

BrokerCheck Report

PHILIP LOUIS SPARTIS

CRD# 862192

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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



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.

PHILIP L. SPARTIS

CRD# 862192

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:

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

Registration History

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

- B** **SALOMON SMITH BARNEY INC.**
CRD# 7059
NEW YORK, NY
04/1984 - 02/2002
- B** **KIDDER, PEABODY & CO. INCORPORATED**
CRD# 7613
06/1982 - 05/1984
- B** **DREXEL BURNHAM LAMBERT INCORPORATED**
CRD# 7323
02/1979 - 06/1982

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Customer Dispute	1

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each 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 1 principal/supervisory exam, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Sales Supervisor Examination (Options Module & General Module)	Series 8	03/29/1985

General Industry/Product Exams

Exam	Category	Date
B Interest Rate Options Examination	Series 5	06/23/1988
B General Securities Representative Examination	Series 7	01/20/1979

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	09/09/1999
B Uniform Securities Agent State Law Examination	Series 63	08/28/1980

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 securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 04/1984 - 02/2002	SALOMON SMITH BARNEY INC.	7059	NEW YORK, NY
B 06/1982 - 05/1984	KIDDER, PEABODY & CO. INCORPORATED	7613	
B 02/1979 - 06/1982	DREXEL BURNHAM LAMBERT INCORPORATED	7323	

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
04/1984 - Present	SALOMON SMITH BARNEY INC.	OTHER - ACCOUNT EXEC	Y	ATLANTA, GA, United States

Disclosure Events



What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory 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.

	Final	On Appeal
Regulatory Event	1	0
Customer Dispute	1	N/A



Disclosure Event Details

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 involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT
Sanction(s) Sought:	Censure
Date Initiated:	06/27/2003
Docket/Case Number:	HBD: 09-17
Employing firm when activity occurred which led to the regulatory action:	UNKNOWN
Product Type:	No Product
Allegations:	<p>**6/27/03**CHARGES ISSUED BY NYSE DIVISION OF ENFORCEMENT AND PENDING CHARGES:ENGAGED IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT HE RECOMMENDED AND/OR EFFECTED ONE OR MORE TRANSACTIONS IN ONE OR MORE CUSTOMER ACCOUNTS THAT WERE UNSUITABLE IN VIEW OF THE INVESTMENT OBJECTIVES, RISK TOLERANCE, INVESTMENT SOPHISTICATION AND/OR FINANCIAL RESOURCES OF THE CUSTOMER; VIOLATED EXCHANGE RULE 472(A) BY, ON ONE OR MORE OCCASIONS, SENDING A COMMUNICATION TO A CUSTOMER WITHOUT THE PRIOR APPROVAL OF HIS MEMBER-FIRM EMPLOYER; CAUSED A VIOLATION OF EXCHANGE RULE 472.30 BY, ON ONE OR MORE OCCASIONS, SENDING A COMMUNICATION TO A CUSTOMER THAT OMITTED MATERIAL FACTS AND/OR WAS MISLEADING; AND CAUSED A VIOLATION OF EXCHANGE RULE 342.16 IN THAT HE ESTABLISHED AND/OR USED AN UNAPPROVED AND UNSUPERVISED OUTSIDE EMAIL SYSTEM TO COMMUNICATE WITH CUSTOMERS OF HIS MEMBER-FIRM EMPLOYER.</p>
Current Status:	Final
Resolution:	Decision



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: 06/10/2010

Sanctions Ordered: Censure

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?

Regulator Statement

****06/10/2010****THE NYSE BOARD OF DIRECTORS AFFIRMED THE HEARING BOARD DECISION (HBD 09-17) FINDING RESPONDENTS GUILTY OF CAUSING A VIOLATION OF NYSE RULE 472.30 BY SENDING A COMMUNICATION TO CUSTOMERS THAT OMITTED MATERIAL FACTS AND/OR WAS MISLEADING (CHARGE III); NOT GUILTY OF SENDING AN UNAPPROVED COMMUNICATION TO CUSTOMERS (CHARGE II) AND DISMISSING CHARGES THAT RESPONDENTS MADE UNSUITABLE RECOMMENDATIONS TO CUSTOMERS (CHARGE I) AND THAT SPARTIS ESTABLISHED AND USED AN UNAPPROVED EMAIL SYSTEM (CHARGE IV). THE NYSE BOARD MODIFIED THE PENALTIES IMPOSED BY THE HEARING



PANEL IN THAT IT UPHELD THE CENSURE IMPOSED ON EACH RESPONDENT, BUT VACATED THE FIVE-MONTH BAR IMPOSED ON SPARTIS.



Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the named broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	SALOMON SMITH BARNEY, INC. K/N/A CITIGROUP GLOBAL MARKETS, INC.
Allegations:	LACK OF SUITABILITY, DISHONEST AND UNETHICAL PRACTICE, BREACH OF FIDUCIARY DUTY, NEGLIGENCE AND GROSS NEGLIGENCE
Product Type:	Other
Other Product Type(s):	STOCK
Alleged Damages:	\$1,312,141.08

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASD - CASE #02-03627](#)

Date Notice/Process Served:	06/21/2002
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	01/20/2005
Disposition Detail:	SPARTIS IS JOINTLY AND SEVERALLY LIABLE FOR AND SHALL PAY TO CLAIMANTS THE SUM OF \$315,000 IN COMPENSATORY DAMAGES,\$63,000 IN PRE-AWARD INTEREST, AND POST-AWARD INTEREST.

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	SALOMON SMITH BARNEY INC.
Allegations:	ALLEGED IMPROPER HANDLING OF ACCOUNTS BETWEEN APPROXIMATELY AUGUST 1999 THROUGH SEPTEMBER 2000.
Product Type:	Other
Other Product Type(s):	EMPLOYEE/EMPLOYER STOCK OPTION PLAN.



Alleged Damages: \$1,312,141.08

Customer Complaint Information

Date Complaint Received: 10/04/2000

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 07/03/2002

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASD-DR CASE NUMBER 02-03627](#)

Date Notice/Process Served: 07/03/2002

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 02/05/2005

Monetary Compensation Amount: \$448,000.00

Individual Contribution Amount: \$448,000.00

Firm Statement

THE ARBITRATION PANEL FOUND THAT RESPONDENTS SALOMON SMITH BARNEY INC., PHILIP SPARTIS AND AMY ELIAS ARE JOINTLY AND SEVERALLY LIABLE AND SHALL PAY TO CLAIMANTS \$315,000 IN COMPENSATORY DAMAGES, \$63,000 IN PRE-AWARD INTEREST, \$50,000 IN ATTORNEYS' FEES AND \$20,000 IN COSTS. PHILIP SPARTIS AND AMY ELIAS HAVE SUBSEQUENTLY FILED A MOTION TO BAR AND ENJOIN THE ARBITRATION CLAIMS AND TO PRECLUDE THE CUSTOMERS FROM ACTING ON THE PANELS' ARBITRATION AWARD AND A MOTION FOR A TRO TO ENJOIN SALOMON SMITH BARNEY INC. AND THE CUSTOMERS FROM SEEKING CLARIFICATION OF THE ARBITRATION AWARD. ON MARCH 3, 2005 JUDGE COTE ISSUED AN INJUNCTION BARRING CLAIMANTS FROM SEEKING TO ENFORCE THE ARBITRATION AWARD TO THE EXTENT THAT IT ARISES FROM CLAIMS BARRED BY THE RELEASE AND JUDGMENT ENTERED INTO THE CLASS ACTION SETTLEMENT. ON MARCH 15, 2005 THE ARBITRATION PANEL DENIED THE MOTION SEEKING CLARIFICATION



OF THE ARBITRATION AWARD. ON APRIL 19, 2005 WE RECEIVED A MOTION FILED BY THE INDIVIDUAL RESPONDENT IN THE USDC IN THE SOUTHERN DISTRICT OF NEW YORK SEEKING TO VACATE THE ENTIRE ARBITRATION AWARD. ON MARCH 21, 2006 JUDGE COTE ISSUED AN OPINION AND ORDER VACATING THE ARBITRATION AWARD TO THE CUSTOMERS AND CONFIRMING THE DECISION TO DISMISS THE CROSS-CLAIMS AGAINST SALOMON.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: SALOMON SMITH BARNEY INC.

Allegations: CLIENT ALLEGES MISREPRESENTATION AND FAILURE TO DISCLOSE THE RISKS OF MARGIN.

Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s): "OPTIONS(NOT INDEX)"

Alleged Damages: \$5,000.00

Customer Complaint Information

Date Complaint Received: 10/04/2000

Complaint Pending? No

Status: Denied

Status Date: 04/09/2001

Settlement Amount:

Individual Contribution Amount:

Broker Statement RICK APICELLA
(212) 783-7337

End of Report



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