCHANGE
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	01/11/1990
Docket/Case Number:	89-0136
Employing firm when activity occurred which led to the regulatory action:	E.F. HUTTON & CO.
Product Type:	
Other Product Type(s):	
Allegations:	THE BUSINESS CONDUCT COMMITTEE ISSUED A STATEMENT OF CHARGES AGAINST CARL SETTE ALLEGING RULES 4.2 AND 9L8 THAT HE FAILED TO ADEQUATELY SUPERVISE FINANCIAL CONSULTANT VICTOR BET BADAL BY ALLOWING HIM TO EFFECT NUMERIOUS STOCK AND OPTION TRANSACTIONS IN CERTAIN CUSTOMER ACCOUNTS.
Current Status:	Final



Resolution:	Consent
Resolution Date:	06/20/1990
Sanctions Ordered:	Censure Monetary/Fine \$15,000.00
Other Sanctions Ordered:	
Sanction Details:	A HEARING WAS SCHEDULED AND CARL SETTE, E.F. HUTTON & CO., EACH CONSENT TO A CENSURE AND A JOINT AND SEVERAL FINE OF \$15,000. MR. SETTE ALSO WAS ORDERED TO RETAKE SERIES 4 EXAM. HE TOOK EXAM 5-29-90 AND PASSED WITH A SCORE OF 82%
Broker Statement	Not Provided

Disclosure 2 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECT*See FAQ #1*
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	11/16/1990
Docket/Case Number:	90.695.DOS
Employing firm when activity occurred which led to the regulatory action:	SHEARSON LEHMAN BROTHERS, INC.
Product Type:	
Other Product Type(s):	
Allegations:	ON 11-16-90, THE STATE OF FLORIDA APPROVED SUBJECT INDIVIDUAL AS AN ASSOCIATED PERSON OF SHEARSON LEHMAN BROTHERS, INC. PURSUANT TO AN AGREEMENT
Current Status:	Final
Resolution:	Consent
Resolution Date:	11/16/1990
Sanctions Ordered:	

**Other Sanctions Ordered:****Sanction Details:**

THE TERMS OF THE AGREEMENT PROVIDE, BUT ARE NOT LIMITED TO, THE FOLLOWING: SETTE AGREES NOT TO ACT IN ANY PRINCIPAL, SUPERVISORY, OR MANAGERIAL CAPACITY IN CONNECTION WITH HIS EMPLOYMENT IN THE SECURITIES INDUSTRY. SUCH CONDITIONS WILL REMAIN IN EFFECT THROUGHOUT THE REGISTRATION WITH THIS FIRM OR UNTIL RELIEF IS OTHERWISE SOUGHT AND GRANTED. CONTACT FLORIDA AGENT REGISTRATION SECTION FOR FURTHER INFORMATION.

Regulator Statement

Not Provided

Reporting Source:

Broker

Regulatory Action Initiated By:

STATE OF FLORIDA

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

11/16/1990

Docket/Case Number:

90.695.DOS

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

SHEARSON LEHMAN BROTHERS, INC.

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

WAS NAMED AS A DEFENDANT IN A SUIT IN U.S. DISTRICT COURT FOR THE DISTRICT OF OREGON. THIS SUIT ALLEGED VARIOUS ACCOUNT IMPROPRIETIES AND VIOLATIONS OF STATE AND FEDERAL SECURITIES LAW AS WELL AS HIS FAILURE TO SUPERVISE. ALSO NAMED IN A CIVIL SUIT FILED IN A CALIFORNIA COURT. (BOTH OF THESE CASES SETTLED BY E.F. HUTTON)

Current Status:

Final

Resolution:

Consent

Resolution Date:

11/16/1990

Sanctions Ordered:



Other Sanctions Ordered:

Sanction Details:

MR. SETTE AGREED NOT TO ACT IN ANY PRINCIPAL SUPERVISORY, OR MANAGERIAL CAPACITY IN CONNECTION WITH HIS EMPLOYMENT IN THE SECURITIES INDUSTRY. HE ALSO AGREED TO NOT TO ENGAGE IN ANY PROHIBITED BUSINESS PRACTICE AS TERM IN FLORIDA'S RULE 3E-600.013(2) FLORIDA ADMINISTRATIVE CODE. HE AGREED THAT HE WOULD NOTIFY STATE OF FLORIDA OF ANY COMPLAINT OR ACTION TAKEN AGAINST HIM.

Broker Statement

Not Provided



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 2

Reporting Source: Broker

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

Allegations: ALLEGED DAMAGES - \$1,750. BRANCH MANAGER CARL SETTE WAS NAMED BECAUSE OF FAILURE TO SUPERVISE [OTHER FIRM EMPLOYEE] - BROKER OF CUSTOMERS' COMPLAINTS
ALLEGED DAMAGES \$1,750 MILLION

Product Type:

Alleged Damages: \$1,750,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Litigation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Civil Litigation Information

Court Details: STATE; CA

Date Notice/Process Served: 05/30/1990

Litigation Pending? No

Disposition: Settled

Disposition Date: 05/30/1990

Monetary Compensation Amount: \$4,000,000.00

Individual Contribution Amount: \$0.00

**Broker Statement**

SETTLEMENT AMOUNT - \$4 MILLION
 MR. SETTE DID NOT PAY TOWARD THIS SETTLEMENT
 SHEARSON LEHMAN HUTTON INC, PAID TOTAL SETTLEMENT
 * CUSTOMERS' COMPLAINTS THEIR NAMES ARE -
 [CUSTOMERS]. ABOVE
 COMPLAINTS WERE ALL AGAINST FINANCIAL CONSULTANT [OTHER FIRM
 EMPLOYEE], CARL SETTE WAS NAMED BECAUSE HE WAS BRANCH
 MANAGER, THIS
 IS WHY HE IS NOT ANSWERING YES TO ANY QUESTIONS ON HIS DRP
 DISCLOSURE.

Disclosure 2 of 2

Reporting Source: Broker

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

Allegations:

Product Type:

Alleged Damages: \$75,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Litigation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Civil Litigation Information

Court Details: DISTRICT; DISTRICT OF OR; 87-1169FR

Date Notice/Process Served: 10/21/1987

Litigation Pending? No

Disposition: Settled

Disposition Date: 01/11/1988



Monetary Compensation Amount: \$10,000.00

Individual Contribution Amount: \$0.00

Broker Statement [CUSTOMER] FILED A COMPLAINT IN THE UNITED STATES DISTRICT COURT, DISTRICT OF OREGON, ON OCTOBER 21, 1987, CIVIL NO. 87-1169FR, NAMING E.F. HUTTON & COMPANY INC., GARY GARNER AND CARL SETTE AS DEFENDANTS. THE COMPLAINT ALLEGED VIOLATIONS OF THE 1934 SECURITIES EXCHANGE ACT-SECTION 10(B), VIOLATIONS OF 17(A) OF THE 1933 ACT, UNAUTHORIZED AND UNSUITABLE INVESTMENT TRADING AND FAILURE TO SUPERVISE. VIOLATION OF OREGON SECURITIES LAW-MISREPRESENTATION AND NON-DISCLOSURE, BREACH OF FIDUCIARY DUTY AND NEGLIENCE, AND DAMAGES IN THE AMOUNT OF \$75,000. THE MATTER WAS SETTLED ON JANUARY 11, 1988 FOR \$10,000. AS OF THIS DATE, NEITHER GARNER NOR SETTE HAS BEEN ASKED TO CONTRIBUTE TO THE SETTLEMENT.



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: SALOMON SMITH BARNEY INC.

Allegations: SMITH BARNEY CLIENT ALLEGED THAT SHE WAS MISLEAD ON THE SALES OF HER STOCKS BECAUSE SHE WAS NOT ADVISED THAT IS WAS NOT NECESSARY TO SELL HER STOCKS IN ORDER TO UPDATE HER CERTIFICATES WHICH WERE OUTDATED DUE TO STOCK SPLITS AND MERGERS WHICH HAD TAKEN PLACE. ALLEGED DAMAGES UNSPECIFIED

Product Type:

Alleged Damages:

Customer Complaint Information

Date Complaint Received: 05/14/1998

Complaint Pending? No

Status: Denied

Status Date:

Settlement Amount:

Individual Contribution Amount:

Broker Statement THE CLIENT'S CLAIM WAS DENIED. THERE WERE NO OPTIONS OR COMMODITIES INVOLVED NOT PROVIDED

End of Report



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