

## BrokerCheck Report

**WALLACE EFFORD SHEELY**

CRD# 851609

<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](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).

**WALLACE E. SHEELY**

CRD# 851609

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:

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

### Registration History

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

- B AMERICAN WEALTH MANAGEMENT, INC.**  
CRD# 25536  
Biloxi, MS  
12/2010 - 11/2024
- B SAGEPOINT FINANCIAL, INC.**  
CRD# 133763  
BILOXI, MS  
12/2006 - 10/2010
- B STIFEL, NICOLAUS & COMPANY, INCORPORATED**  
CRD# 793  
JACKSON, MS  
08/2000 - 12/2006

### 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
Customer Dispute	6
Termination	2
Judgment/Lien	1

### 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 6 principal/supervisory exams, 2 general industry/product exams, and 2 state securities law exams.**

### 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> Municipal Securities Principal Examination	Series 53	04/28/1993
<b>B</b> General Securities Principal Examination	Series 24	10/13/1981
<b>B</b> Registered Options Principal Examination	Series 4	08/01/1980
<b>B</b> NYSE Branch Manager Examination	Series 12	07/24/1980

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	04/15/1978

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	11/23/1994
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	05/21/1981

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](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>B</b> 12/2010 - 11/2024	AMERICAN WEALTH MANAGEMENT, INC.	25536	Biloxi, MS
<b>B</b> 12/2006 - 10/2010	SAGEPOINT FINANCIAL, INC.	133763	BILOXI, MS
<b>B</b> 08/2000 - 12/2006	STIFEL, NICOLAUS & COMPANY, INCORPORATED	793	JACKSON, MS
<b>B</b> 07/1997 - 09/2000	BIRCHTREE FINANCIAL SERVICES, INC.	15014	MINNEAPOLIS, MN
<b>B</b> 09/1978 - 05/1997	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	NEW YORK, NY
<b>B</b> 05/1978 - 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
01/2009 - Present	SAGEPOINT FINANCIAL, INC.	REGISTERED REP	Y	PHOENIX, AZ, 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.
  -
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	1	0
Customer Dispute	0	6	N/A
Termination	N/A	2	N/A
Judgment/Lien	1	N/A	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

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Sanction(s) Sought:</b>	
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	01/08/1999
<b>Docket/Case Number:</b>	C05980049
<b>Employing firm when activity occurred which led to the regulatory action:</b>	
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	(NASD RULES 2110 AND 2510(B) - RESPONDENT SHEELY EXERCISED DISCRETION IN THE ACCOUNTS OF PUBLIC CUSTOMERS WITHOUT HAVING OBTAINED PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMERS AND PRIOR WRITTEN ACCEPTANCE OF THE ACCOUNTS AS DISCRETIONARY BY HIS MEMBER FIRM.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 01/08/1999

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,800.00  
Suspension

**Other Sanctions Ordered:**

**Sanction Details:** ON JANUARY 8, 1999, DISTRICT NO. 5 NOTIFIED RESPONDENT WALLACE E. SHEELY THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C05980049 WAS ACCEPTED; THEREFORE, HE IS CENSURED, FINED \$6,800, AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 10 DAYS. THE SUSPENSION WILL COMMENCE WITH THE OPENING OF BUSINESS ON FEBURARY 16, 1999, AND CONCLUDE AT THE CLOSE OF BUSINESS FEBRUARY 25, 1999.

---

**Reporting Source:** Broker

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 01/08/1999

**Docket/Case Number:** C05980049

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

**Product Type:**

**Other Product Type(s):**

**Allegations:** EXERCISED DISCRETION IN THE INDIVIDUAL ACCOUNTS WITHOUT PRIOR WRITTEN AUTHORIZATION.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 01/08/1999

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,800.00



Suspension

**Other Sanctions Ordered:**

**Sanction Details:**

MONETARY FINE OF 6,800.00, CENSURE, TEN DAY  
SUSPENSION

**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

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	SAGEPOINT FINANCIAL, INC.; AMERICAN WEALTH MANAGEMENT, INC.
<b>Allegations:</b>	CUSTOMER ALLEGES EXCESSIVE TRADING AND UNSUITABLE TRADES IN A MARGIN ACCOUNT.
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Alleged Damages:</b>	\$50,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	THE CUSTOMERS ALLEGE LOSSES BETWEEN \$50,000 AND \$120,000.00
<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>	04/02/2011
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	12/07/2011
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	11-04594



**Date Notice/Process Served:** 12/20/2011

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/29/2012

**Monetary Compensation Amount:** \$52,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** AMERICAN WEALTH MANAGEMENT

**Allegations:** CUSTOMER ALLEGES EXCESSIVE TRADING AND UNSUITABLE TRADES

**Product Type:** Equity Listed (Common & Preferred Stock)

**Alleged Damages:** \$5,000.00

**Alleged Damages Amount Explanation (if amount not exact):** NO DOLLAR CLAIMS MADE BY CLIENT

**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:** 04/07/2011

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 12/08/2011

**Settlement Amount:**

**Individual Contribution Amount:**



## Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	11-04594
<b>Date Notice/Process Served:</b>	12/29/2011
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	06/29/2012
<b>Monetary Compensation Amount:</b>	\$52,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	PREVIOUS FIRM SAGEPOINT FINANCIAL AMENDED U-5 TO COMPLIANT NOT PENDING CLOSED/NO ACTION

## Disclosure 2 of 2

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	MERRILL LYNCH, PIERCE, FENNER & SMITH INC.
<b>Allegations:</b>	CUSTOMERS ALLEGED UNSUITABLE SECURITIES PURCHASES AS WELL AS INAPPROPRIATE USE OF MARGIN IN THEIR ACCOUNTS.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	STOCKS, LIMITED PARTNERSHIPS
<b>Alleged Damages:</b>	\$2,000,000.00

## Customer Complaint Information

<b>Date Complaint Received:</b>	10/01/1996
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/03/1999
<b>Settlement Amount:</b>	\$275,000.00



**Individual Contribution Amount:** \$0.00

### Civil Litigation Information

**Court Details:** UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI, SOUTHERN DIVISION CIVIL ACTION NO. 1:98CV79(G)

**Date Notice/Process Served:** 07/10/1997

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/03/1999

**Monetary Compensation Amount:** \$275,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** THIS MATTER WAS SETTLED TO AVOID THE TIME, EXPENSE AND UNCERTAINTY OF CONTINUING LITIGATION

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**Allegations:** THIS CUSTOMER COMPLAINT IS UNDER INVESTIGATION. WALLACE SHEELY IS NOT NAMED IN THE CUSTOMER COMPLAINT AND PER ANTHONY COGNFVICH AT DISTRICT 5 HE CAN'T PROVIDE ACTUAL OF ALLEGED DAMAGES BECAUSE THIS IS STILL AN OPEN INVESTIGATION. A COPY OF THE CUSTOMER COMPLAINT IS ATTACHED.

**Product Type:** Other

**Other Product Type(s):** STOCKS, LIMITED PARTNERSHIPS

**Alleged Damages:** \$2,000,000.00

### Customer Complaint Information

**Date Complaint Received:** 10/01/1996

**Complaint Pending?** No

**Status:** Settled



**Status Date:** 12/03/1999

**Settlement Amount:** \$275,000.00

**Individual Contribution Amount:** \$0.00

### **Civil Litigation Information**

**Court Details:** UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI, SOUTHERN DIVISION CIVIL ACTION NO. 1:98CV79(G)

**Date Notice/Process Served:** 07/10/1997

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/03/1999

**Monetary Compensation Amount:** \$275,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** NO ACTION AGAINST REP. THIS MATTER WAS SETTLED TO AVOID THE TIME, EXPENSE AND UNCERTAINTY OF CONTINUING LITIGATION.





## 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 4

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** STIFEL NICOLAUS & CO., INC.

**Allegations:** NEGLIGENT ADVICE, DISCRATIONARY TRADING, CHURNING UNSUITABLE PORTFOLIO ALLOCATION.

**Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):** AND EQUITIES - OTC

**Alleged Damages:** \$250,000.00

### Customer Complaint Information

**Date Complaint Received:** 04/18/2005

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 04/29/2005

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 2 of 4

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** STIFEL NICOLAUS & CO INC

**Allegations:** CLIENT ALLEGES TOTAL DAMAGES OF \$125,924, UNSUITABLE RECOMMENDATIONS AND REPS FAILURE TO SELL CERTAIN SECURITIES.

**Product Type:** Other

**Other Product Type(s):** LISTED & OTC EQUITIES



**Alleged Damages:** \$125,924.00

### Customer Complaint Information

**Date Complaint Received:** 05/17/2004

**Complaint Pending?** No

**Status:** Withdrawn

**Status Date:** 06/08/2004

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** 6/8/04 CLIENT WISHES TO WITHDRAW COMPLAINT.

---

### Disclosure 3 of 4

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** STIFEL, NICOLAUS & CO., INC.

**Allegations:** REP FAILED TO FOLLOW INSTRUCTIONS - SOLD & BOUGHT TOO MUCH. WANTS \$10,869.33 IN DAMAGES. ALLEGES UNAUTHORIZED MARGIN ACCOUNT.

**Product Type:** Equity Listed (Common & Preferred Stock)

**Alleged Damages:** \$10,869.33

### Customer Complaint Information

**Date Complaint Received:** 04/16/2001

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 07/20/2001

**Settlement Amount:**

**Individual Contribution Amount:**

---

### Disclosure 4 of 4



**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**Allegations:** MISREPRESENTATION; OMISSION OF FACTS; AND BRCH OF FIDUCIARY DT.

**Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES

**Alleged Damages:** \$1,200,000.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD - CASE #96-03305

**Date Notice/Process Served:** 10/24/1996

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/23/1999

**Disposition Detail:** PARTIES SETTLED THRU MEDIATION.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**Allegations:** 1.2 MILLION DAMAGES

**Product Type:** Other

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

**Alleged Damages:** \$1,200,000.00

### Customer Complaint Information

**Date Complaint Received:** 01/01/1996

**Complaint Pending?** No

**Status:** Arbitration/Reparation  
Litigation



**Status Date:** 10/24/1996

**Settlement Amount:**

**Individual Contribution Amount:**

### **Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD; 96-03305

**Date Notice/Process Served:** 10/24/1996

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/20/1999

**Monetary Compensation Amount:** \$150,000.00

**Individual Contribution Amount:** \$0.00

### **Civil Litigation Information**

**Court Details:** THIS WAS AN ARBITRATION. SEE ABOVE.

**Date Notice/Process Served:** 10/24/1996

**Litigation Pending?** No

**Disposition:** Other

**Disposition Date:** 09/20/1999

**Monetary Compensation Amount:** \$0.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** FOR AN IN CONSIDERATION OF THE SUM OF \$150,000, THE CUSTOMER HEREBY RELEASED, ACQUITTED AND FOREVER DISCHARGED MR. SHEELY.



## 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:** SAGEPOINT FINANCIAL, INC  
**Termination Type:** Discharged  
**Termination Date:** 10/27/2010  
**Allegations:** FAILURE TO ADHERE TO LETTER OF UNDERSTANDING REGARDING OFFICE SPACE AND FAILURE TO DISCLOSE CIVIL JUDGEMENTS AS REQUIRED.  
**Product Type:** No Product

**Reporting Source:** Broker  
**Employer Name:** SAGEPOINT FINANCIAL  
**Termination Type:** Discharged  
**Termination Date:** 10/27/2010  
**Allegations:** FAILURE TO ADHERE TO LETTER OF UNDERSTANDING REGARDING OFFICE SPACE AND FAILURE TO DISCLOSE CIVIL JUDGEMENTS  
**Product Type:** No Product  
**Broker Statement** PREVIOUS FIRM OFFICE EXAMS DID NOT HAVE A PROBLEM WITH THE OFFICE ARRANGEMENT. THE JUDGEMENT WAS A MISUNDERSTANDING BETWEEN ME AND THE CREDITOR THIS WAS CONFIRMED IN WRITING BY MY LAWYER

### Disclosure 2 of 2

**Reporting Source:** Broker  
**Employer Name:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED  
**Termination Type:** Permitted to Resign  
**Termination Date:** 04/29/1997  
**Allegations:** Not Provided



THAT I HAD ENGAGED IN A FINANCIAL TRANSACTION  
WITH AN EMPLOYEE UNDER MY SUPERVISION AND THAT I HAD NOT  
DISCLOSED THIS TO THE FIRM DURING A PRIOR REVIEW.

**Product Type:**

**Other Product Types:**

**Broker Statement**

TERMINATION  
THIS WAS A PERSONAL LOAN GUARANTEE FOR A FELLOW  
COLLEAGUE. THERE WAS NO FRAUD INVOLVED.



## Judgment / Lien

This type of disclosure event involves an unsatisfied and outstanding judgments or liens against the broker.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	TRUSTMARK NATIONAL BANK, JACKSON, MISSISSIPPI
<b>Judgment/Lien Amount:</b>	\$13,649.57
<b>Judgment/Lien Type:</b>	Civil
<b>Date Filed:</b>	04/09/2010
<b>Type of Court:</b>	HARRISON COUNTY
<b>Name of Court:</b>	COUNTY COURT OF HARRISON COUNTY MISSISSIPPI
<b>Location of Court:</b>	BILOXI, MISSISSIPPI
<b>Docket/Case #:</b>	D-240210-276
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	CREDIT CARD ACCOUNT

## End of Report



**This page is intentionally left blank.**