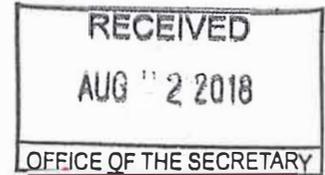


UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Commission's Public Reference Room
100 F Street, NE
Washington, DC 20549



SEC Mail Processing

JUL 30 2018

Comments on Proposed Rule: Regulation BEST INTEREST
RELEASE No. 34-83062
File No. S7-07-181

Washington, DC

Email To: rule-comments@sec.gov

CHRONOLOGICAL INDEX OF COMMENTS ADRESSED IN COMMENT:

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PREFACE:

S.E.C. "*BEST INTEREST*" IS ABOUT '*IN THE BEST INTEREST OF THE S.E.C.*', NOTHING ABOUT '*IN THE 'INTEREST OF' INVESTMENT CLIENT & INVESTMENT ADVISORS:*'
The S.E.C. put out the Comment Solicitation for "*Best Interest*". It was not long before Industry magazine and pundits began complaining "*the Best Interest proposal does not do much to define what Best Interest would actually mean under the regulators proposed overhaul of broker conduct rules...*"

Industry magazine and pundits are '*mouthpieces*' for Wall Street as defined in the 1920's definition. '*Reporting*' is a paycheck to most Industry magazine and pundits. One sees after covering news in DC long enough that reporting is not as important as being '*part of the party.*' '*Being part of the party*' is about being invited back to '*report*' as well as getting the annual sought after "*Golden Ticket*", not the Willie Wonka kind but the coveted invitation to the White House Christmas party, not the Media preview but the '*wear your tux*' Christmas party.

Work inside the Beltway you learn soon enough that character in journalists comes at a price and cost many are willing to pay like telling a story that covers up crimes, decades of crimes.

Reporters have spouses that too often carry the bacon being bought for the family. Tux's worn to White House Christmas parties, long before '*Rent The Runway*' were threadbare, worn thin and prayed the buttons would not pop type. Crimes were known. Reporters ethos could be bought or swayed to look in a different direction for the right '*carrot*' being dangled. Reporting, understand, is a ticket to everywhere career while, yet, being a fly on the wall looking for '*that*' scoop that will raise reporters to the ranks of the million dollar Dana Bash types.

Being invited back comes at a loss to victims of financial crimes coordinated and covered up by the S.E.C. s.r.o. FINRA/NASD and the S.E.C. itself pumping out proposals that act to distract from what is really going on in Wall Street, harming Investment Clients, Investment Advisors, Main Street and felons.

When you show up on the scene, with an agency new to the zipcode, questions of curiosity can go left unanswered quite some time as long as you show up on time, hit your mark, and take excellent shots while standing away from the pack.

And that was how I ended up in the well that day of the House Financial Services Committee, Barney Frank presiding, not anticipating that doing a good job could turn in to anything other than what I was doing arts wise- covering news in the White House and Capitol Hill, journeyed on quite the roller coaster ride since the market crash, Fall 2008.

What I saw, what I heard, what I learned, that day, 10-6-2009, has taken almost a decade to understand the weight of what Witness Panel 1 testified to the present legislators, weaving in and out of seats in this hearing room and others leaving staffers behind to catch points key to the legislator and their vested interest parties.

It was disgraced Congressman Joe Barton who told me he runs each day for the next term seat planning fishing ventures and Vegas roll 'em and hold 'em fundraisers amongst other events Joe would plan.

I did not know that day I was watching '*vested parties*' showboating for what benefits their agenda. I knew 2018 what I was reading was legislators, a former Congressman and the woman painting herself as the Investors savior. I knew by then how to read behind the released press puff piece lines.

2010, the S.E.C. asked me to be their Requested Investment Client Whistleblower. Trust me I thought long and hard to respond to the S.E.C. Philly based investigator team, or so they told me that is what they were.

2018, I learned the S.E.C. Philly based investigators are lawyers with no Investigative formal training at all.

By the time I received the S.E.C. F.O.I.A. response demanding to see papers on the team, I was pretty clear on how turning the key in this Pandora's box 'lock' was a gateway to opening up even more sickness, death and many other unspecified evils Wall Street fraudsters had released into the unsuspecting world.

R.B.C. Wealth Management C.E.O. John Taft testified to Barney and whatever committee was there present, that *'even the best of CEOs in the world cannot do what Tafts RBC people do.'*

Yup, go to

https://www.pacermonitor.com/public/case/6561047/DEVORAH_v_ROYAL_BANK_OF_CANADA_et_al Read the pleadings, intentionally, purposefully stacked to break information out of the FINRA/NASD and S.E.C. coverup.

"Best Interest"? Phhhhehhh. Their *"Best Interest"* not Main Street's.

Quite extraordinary how a shy artist can morph in to writing pleadings lawyers accuse lawyers of writing. Nope. Sometimes, as the proverbial saying say, *'we get picked for things even we have no clue we are capable of.'*

My story is one of those God winks.

In Greek mythology, Hesiod's Theogony tells of when Prometheus stole fire from heaven. Zeus, king of gods, took vengeance by gifting Pandora to Prometheus' brother Epimetheus. Prometheus, a fire god with a reputation of a divine trickster, had stolen fire from heaven and bestowed it upon the mortals. Zeus was such a vindictive s.o.b. that Zeus had packed the box full of every terrible evil pestilence Zeus could think of.

Pandora was the first woman. Pandora was like women are, curious. Pandora opened the box left in Prometheus' care. Out of the box poured tiny buzzing moths- disease and poverty, misery, death, sadness- stinging Pandora over and over again until Pandora slammed the lid shut.

We all know how Pandora's story turned out. We are all reminded about the impossibility of shoving things back in to the *'proverbial life box'* once we open it. You know, *'letting the cat out of the bag,'* all those kinda phrases. While I am not Pandora, each lock I turn the key in the lock of, each lock I open, each lid I lift, releases, too, more things to unlock and open as I have been doing for the better part of the past decade, I hope, as I piece the threads together for the betterment of man and womankind.

My own fashioned warning caveat I share with others I tell information to is truthful, *'once you see, hear and read what I just gave you or told you, cannot be unseen or unheard, which means you are either part of the solution or part of the problem and in cop talk- an accessory- before, during or afterwhich means, tag you are it... so what are you going to do... or not do... with everyone else knowing...and watching...'*

So, yeah, I overshare, intentionally.

There is a neat ending to the Pandora story, in my case, a neat beginning. The only thing left in Pandora's box that day was "hope." I have it, truly, a Pollyana, I believe there are good people. A mentor taught me to recognize them as the people who don't know the lie they are part of, or when they do, they don't want to be part of the lie of the crime.

For whatever reason, I got picked, a greater being had faith in me. I meet people that give me "hope" when I feel I cannot carry on, almost at the first finish line, October 4 2018, of what is a triathlon of a mental stamina challenge kind.

I have faith. I connect dots. I shine sunshine under rocks scum breed under.

That day, 10-6-2009, I identified myself to R.B.C. C.E.O. John Taft post Witness Panel 1, Taft flanked by other witnesses one of whom gave me his card which I have to this day was testifying as the C.E.O. of R.B.C., as the C.E.O. of S.I.F.M.A.¹, "... *Securities Industry and Financial Markets Association...*" on U.S. Wealth R.B.C. WEALTH MANAGEMENT Chairman Private Client Group Steering Committee Securities Industry and Financial Markets Association before the US House of Representatives Committee on Financial Services hearing on "*Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital and Creating A National Insurance Office...*"

Rick Ketchum, F.I.N.R.A. C.E.O. was listening intensely to everything I told Taft of what transpired post the market crash as I watched hundreds of my thousands melt away before my very eyes from my online accounts.

"*Investor protection*" Ketchum's card read.

October 6, 2009, anniversary of the days leading up to Bernard Madoff turning himself in to the Feds.

06/09/2009 is when judgment was entered on Madoff. International money laundering, sentenced to 1,800 months, 150 years committed to the custody of the B.o.P., Bureau of Prisons, False filings with the S.E.C., False Statements, Perjury... I knew what I was looking at, with the "*HOODOO LA*", I mean, the matter the SEC called me in on as a whistleblower, to give them everything I knew so the SEC could curate their case to cover up for 8+ years of more victims, even from the Judges the criminals, 2 only, found themselves in the clutches of except, if there is no history of doing a crime then....

They knew. 50+ years prior, they knew. And they knew I knew and would keep speaking as I do here with an unorthodox proposal exposing S.E.C. "*Best Interest*" is all about S.E.C. "*Best Interest*" only.

¹ <https://www.sifma.org/wp-content/uploads/2017/05/testimony-of-john-taft-sifma-chairman-and-head-of-us-wealth-management-rbc-before-a-us-house-panel-on-broker-dealers-and-investment-advisers.pdf>

As if that does not take the cake, nor does the reality someone on the F.S.C. Committee removed Panel 1 from the Committee archive after I made public the content of what Taft said in to the “*Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital and Creating A National Insurance Office...*” hearing record, under oath, ten+ years ago of SEC “*Best Interest.*” 50+ years prior, they knew.

In the almost decade since I have learned F.I.N.R.A. is anything but. And, as I say of the S.E.C. since 8-3-2010 when they chased me telling me to do the ‘*right thing*’, once I began to connect dots detailing for law enforcement, regulators, legislators, executives, the executive and others, the dots I connected tell quite a story, least of which is S.E.C. “*best interest*” for anyone other than the S.E.C.

You know, time to time, when I am in New York, I make a point of walking over to where the rumored Buttonwood Tree stood, seeing it in my mind’s eye, but not as the glory of a group of men getting together for the rah-rah of Investors. Quite the contrary. A bunch of scum buckets who figured out how to price fix and con consumers out of life savings. Standing in front of the Commission

Congress is already a lost cause as far as I am concerned for either not catching what I did or, too often, turning heads in the other direction, intentionally.

The S.E.C. “*Best Interest*” proposal says the proposal purpose is to establish a standard for Securities Broker-Dealers, interpret the fiduciary standard for Advisors and alleging seeking to build a new Customer Relationship Summary form to state clearly to clients if they are dealing with a Securities Broker-Dealer or an Investment Advisory firm registered with the SEC, not the same thing as Individual Investment Advisors.

The S.E.C.’s “*Best Interest*” proposal is safely described as the broad side of the barn right in front of the S.E.C. staff’s nose that the S.E.C. staff did not hit. More correctly, did not intend to hit.

That said, there are good people working at the S.E.C. I give kudos to. My distaste is for the high level people knowing exactly what they are complicit in crime and deception. They are not above the law. Sadly, a by-product of being part of a con is the low hanging fruit get slammed while the bigwigs do not, by intentional design of Wall Street, vested Legislators and feeder fish science calls remoras, the shark or whale suckers one finds scumming leftovers sharks abandon behind.

The rest of my story... Pythia... Province of the Dragon.... Karma....

Sincerely



Carrie Devorah, D.T.M.

Public Investor 12-03894

SEC Requested Investment Client Whistleblower Exposing Truths Wall Street Wants Covered Up From Cops & Congress

The S.E.C. asked for “*Best Interest*” recommendations.

I start with my “*Tip List*” learned from my almost decade of being an S.E.C. Requested Investment Client whistleblower. I will follow my “*List of Tops*” with more details of what I have learned that I share through my Social Media. That information is followed by actual documents as attachments.

You are invited to LINKEDIN to me as I continue to expose more of what I learned in the past almost ten years and invite me to speak in person.

TIP LIST OF SEC “*BEST INTEREST*” RECOMMENDATION:

PREMISE: The Investment Client has their “*Right To Know*”

1 [LAW ENFORCEMENT]

ELIMINATE and SHUT DOWN and CHARGE FINRA/NASD and NEW NASD HOLDING COMPANY IMMEDIATELY ALONG WITH CRIMINAL CHARGES AGAINST CURRENT AND PAST LEADERSHIP, COMMITTEE MEMBERS AND EMPLOYEES, AS PROVIDED FOR BY LAWS INCLUDING LOCAL, STATE, D.O.L. VIOLATIONS ON THE STATE and FEDERAL LEVEL and BY RULES GOVERNING NON-PROFITS WARNING OF CRIMINAL CHARGES FOR EVIDENCE TAMPERING, WITNESS TAMPERING, IDENTITY THEFT, CONSPIRACY and OTHER APPLICABLE CRIMES

ADVISE WALL STREET THAT ALL PERSONS MISLED BY FINRA/NASD IN TO BELIEVING s.r.o. APPLICATIONS WERE THE OVERSIGHT OF FINRA/NASD WERE MISLED.

ISSUE AN IMMEDIATE STATEMENT THE S.E.C. HAS NO, NONE, NADA OVERSIGHT OF

(i) INVESTMENT ADVISORS

(ii) INVESTMENT ADVISORS AS USED ON THE S.E.C. & FINRA/NASD SITES IS INTENDED TO DECEIVE. INVESTMENT ADVISORS AS USED ON THE SITE(S) MEANS INVESTMENT ADVISORY FIRMS

ALL FINRA/NASD APPLICANTS ARE TO RESUBMIT THEIR PRIOR SUBMITTED s.r.o. APPLICATIONS TO THE S.E.C. ALONG WITH DATED PROOF OF THE FINRA/NASD s.r.o. APPLICATION &, IF THE s.r.o. S.E.C. REJECTION EXISTS. REQUEST NAMES/DOCUMENTATION OF ALL PARTIES COMPLICIT IN THE REJECTION TO INITIATE INQUIRY IN TO PERSONS MASQUERADING AS FEDERAL EMPLOYEES. ONLY THE S.E.C. CAN APPROVE s.r.o. COMPETITIVE TO THE FINRA/NASD. The

federal government defines impersonating a federal agent as falsely pretending or assuming to be an employee or officer acting under the authority of the United States, agency, or department.

18 U.S. Code § 912 - Officer or employee of the United States: “...*Whoever falsely assumes or pretends to be an officer or employee acting under the authority of the United States or any department, agency or officer thereof, and acts as such, or in such pretended character demands or obtains any money, paper, document, or thing of value, shall be fined under this title or imprisoned not more than three years, or both. (June 25, 1948, ch. 645, 62 Stat. 742; Pub. L. 103-322, title XXXIII, § 330016(1)(H), Sept. 13, 1994, 108 Stat. 2147)...”*

2 [LAW ENFORCEMENT]

PUT “*LAW*” IN TO S.E.C. and FINRA/NASD “*ENFORCEMENT*” THAT HAVE BEEN MASQUERADING AS LAW ENFORCEMENT TO THE PUBLIC, REGULATORS, LEGISLATORS etc. THE S.E.C. & FINRA/NASD ARE NOT “*LAW ENFORCEMENT.*” S.E.C. and FINRA/NASD WORK FOR THE INDUSTRY INVESTMENT CLIENTS & INVESTMENT ADVISORS SUE

Police impersonation is an act of falsely portraying oneself as a member of the police, for the purpose of deception. In the vast majority of countries the practice is illegal and carries a custodial sentence.

3 [LAW ENFORCEMENT]

CEASE ALL ALLEGED ‘*FINANCIAL CRIME TRAININGS*’ TO LAW ENFORCEMENT CONDUCTED BY THE SEC and OR FINRA/NASD. S.E.C. and/or PARTIES ALLEGING TO BE TRAINED BY THE S.E.C. or FINRA/ANS. THE S.E.C. and FINRA/NASD HAVE INTENTIONALLY MISLED LAW ENFORCEMENT ON FACTS & PROCEDURE WITH S.E.C. and FINRA/NASD WITH REGARDS TO

(i) OVERSIGHT

(ii) PONZI SCHEMES

(iii) INVESTMENT ADVISORS BEING CALLED ‘*BROKERS*’ and ‘*BROKERS*’ NOT BEING INVESTMENT ADVISORS

(iv) INVESTMENT ADVISOR FIRMS BEING REFERED TO AS ‘*ADVISORS*’

(v) SECURITIES BROKER-DEALERS BEING REFERED TO AS ‘*BROKERS*’

PROVIDE A VISUAL SIMPLE INFOGRAFIC DICTIONARY OF TERMS

BROKER [x]

BROKER-DEALER []

INVESTMENT ADVISOR []

INVESTMENT ADVISORY FIRM []

4 [LAW ENFORCEMENT]

ISSUE A STATEMENT TO THE PUBLIC, LAW ENFORCEMENT, LAW SCHOOLS & OTHERS SITES/ENTITIES PRIOR PROVIDED THE TAINTED EDUCATIONAL MATERIALS BY LECTURERS, FROM ONLINE & OTHERS, ADVISING THOSE TUTORIALS, PRIOR TO DATE OF PRESS RELEASE, WERE INTENTIONALLY DECEPTIVE & INCORRECT

5 [LAW ENFORCEMENT]

ISSUE A STATEMENT TO THE PUBLIC THAT FINANCIAL CRIMES AND SUSPECTED PONZI SCHEMERS ARE REPORTED TO COPS NOT TO THE S.E.C., STATING CORRECTLY NEITHER THE S.E.C. & FINRA/NASD HAVE LAW ENFORCEMENT ABILITY OR ARREST CAPABILITY, EXPLAINING WHEN YOUR WALLET IS STOLEN YOU GO TO COPS. WHEN YOUR LIFE SAVINGS ARE STOLEN BY A PERSON WHO USED TERMS, ie 'INVESTMENT,' YOU GO TO COPS NOT TO THE PEOPLE COVERING THE CRIMINALS CRIMES UP

6 [LAW ENFORCEMENT]

PROVIDE COPS THE REQUIRED AUTHORITY TO IMMEDIATELY FREEZE APPLICABLE STATUTES. COPS HAVE BEEN LOSING FINANCIAL CRIME CASES BECAUSE STATUTES TOLL. GIVE COPS THE SAME TOOL THE S.E.C. and FINRA/NASD HAVE BEEN USING IN THE S.E.C. ALJ COURT, THE ABILITY TO FREEZE STATUTES FROM TOLLING

7 [LAW ENFORCEMENT]

HAVE LAW ENFORCEMENT CREATE A FIELD INTERVIEW, F.I., SHEET DESIGNED SPECIFICALLY FOR USE WITH INTERVIEWING FINANCIAL CRIME VICTIMS TO ANSWER TO OR COMPLETE TO BE ABLE TO ASSIST LAW ENFORCEMENT STEPPING IN TO CRIMES IN LOCKSTEP WITH LOCAL, STATE & FEDERAL JURISDICTION LAW

ie. LOS ANGELES CODEs ON THE BOOKS ie FOR EVIDENCE TAMPERING, WITNESS TAMPERING, IDENTITY THEFT DONE BY OR TO DC RESIDENTS/BUSINESSES

ie. CORRESPONDING STATE CALIFORNIA CODEs ON THE BOOKS

ie. CORRESPONDING FEDERAL CODES ON THE BOOKS

PROVIDE A VISUAL INFOGRAFIC FOR THE “FOOD CHAIN” STEPS TO FOLLOW FOR REPORTING FINANCIAL CRIMES. REPORTING FINANCIAL CRIMES STARTS WITH LOCAL COPS, not FINRA. ANYONE WHO TAKES YOUR CRIME IN TO FINRA AWAY FROM COPS and COURTS IS AN “ACCESSORY TO THE CRIME”

DETERMINE THE INTERACTIVE CONNECTIVITY OF LAWS- LOCAL, STATE & FEDERAL- THAT SHARE TOWARDS FACILITATING FASTER ARRESTS and/or CONVICTIONS WHAT I CONTINUE CALLING ‘A *PLUMB LINE*’ THAT SEWS THESE CRIMES UP & BACK DOWN IN A PERFECT SEAM, so to speak

8 [LAW ENFORCEMENT]

LAW ENFORCEMENT MUST WORK WITH SILICON VALLEY TO (i) IMMEDIATELY REMOVE FROM ONLINE THE REPLICATED POSTINGS, WEBSITES, SOCIAL MEDIA OF THE FRAUDSTERS (ii) VENTURE CAPITALISTS MUST BE HELD ACCOUNTABLE FOR DELAYS IN REMOVING FRAUD OFF SITES THE VC SEEDED and/or SITS ON THE ADVISORY BOARD OF. SEEDING FRAUD and EXPLOITATION WITH THE EXPECTATION OF MONEY IS SIMILAR TO HUMAN TRAFFICKING, one consideration for approach

9 [LAW ENFORCEMENT]

IMMEDIATELY STOP S.E.C. and FINRA/NASD DESTROYING S.E.C. ALJ COURT RECORDS and FINRA/NASD ARBITRATION RECORDS

A FORENSIC ACCOUNTING MUST BE DOWN ON HOW MUCH LOSSES WERE FOR ALL OF FIRM/INVESTMENT ADVISORS CRIMINAL BEHAVIOURS BEYOND THE WINDOW OF TIME SEC and FINRA/NASD CURATED TO FIT THE SEC STORY WANTED TOLD and THE SEC LAWYERS LIMITED CRIMES and THEFTS/DAMAGE TO ie BGFS Client ‘*Complaints*’ date back to the 1990s to calculate correct monies stolen

A CORRECTED RAP SHEET MUST BE POSTED TO THE INDUSTRY PERSONs RECORD WHOSE CRIMES WERE MISWRITTEN INTENTIONALLY AS AWC’s NOT REPORTED AS CRIMINAL CONDUCT. A RAP SHEET MUST BE CREATED REFLECTING CRIMES THAT WERE COVERED UP. MUGSHOTS MUST BE ENTERED IN TO THE BOP.gov SYSTEM

LAW ENFORCEMENT CAN HOST A SIMULTANEOUS CLICK THAT ALLOWS THE INVESTMENT CLIENT VICTIM and/or THE INVESTMENT ADVISOR SIMULTANEOUSLY SUBMIT THE SAME COMPLAINT TO ALL RELATED AGENCIES. EACH AGENCY HAS THEIR OWN OVERSIGHT. EACH AGENCY IS ALLOWED TO SEE WHO IS DOING OR NOT DOING, as well as LOOK FOR CRIME PATTERNS aka HOT SPOTS

10 [S.E.C. DOCUMENTATION NEEDED TO CONSTRUCT RETROSPECTIVE DATA BASE]

REQUIRE OF THE S.E.C. RECONSTRUCT A HISTORY OF S.E.C. ALJ COURT RECORDS, OCCURENCES, LIST OF ALL S.E.C. ALJ JUDGES and S.E.C. LAWYERS THAT ARGUED BEFORE THEM, S.E.C. LAWYERS COMPLETE WITH BAR NUMBERS, LAWYERS THAT ARGUED IN THE S.E.C. COURT

S.E.C. MUST STOP CALLING S.E.C. LAWYERS INVESTIGATORS. THEY ARE LAWYERS. HIRE REAL INVESTIGATORS.

S.E.C. and FINRA/NASD MUST UPDATE WITH WHISTLEBLOWERS TO ASSURE THE S.E.C. IS ON TRACK FOR WHAT THE WHISTLEBLOWER REPORTED and PERSONS REPORTED

11 [FINRA/NASD DOCUMENTATION NEEDED TO CONSTRUCT RETROSPECTIVE DATA BASE]

REQUIRE OF THE FINRA/NASD RECONSTRUCT A HISTORY OF FINRA/NASD RECORDS, OCCURENCES, ARBITRATIONS, MEDIATIONS, INQUIRIES, DENIALS, SETTLEMENTS, EXPUNGEMENTS, LIST OF LAWYERS THAT ARGUED IN THE S.E.C. ALJ COURT COMPLETE WITH BAR NUMBERS, LIST OF LAWYERS THAT ARGUED IN THE FINRA/NASD COMPLETE WITH BAR NUMBERS, LIST OF ALL FINRA/NASD CASE MANAGERS COMPLETE WITH WHERE THE CASE MANAGERS ARE BASED and WHERE THEIR CASE RESPONDENTS and PLAINTIFFS CAME/TRAVELED FROM, ALL DOCUMENTATION THE FINRA/NASD USED TO VET LAWYERS WERE LICENSED IN THOSE JURISDICTIONS, DOCUMENTATION THE FINRA/NASD USED TO VET LAWYER ARBITRATORS WERE LICENSED AT THE TIME ALLEGED TO BE LAWYERS, CASE FOLDERS, DIGITAL AUDIOS, CASES "AGED OUT", "EXPUNGED CASES" PLUS PROOF OF EXPUNGEMENT REQUEST, CASE DECISION, PAYMENT OF FINES/AWARDS, DOCUMENTATION OF FINES/AWARDS PROVIDING REQUEST NOT TO PAY and/or DID NOT PAY, NUMBER OF INVESTMENT CLIENTS TAKEN AWAY FROM COURTS IN TO THE FINRA/NASD SECURITIES ONLY BROKER-DEALER FORUM, FINRA/NASD SUBMISSION FORMS SIGNED TO SUBMIT TO FORUM BROKEN DOWN IN TO

(i) SECURITIES BROKER-DEALER SUBMISSION FORM

(ii) INVESTMENT ADVISOR SUBMISISON FORMS

(iii) INVESTMENT CLIENT SUBMISSION FORMS

PROVIDE A HISTORY OF ALL A.W.C., ACCEPTANCE WAIVER CONSENT.
RETROACTIVELY TAKE ACTION ON THOSE CRIMES FINRA/NASD and THE S.E.C.
COVERED UP

MUST PROVIDE TO INVESTMENT CLIENTS and on PROMOTIONAL MATERIAL and WEBSITE

DETERMINE HOW MANY INVESTMENT ADVISORY FIRMS EMPLOYEE CRIMES
WERE TAKEN AWAY FROM COURTS IN TO FINRA/NASD SECURITIES BROKER-
DEALER ONLY D.R.S.

PROVIDE A LIST OF ALL OUTCOMES/DECISIONS

LIST ALL AWARDS AGAINST INVESTMENT CLIENTS

LIST ALL AWARDS AGAINST INVESTMENT CLIENTS TAKEN IN TO FEDERAL
COURT ALLEGED TO HAVE PARTICIPATED IN A FINRA/NASD PROMISSORY LOAN
D.R.S.

MUST PROVIDE CLIENTS ALL NOTICES OF '*ENFORCEMENT*' AGAINST THE
INVESTMENT ADVISORY FIRM, INVESTMENT ADVISOR

MUST ADVISE CLIENTS OF ALL ENFORCEMENT INVESTIGATIONS and ACTION ON
WEBSITE and STATEMENTS AT THE PAGE TOP RIGHT IN RED

12 [LAWYERS & JUDGES]

LAWYERS HAVE BEEN TAKING FINANCIAL CRIME VICTIMS AWAY FROM COPS &
COURTS IN TO THE S.E.C. & FINRA/NASD FORUMS WHERE CRIMES, EVIDENCE,
PARTICIPANTS ARE COVERED UP & THE INFORMATION IS DESTROYED LEAVING
FALSE STATISTICS FOR COPS & FINCEN

WHEN IT COMES TO LAWYERS and JUDGES, IGNORANCE OF THE LAW IS NO
EXCUSE. THERE IS NO 2nd CHANCE. JUDGES MUST BE IMPEACHED FROM THEIR
BENCHES, STRIPPED OF PENSIONS etc. MUST ISSUE A PUBLIC APOLOGY

LAWYERS and JUDGES WHO CONSPIRE TO DEFRAUD INVESTMENT CLIENTS ARE
ACCOUNTABLE TO THE SAME LAWS and LOSS OF LIBERTIES INVESTMENT
CLIENTS and FELONS ARE ACCOUNTABLE TO

S.E.C. MUST WORK TO CREATE WITH CONGRESS AN OPERATING & REPORTING
STANDARD FOR LAWYERS THAT WILL KEY AROUND THE TERM '*NEXUS*', the
INVESTMENT ADVISOR ACT OF 1940 and IMPLEMENT USE OF LAW "*AIDING &
ABETTING*" AGAINST LAWYERS BREAKING THE LAW

S.E.C. MUST REQUIRE ALL FORUMS MATTERS GO IN TO HAVE THE LAWYERS PROVIDE CLIENTS WITH THE LAWYERS E&O, ERRORS & OMISSIONS

S.E.C. MUST REQUIRE FINRA TO PUBLISH ONLINE FINRA & NON FINRA TRAINED ARBITRATOR STATS

LISTING OF ARBITRATORS THAT HAVE WORKED ON LAWYER CASE MORE THAN ONCE

THE SEC MUST CREATE OPERATING & REPORTING STANDARDS FOR LAWYERS TO ABIDE TO

LAWYERS WHO TAKE INVESTMENT CLIENTS ACROSS STATE LINES AWAY FROM THEIR HOME STATE COURT(S) WITH THE EXPECTATION OF MAKING MONEY IS MEETING A QUALIFICATION OF DEFINITION OF HUMAN TRAFFICKING

SEC MUST REPORT LAWYER COMPLAINTS TO THE PRESIDING LAW and LAWYER MEMBERSHIP AFFILIATIONS just like FINRA Rule 4530 requiring Firms report complaints within 30 days

LAWYERS MUST DISCLOSED CONFLICT OF INTERESTS ie if a Lawyer is a dues paying member of PIABA or other leagues if a Lawyer is a FINRA trained arbitrator. FINRA Arbitrator training is not FAA Federal Arbitration Act training-compliant. FINRA collects dues from the people Investment Clients and Investment Advisors sue.

Lawyers must advise Investment Advisor and Investment Clients of the Lawyers success rate and failure rate in FINRA DRS, disclose how many Complaints filed, how many Complaints were settled and/or settled before Discovery was conducted

Lawyers must disclose the number of Arbitrations the Lawyer participated in a FINRA DRS, JAMS, AAA, whether they were Securities Broker-Dealer counsel, Investment Advisory Firm counsel or Investment Client counsel, the amount filed for, the Arbitrators award. This information is available in a Court record

Lawyers and Judges must disclose Conflicts of Interest ie.

Lawyers that misled '*Witnesses*' to participate in the ALJ Court should lose their Bar License.

Lawyers that misled '*Investment Advisors*' to participate in the ALJ Court should lose their Bar License.

SOME STATES BAR ASSOCIATIONS ARE DUES COLLECTING BUSINESS LEAGUES. INVESTMENT CLIENT VICTIMS and INVESTMENT ADVISORS MUST BE PROVIDED WITH INFORMATION TO A GOVERNMENT ENTITY NOT A PRIVATELY OWNED NON-PROFIT.

LAWYERS ARE ACCOUNTABLE IN THE JURISDICTION IN WHICH THAT LAWYER DID THE WORK in person or by phone. DOING LAW WORK FOR A CLIENT BY PHONE IN A JURISDICTION THAT LAWYER IS NOT LICENSED IN IS A 'GREY AREA' THE LAWYER MUST EITHER BE APPROVED TO DO LAW FOR PAY IN OR GET APPROVED TO DO LAW WORK IN, PRO HAC VICE.

501(c)(6) that do not enforce the laws as written by IRS must be stripped of their non profit status.

Lawyers who troll online taking Investment Clients and Investment Advisors in to FINRA/NASD and the S.E.C. A.L.J. Court must lose their Bar Licenses A.S.A.P. I figured "it" out. "They" should have too.

Ethics Committees, C.U.P.L.s, Bar Associations must provide to law enforcement complaints/knowledge of their membership covering financial crimes up by taking Victims in to FINRA/NASD. Failure to provide the data will demand an immediate closure of the non-profit and/or wiping of the government agency entrusted with Lawyers. There should be a public disclosure of the named lawyers along with their victim clients being provided the lawyers E&O.

Lawyers who keep client D.R.S. refunds only to return the refunds when the client learns a refund was made then kept must be reported by the s.r.o.s. C.U.P.L. etc. to Law Enforcement.

Lawyers who falsify case records must be accountable to the same law as Main Street is held accountable to.

Lawyers who send falsified case claims via interstate must be accountable to the same law as Main Street is held accountable to.

13 [INVESTMENT ADVISORY FIRMS]

INVESTMENT ADVISORY FIRMS MUST STATE ON THEIR PROMOTIONAL INFORMATION AND WEBSITES A SIMPLE CLEAR STATEMENT OF THEIR REPLATIONSHIP TO

(i) THE SECURITIES BROKER-DEALER

(ii) IF THEY ARE EMPLOYED BY THE BROKER-DEALER OR ARE AN INDEPENDENT CONTACTOR TO THE BROKER-DEALER

(iii) WHO HAS THE RELATIONSHIP TO THE CLEARING HOUSE

(iv) MUST PROVIDE ON THEIR WEBSITE THE INFORMATION ON THE CRD STATING IT IS SELF-REPORTED NOT VETTED FOR FACTUAL ACCURACY

(v) STATE THEY CANNOT BE MEMBERS OF FINRA/SIPC/SIFMA AS THOSE ENTITIES ARE FOR SECURITIES BROKER-DEALERS ONLY

MUST GIVE INVESTMENT CLIENTS THEIR E&O ERRORS & OMISSIONS INFORMATION UPON SIGNING

PROVIDE PERSONAL INFORMATION FOR *INVESTMENT ADVISORS, INVESTMENT ADVISORY & SECURITIES BROKERAGE*

14 [S.E.C. EMPLOYEES]

S.E.C. COMMISSIONERS MUST DISCLOSE HOW MUCH MONEY THEIR 'INSTITUTION' THEY CAME FROM, ie MERCATUS, RECEIVED FROM SEC/FINRA/NASD/TREASURY etc IN GRANTS . PROVIDE A LIST OF THE COMMISSIONERS PAPERS IF HAVE ISSUED TO BE ABLE TO DETERMINE CONFLICT OF INTEREST(s)

S.E.C. MUST PROVIDE PERSONAL INFORMATION FOR INVESTMENT ADVISORS, INVESTMENT ADVISORY & SECURITIES BROKERAGE IN THE SAME WAY THE INVESTMENT ADVISORS, INVESTMENT ADVISORY & SECURITIES BROKERAGE HAVE THE PERSONAL INFORMATION OF THE INVESTMENT CLIENT

S.E.C. and FINRA/NASD CASE MANAGERS ARE ACCESSORIES TO THE CRIMES AGAINST INVESTMENT CLIENTS and INVESTMENT ADVISORS TAKEN AWAY FROM COURTS, JAMS, AAA IN TO THE SECURITIES BROKER-DEALER ONLY FORUM

S.E.C. MUST MAKE S.E.C. INVESTIGATORS WORK RESUMES PUBLIC. THE S.E.C. MUST *HIRE ACTUAL TRAINED and LICENSED INVESTIGATORS*

S.E.C. MUST STOP CALLING LAWYERS INVESTIGATORS

[LEGISLATORS] *LEGISLATORS CANNOT PUSH BILL ADVOCATING FOR THEIR STATE UNLESS 100% DISCLOSURE WITH WITNESSES ie FINRA/NASD BANK IN MA*

15 [WHISTLEBLOWERS and FOIAS]

PROVIDE INVESTMENT CLIENTS and INVESTMENT ADVISORS WITH LINKS/URLs TO STATE and/or CITY WHISTLEBLOWER LAWS and/or Codes

KEY/CODE THE T.C.R. SIMILAR TO IRS CODING A MASTER CASE NUMBER WHICH INCLUDES LETTERS and then DERIVATIVE NUMBERS TO THE MASTER CASE

NUMBER along with INITIALS FROM THE NAME(s) OF THE PERSONS/ENTITIES REPORTED

THE S.E.C. MUST PROVIDE A TIME LINE/VISUAL JOURNEY OF THE WHISTLEBLOWING PROCESS LAYING OUT A REFERAL TIME LINE FOR THE WHISTLEBLOWER TO KNOW WHEN TO CHECK ON THE CASE PROGRESSION INCLUDING BUT NOT LIMITED TO THE INVESTIGATION BEING CONCLUDED, BEING PUBLISHED and the WB-APP BEING SUBMITTED, along with a Timeline of that Decision Being Made by, BEING PUBLISHED by the S.E.C.

THE S.E.C. MUST PROVIDE A CONTACT PERSON FOR THE WHISTLEBLOWER TO BE UPDATED ON THE T.C.R.

THE S.E.C. MUST PROVIDE AN EMAIL ALERT TO THE WHISTLEBLOWER WHEN THE MATTER GOES TO LAW ENFORCEMENT, TO 'COURT'. The future of the S.E.C. ALJ Court is in limbo. The ALJ Court should be shut down.

THE S.E.C. REFERING DENIED FOIA REQUESTORS TO NARA NATIONAL ARCHIVES FOR ASSISTANCE AS STATED IN DODD-FRANK IS A WASTE OF TIME and GOVERNMENT DOLLARS. ALL AGENCY REFERRALS TO NARA FOR MEDIATION MUST CEASE IMMEDIATELY. THE REFERAL IS INTENDED TO BLOW STATUTES THAT ARE TOLLING.

16 [TIP SHEET]

S.E.C. MUST

(a) PROVIDE INVESTMENT CLIENTS and INVESTMENT ADVISORS WITH A SIMPLE SINGLE PAGE TIPSHEET SUMMARY STATING BLUNTLY

(i) INVESTMENT CLIENTS COMPLAINTS ARE TAKEN TO COURT

(ii) INVESTMENT ADVISORS COMPLAINTS ARE TAKEN TO THE ARBITRATION FORUM STATED ON THE INVESTMENT ADVISOR FIRM EMPLOYMENT AGREEMENT

(b) S.E.C. MUST COMPLY THE AGENCY WITH THE "*PLAIN WRITING ACT OF 2010*"² THE SEC WRITES ABOUT IN THE ANNUAL REPORT BUT HAS NOT EFFECTED ie. FOIA responses are an example of failed compliance

* S.E.C. FOIA TEAM HAS PLAYED WITH RECOMMENDATIONS I MADE TO THEM TO SIMPLIFY COMMUNICATION WITH DESIGN and LAYOUT (i) bolding the information I recommended (ii) paginating the information as I recommended. The FOIA Team can cut out a lot of page waste stating simply "...The SEC changed data storage to a new system in 2011. Data

² <https://www.sec.gov/plainwriting.shtml>

Stored post 2011 will be retrieved faster than data stored pre-2011 which can take up to 3 years to retrieve. Please request your information accordingly.

(c) S.E.C. MUST PUBLISH ON THE S.E.C. WEBSITE and ELSEWHERE A LIST OF WHISTLEBLOWER REPORTING LINKS INCLUDING BUT NOT LIMITED TO CITIES, DISTRICTS, STATES, FEDERAL FOR WHISTLEBLOWERS TO PROVIDE INFORMATION TO

S.E.C. MUST REQUIRE THIS INFORMATION PRINTED ON FINRAbrokercheck.org TOO AS WELL AS ON THE “*DETAILED REPORTS*”

(d) S.E.C. MUST REQUIRE FINRA/NASD TO REVERT THE UPDATED FINRA.org WEBSITE BACK TO ALL PAGES BEING PRINTABLE NOT JUST THE 1st PAGE OF A “HIT” AS HAS BEEN CHANGED TO

(e) S.E.C. MUST REQUIRE FINRA/NASD TO STATE CLEARLY LARGE RED LETTERS PAGE TOP RIGHT THAT FINRA IS THE DUES COLLECTING NON PROFIT BUSINESS LEAGUE FOR THE SECURITIES BROKER-DEALERS THE INVESTMENT CLIENT IS SUING

17 [MILITARY]

THE S.E.C. and FINRA/NASD DISHONOR & DO DISSERVICE TO OUR MILITARY, MILITARY FAMILIES & VETERANS WHO ARE

- (i) INVESTMENT CLIENTS
- (ii) INVESTMENT ADVISORS

CRIMES INTENTIONALLY KNOWINGLY COMMITTED AGAINST INVESTMENT CLIENTS IS BAD. CRIMES INTENTIONALLY KNOWINGLY COMMITTED AGAINST MILITARY- SERVING & VETERANS and THEIR FAMILIES IS UNCONCSCIONABLE THAT MUST COME WITH A HIGHER GRADE OF CULPABILITY AGAINST THE INDUSTRY.

S.E.C. and FINRA/NASD ARE INTENTIONALLY TAKING INVESTMENT ADVISOR ISSUES IN TO FINRA/NASD. THAT IS BAD ENOUGH. S.E.C. and FINRA/NASD AINTENTIONALLY TAKING INVESTMENT ADVISOR MILITARY VETERANS & ACTIVE DEPLOYED ISSUES IN TO FINRA/NASD IS UNCONSCIONABLE.

S.E.C. and FINRA/NASD INTENTIONALLY TAKING DEPLOYED INVESTMENT ADVISOR ISSUES IN TO FINRA/NASD, NOT FREEZING/HALTING THE MATTER UNTIL THE HERO RETURNS HOME IS DESPICABLE MORESO FRAUDULENT IN THAT INVESTMENT ADVISOR MATTERS DO NOT GO IN TO FINRA/NASD THE SECURITIES BROKER-DEALER ONLY FORUM.

I ADRESSED THIS MATTER WITH THE SCOTUS DECISIONS ON EPIC v LEWIS, SEC v LUCIA and BANDIMERE.

MY MILITARY I HAVE FOCUSED MY VOICE ON ARE MARK MENSACK, veteran; ELTON JOHNSON, veteran; HARVEY KLYCE, deployed; BENJAMIN MARTINELLO. THE S.E.C. moreso now with the S.E.C. decisions, must end the Morgan Stanley cases against these heroes, moreso offer a compensation plan for their losses along with punitives.

CONGRESS and the EXECUTIVE MUST DEVELOP STANDARD RULES OF ENGAGEMENT PROTECTING THE MILITARY WITH CRIMINAL PUNISHMENT FOR THOSE ABUSING THEIR SERVICE TO THE COUNTRY.

CONGRESS and the EXECUTIVE MUST MAKE IT A CRIMINAL LAW FOR ANY BUSINESS PERSON OR RELATED INDIVIDUAL TO PARTICIPATE IN A CON ON VETERANS, SERVING and DEPLOYED MILITARY ie. as what took place with FIRST COMMAND, as what took place against Benjamin Martinello deployed to Iraq forced in to a FINRA/NASD Dispute Resolution that Martinello did not belong in for resolution of Martinello's complaint for what Martinello believed stolen from Martinello's account. FINRA's formula for 'funds restoration' is 1/10th of what is alleged stolen. Martinello's losses were based on Martinello's Investment Advisor's statements. Statements are often manipulated.

CONGRESSIONAL LIASONS and VETERANS COMMITTEE MEMBERS MUST BE UPDATED TO UNDERSTAND THE FRAUDS WALL STREET IS PERPETRATING ON MILITARY, BEYOND THE VA VETERANS AFFAIRS FRAUDS OF FIDUCIARY ASSIGNED TO MILITARY AT A COST OF THE HEROES LIFE SAVINGS, OFTEN TOO LATE TO RESTORE STOLEN FUNDS TO THE HERO.

Military is a toughie, but not.

When I designed the best input I ever got towards my design way forward was from where the dollar crossed the counter at mass marketiers. I want that same way forward here. I want to quarterback as I have done these past 8+ years of determination these crimes stop.

I would have law enforcement, many of whom too are military, often Vets and/or National Guard, entrusted here to first, caucus, on ways forward. I would not let legislators engage their ideas even, my apologies, high military brass. These frauds on heroes did not start yesterday. The upper brass' was differently engaged.

I have in mind the way to restore funds to victims families it the victim is gone. Every hero suckered in to the FIRST COMMAND scam must be remade whole. Every hero suckered in by FINRA/NASD must be remade whole using the FINRA/NASD award formula, reversed x 10. I will get them their money back.

18 [SLUSH FUNDS & FELONS]

CONGRESS and EXECUTIVE MUST FREEZE and SHUT DOWN FINRA/NASD, SIFMA, et al SLUSH FUNDS engaged on victim assets disgorged but not turned over to the victims rather washed back through to the victimizer(s), the SEC and the FINRA/NASD, SIFMA etc.

LEGISLATORS CANNOT PUSH BILL ADVOCATING FOR THEIR STATE UNLESS 100% DISCLOSURE WITH WITNESSES, COMMITTEE etc THE LEGISLATORS CONNECTIONS & CONFLICT OF INTERESTS ie ED MARKEY and ELIZABETH WARREN CONTINUED INTEREST IN S.E.C., PIABA and FINRA/NASD IS CONNECTED TO THE FACT FINRA BANKs IN MA

CONGRESS and S.E.C. MUST STOP STATUTES TOLLING FOR MAIN STREET JUST LIKE THE S.E.C. FREEZES STATUTES BEING CONDUCTED IN THE S.E.C. ie refer to S.E.C. 3-16801

S.E.C. MUST ADVISE LAW ENFORCEMENT OF THE CASES THE S.E.C. FROZE STATUTES FROM TOLLING

What I learned in *'all of this'* is doing good.

What I learned became the way forward for former VA Governor Terry McCauliffe to restore voting rights to hundreds of thousands of felons who served their time for small drug offenses et al, point being they served the debt society asked the VA felons and their families to serve with them.

The movement to release small drug offenders is gaining steam. Prison stakeholders concerned over how to fill the projected emptying cells have a population of criminals, cold case pursuit will plunk in to those emptying cells.

Rule of thumb when one is doing a crime is not that the criminal did not get caught but that the criminal did not get caught...yet. The good that will come to the economy is so easy to see. People whose life savings are not stolen do not become liabilities to the economy.

Wall Street knows about the devastation losing one's retirement causes.³ California knew.⁴ NASD EDUCATION FOUNDATION⁵ newly formed from the FIRST COMMAND Investment Advisory Award knew.⁶ SEC knew.⁷ FIRST COMMAND was both a Securities Broker-Dealer and an Investment Advisory firm the SEC case *'curated'* away from the Courts in to the S.E.C.

³ <https://www.finra.org/sites/default/files/NoticeDocument/p036816.pdf>

⁴ http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=200720080AB2809

⁵ <http://www.finra.org/newsroom/2004/nasd-orders-first-command-pay-12-million-misleading-statements-sales-systematic>

⁶ <https://www.sec.gov/news/press/extra/seniors/nasdfraudstudy051206.pdf>

⁷ <https://www.sec.gov/litigation/admin/34-50859.htm>

INTRODUCTION:

“Best Interest” is putting “law” back in to “enforcement” SEC & FINRA/NASD claim to have, but do not, claim to do but don’t.

Law Enforcement activities 29 CFR 553.211⁸ refer to

“...any employee... in law enforcement activities” refers to any employee

(1) who is uniformed or plainclothed member of a body of officers and subordinates who are empowered by State statute or local ordinance to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes,

(2) who has the power to arrest, and

(3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction and study which typically includes physical training, self-defense, firearm proficiency, criminal and civil law principles, investigative and law enforcement techniques, community relations, medical aid and ethics...”

continuing

“...(c) Typically, employees engaged in law enforcement activities include city police; district or local police, sheriffs, under sheriffs or deputy sheriffs who are regularly employed and paid as such; court marshals or deputy marshals; constables and deputy constables who are regularly employed and paid as such; border control agents; state troopers and highway patrol officers. Other agency employees not specifically mentioned may, depending upon the particular facts and pertinent statutory provisions in that jurisdiction, meet the three tests described above. If so, they will also qualify as law enforcement officers. Such employees might include, for example, fish and game wardens or criminal investigative agents assigned to the office of a district attorney, an attorney general, a solicitor general or any other law enforcement agency concerned with keeping public peace and order and protecting life and property...”

The ordinance states whoever does not meet each of 3 tests are not Law Enforcement

“...(e) Employees who do not meet each of the three tests described above are not engaged in “law enforcement activities” as that term is used in sections 7(k) and 13(b)(20). Employees who normally would not meet each of these tests include...” listing 9 non qualifying employee types.

The S.E.C. is a regulator. S.E.C. employees are not Law Enforcement, have no arrest power.

The FINRA/NASD is a private business, not authorized by Congress despite what FINRA/NASD has falsely alleged for decades. [HOBART HUNTER email, attachment]

Neither the S.E.C. nor FINRA/NASD meet each of 3 tests are not Law Enforcement.

⁸ <https://www.law.cornell.edu/cfr/text/29/553.211>

OVERVIEW

July 16, 2018, Public Defender of the Office of the Federal Public Defender District of Maryland, Northern Division, filed a letter with the Honorable Paula Xinis in the matter of Criminal Case No. PX-17-0472.

Public Defender Deborah Boardman figured out the US Attorneys arguing for the S.E.C. case of SEC v Dawn Bennett, Brad Mascho, and DJB Holdings had misled filing of Counts 1-5, the Securities charges.

Boardman had not figured the 'all' out other than "lack of venue" could work in defense of Boardman's client. The S.E.C. had curated the information given to the US Attorneys office. I can guess the S.E.C. thought 'curating' facts is in the SEC "Best Interest."

'Curating' is S.E.C. "Best Interest" middle name. S.E.C. 'curated' the outcome of S.E.C. v Paul Pelosi Jr. Paul is the son of former Speaker of the House Nancy Pelosi, COO, chief operating officer of Natural Blue Resources. The "...SEC charged four individuals with fraud..." Pelosi was not one of them.

The S.E.C. charged only 2 of the 3 owners of S 3-16801.⁹

'Curating' facts, with intent, if you or I did it, can be called Tampering With Evidence, Tampering With Witnesses, along with other possible legal even criminal, considerations that were done by S.E.C. employees, even lawyers, with 'intent' that is considerate of what S.E.C. employees believe is "Best Interest", of the S.E.C.

The Securities and Exchange Commission regulates Securities Broker-Dealers not Investment Advisors or Investment Clients.

The S.E.C. knew different 8+ years of more victims ago. The S.E.C. asked me 8+ years of more victims ago to be their S.E.C. whistleblower telling me I had to do the right thing to protect others so, I did. The S.E.C. did not, "Best Interest" I learned of S.E.C. Securities Broker-Dealers the S.E.C. regulates, sorta, in the S.E.C. "Best Interest", not in the "Best Interest" of the Consumer Congress alleged Congress wanted to protect.

Spend enough time around Congress, politics has a way of turning beating hearts black-ish. I refuse to believe the system is as self-ish as I've seen, see and let you see, too, through what I write here, on my website, and via Social Media.

It's become like a game, mouse whipping the cats, the FINRA/NASD and S.E.C. want to play with me. I make yet another disclosure public. The FINRA/NASD race to figure and counter with a 'correction' usually either documents disappearing, once even a Witness panel.

⁹ The SEC press release on Paul Pelosi Jr is removed from the SEC website.

Never one for playing poker, there is something to be said about being underestimated, playing one's card close to one's vest and reading, a lot a lot of reading.

February 9, 2017, Bloomberg BNA reported "*...FINRA to Seek Expedited Small Claim Arbitration via Phone...*" for "*...parties involved in Arbitrations with claims of \$50,000 or less...*" continuing "*...may soon get the option of an expedited, time-limited hearing via phone...*" proposed being called "*Special Proceeding For Simplified Arbitration*", pitched, but of course by FINRA/NASD's 13 member¹⁰ "*Dispute Resolution Task Force*" a limited time deal of two sessions, the S.E.C. sole approved s.r.o. self-regulatory organization planned to pitch to the S.E.C., in a '*proposal*', cough. The proposal article appeared, too, on www.securiteisarbitration.com. Unless one knew differently, they would not know the site is home to FINRA/NASD chairman emeritus Philip Aidikoff.¹¹ The Beverly Hills law firm partner Ryan Bakhtiari is the Securities Broker-Dealers National Arbitration and Mediation Committee chair.

Key words are '*approved by Congress*' not left in an '*operational limbo*' as is done utilizing CRA, unapproved by Congress by '*done*' often enough it becomes presumed practice ie. Rule 8210. "*Regulatory Notice 10-59*"¹² states in "*Background and Discussion*" that "*...the SEC recently approved amendments to FINRA Rule 8210...*" and that "*...FINRA Rule 8210 confers on FINRA staff the authority to compel a member firm person associated with a member firm or other person over which FINRA has jurisdiction, to produce....*"

There is no statement stating when Congress wrote the '*Rule*' in to law.

FINRA Rule 8210 states

"*...(1) FINRA staff may enter into an agreement with a domestic federal agency or subdivision thereof or foreign regulator to share any information in FINRA's possession for any regulatory purpose set forth in such agreement....*"

Congress created the S.E.C. to do exactly what Congress writes in to law.

The S.E.C. was told to appoint s.r.o.s that will do exactly what Congress told the S.E.C. to make sure gets done.... The S.E.C. does not write policy. The s.r.o. cannot write "*Code of Rules and Procedures*" that does not match the law Congress wrote.

Congress '*official word*' is Congress does not create private businesses¹³ yet Legislators, Massachusetts Senators Markey and Warren want to fund two private businesses, FINRA/NASD and PIABA, operating as 501(c)(6), dues collecting business leagues with Act passages, the

¹⁰ Created July 2014

¹¹ <http://www.securitiesarbitration.com/news/2017/02/09/finra-to-seek-expedited-small-claim-arbitration-via-phone/>

¹² <http://www.finra.org/industry/notices/10-59>

¹³ 1997 Oval Office wrote an Act requiring the new business Gore/Clinton ordered created be established as a 501(c)(3), a private charity. The NEWCO, ICANN, was given control of the predicted trillion dollar making IANA Domain Naming System

most reason being “*Compensation For Cheated Investors Act Summary*” an Act seeking a “*fund to compensate investors for unpaid arbitration awards against FINRA members.*”

Investment Advisors are not part of FINRA.

Investment Clients are not part of FINRA.

Investment Advisor complaints go to Court or to the Dispute Resolution forum stated in the Investment Advisor’s employment contract.

Investment Clients complaint go to Court.

Why, in the “*Best Interest*” of Investment Clients and Investment Advisors are the two Massachusetts Senators pushing this Act in the alleged name of defrauded Investment clients? The answer is a sad one. The Massachusetts Senators are not working in the “*Best Interest*” of the Investment Clients and Investment Advisors. Markey and Warren, Warren and Markey are working in the “*Best Interest*” of the SEC, FINRA/NASD and PIABA with the assistance of the GAO, Government Accountability Office.

The Arbitration awards would not be “*unpaid*” if the Investment Advisor and Investment Client matters went in to the Courts, JAMS or AAA where unpaid debts could be pursued by Law Enforcement assisted with imprisonment, penalties that Main Street endures but Wall Street does not.

FINRA also hasn’t acted on a recommendation that there be a special panel to handle requests for expungement of brokers’ disciplinary history from industry databases. FINRA has agreed to notify state securities regulators of all requests for expungement relief, the report said.

Another unresolved issue concerns unpaid arbitration awards. According to a Public Investors Arbitration Bar Association report, in 2013, investors failed to collect \$62.1 million worth of awards. The task force looked into the issue but couldn’t decide on a solution. FINRA it’s continuing to work on these issues and will provide progress updates in subsequent status reports.

Cleveland lawyer and former PIABA president Hugh Berkson, McCarthy Lebit Crystal & Liffman Co. LPA, said FINRA took the “*easiest option*” agreeing to notify state regulators of expungement requests, Berkson said FINRA should also publish statistics on unpaid awards.

PIABA president Berkson did not say S.E.C. and FINRA/NASD should report for disbarment Lawyers who take Investment Clients and Investment Advisors in to the FINRA securities Broker-Dealer only Dispute Resolution forum.^{14, 15}

¹⁴ <http://www.securitiesarbitration.com/news/2017/02/09/finra-to-seek-expedited-small-claim-arbitration-via-phone/>

¹⁵ https://www.finra.org/arbitration-and-mediation/investment_advisers

S.E.C. “*Best Interest.*”

FINRA/NASD, Financial Industry Regulatory Authority/National Association Securities Dealers, is the only s.r.o. the S.E.C. appointed as a membership league for Securities Broker-Dealers. PIABA, Public Investor Attorney Bar Association the dues collecting business league sitting on FINRA/NASD committees curating laws harming Investment Clients. FINRA and NASD are the same organization, only, with a name changed in 2007 to appear as if the NASD closed down, with the FINRA starting up. Both FINRA and NASD are 100% owned by the New NASD Holding Company, 2000.

NASD “*announced*” a “*new organizational structure*” in 1998.

NASD Dispute Resolution Inc comprised of the quartet

- (i) NASD Regulations & Dispute Resolution Group run by FINRA former CEO Rick Ketchum
- (ii) NASD Dispute Resolution In run by Linda Fienberg. NASD Dispute Resolution was part of NASD Regulation¹⁶
- (iii) NASD Regulation Inc run by former S.E.C. Chair Mary White, COO Elisse Walter
- (iv) NASD Institute run by D. Hensley

2008, the NASD/FINRA press release states clearly “...*Consumers can contact the NASD to...get information on how to lodge a complaint...*” The Press Release does not state Consumers complaints are arbitrated or mediated by NASD/FINRA.

The 2008, the NASD/FINRA press release states “...*The National Association of Securities Dealers, Inc. is the largest securities-industry, self-regulatory organization in the United States and parent organization of NASD Regulation, Inc., and The Nasdaq-Amex Market Group. Through its regulatory subsidiary, the NASD develops rules and regulations, provides a dispute resolution forum, and conducts regulatory reviews of member activities...*” concluding with the words “...*for the protection and benefit of investors...*”, for the protection of investors. The NASD/FINRA press release does not state the NASD/FINRA conducts arbitrations and mediations of Investment Clients and Investment Advisors. In fact, to this day, the FINRA/NASD website states clearly FINRA/NASD is not a DRS forum for Investment Clients and Investment Advisors. And yet, under the S.E.C. watchful eye, hundreds of thousands of victims- Client and Advisory employee victims- are, for “*Best Interest*” of Securities Broker-Dealers taken away from “*Due Process*”, human trafficked even across state lines in to FINRA/NASD private forums with lawyers expectations of money.

California ‘*Broker*’ Kyusun Kim aka Kyu Sun Kim and Kenny Kim made unsuitable recommendations for customers including senior citizen customers. Kim’s crimes went on no

¹⁶ The SEC can only do what Congress orders the SEC to do. The SEC cannot write policy. The SEC states no communications exist from Congress ordering the SEC to create NASD Dispute Resolution or NASD Educational Foundation

less than 7 years, between 2008 and 2015.¹⁷ S.E.C.'s IAPD.gov, now encrypting to prevent URLs being copied, lists 23 customer complaints for Kim and 1 Regulatory event.

The S.E.C. IAPD states clearly Kim is an Investment Adviser Representative, not a broker.

FINRA/NASD's brokercheck alleged Kim was a broker. FINRA/NASD confirmed recently "*broker*" is a technicality. Neither the S.E.C. or FINRA/NASD are authorized by Congress to regulate "*Investment Advisors*", just Securities Broker-Dealers, the firms, an '*oopsie*' the S.E.C. has turned "*Best Interest*" blind eye to for decades.

Kim is "*barred*" from being a salesperson, an Investment Advisor for dues paying business league members of FINRA/NASD's industry business league. Nothing stops Kim from being recidivous with non Securities Broker-Dealer firms selling '*Investment Advisory services*' via Securities Broker-Dealers using Clearing Services of firms like JP MorganCC.

Kim Customer complaints go back to 1997. The S.E.C., with "*Best Interest*" has known for a long time many many details of what '*Bennett*' did, albeit a bit differently from Kim.^{18, 19} Kim stands accused of violating FINRA/NASD Rule 2111,²⁰ FINRA/NASD Rule 3110 et al. S.E.C. s.r.o. knew. S.E.C. has to know

(i) S.E.C. is the s.r.o. regulator

(ii) s.r.o. FINRA/NASD provides the S.E.C. IAPD.gov program the '*Registered*' Representative information of the Securities Broker-Dealers paying dues to FINRA/NASD's 501(c)(6) Securities Industry Broker-Dealer members, only.

FINRA/NASD, with the S.E.C. knowledge conducted a coverup, a FINRA hearing, law enforcement was not called in to for Consumer "*Best Interest*." Cops I engaged with never even knew about FINRA/NASD until I began providing actual case documents to help law enforcement learn how the S.E.C. in "*Best Interest*" allowed the S.E.C. and FINRA/NASD pretend to be '*enforcement*', demanding payments, minimizing payouts to Consumer victims using '*tools*' crafted as FINRA/NASD and SEC "*Code of Rules and Procedures*", and AWC, Acceptance Waiver Consent, that allowed the criminal to not get turned over to Cops, Courts, become felons, mugshot'd, fingerprinted, losing their rights to votes.

I have been making this point since Eric Garner died, since Freddie Gray died. The list of Main Street'rs incarcerated, losing dignities even after jail time was served, grows.

¹⁷ [https://advisorhub.com/finra-bars-broker-accused-of-elder-ripoff-and-cover-up/?utm_source=Pinpointe++AdvisorHub+News+\(no+ml\)&utm_medium=email&utm_campaign=6%2F27%2F18+Wednesday+3%3A00+PM](https://advisorhub.com/finra-bars-broker-accused-of-elder-ripoff-and-cover-up/?utm_source=Pinpointe++AdvisorHub+News+(no+ml)&utm_medium=email&utm_campaign=6%2F27%2F18+Wednesday+3%3A00+PM)

¹⁸ MD 8:17-cf-0472-PX

¹⁹ [https://advisorhub.com/finra-bars-broker-accused-of-elder-ripoff-and-cover-up/?utm_source=Pinpointe++AdvisorHub+News+\(no+ml\)&utm_medium=email&utm_campaign=6%2F27%2F18+Wednesday+3%3A00+PM](https://advisorhub.com/finra-bars-broker-accused-of-elder-ripoff-and-cover-up/?utm_source=Pinpointe++AdvisorHub+News+(no+ml)&utm_medium=email&utm_campaign=6%2F27%2F18+Wednesday+3%3A00+PM)

²⁰ FINRA Rule 2111- KYC, Know Your Customer; FINRA Rule 2310- Suitability

Cops knew where to find Eric Garner each and every time of Eric's arrest. First arrest gifted Eric a rap sheet listing his fingerprints, mugshot, home address(es), family, friends, cohorts, you name it.

Madoff? First AWC was 50+ years ago²¹ not 1999 as Markopolous alleges.

Madoff's mom and dad's AWC from the NASD, warning from the S.E.C.? 53+ years ago.

Crime is passed down in Wall Street families. Bernie learned his crimes from his mother and dad's kitchen table. S.E.C. "*Best Interest*" kept those Madoff family crimes covered up for decades all the while legislators bemoan generational incarcerated in, for example, Pennsylvania prisons.

Each time another prisoner is announced saved by the Innocence project from rotting in prison, there is Wall Street comparative who never went to jail, never had fingerprints taken, mugshot taken or shared online, fighting being bought and sold as Baitclick, lives destroyed because the crime cannot be expunged away under Main Street laws.

Not every convicted felon has the "*Hot Felon*" Jeremy Meeks experience of lockup to runway and life as a Topshop billionaire's daughter's baby daddy.²² 78 million+ Main Street Americans with criminal records including Americans that are arrested but not charged, lives are altered in a Wall Street is kept protected from with S.E.C. "*Best Interest*" for Securities Broker-Dealers and the 'registered persons' FINRA claims as 'employees' on FINRAbrokercheck.org.

18 states including Texas have laws on their books to stem Mugshots being bought, sold and extorted for takedown.

S.E.C. "*Best Interest*" would be for the S.E.C. bar AWC, Acceptance Waiver Consent, in these 18 states, members of the National Conference of State Legislatures, for starters.

Terrill Swift was incarcerated for a prison crime Terrill did not commit.²³ Terrill's arrest record cost Terrill \$500 to expunge from view of the public record yet Terrill's booking photo is online on sites like mugshots.com. Mugshot.com told Terrill documentation of Terrill's expungement was not going to work for them Mugshot.com wanted payment from Terrill to take Terrill's picture down.

Wall Street "*Best Interest*" keeps Wall Street financial criminals recidivous uncaught sometimes ever.

S.E.C. "*Best Interest*" for the S.E.C., not Main Street, not for Consumers.

²¹ <http://www.centerforcopyrightintegrity.com/apps/search?q=madoff>

²² <https://www.sacbee.com/latest-news/article212818109.html>

²³ <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/12/11/fight-against-mugshot-sites-brings-little-success>

Now, two Senators, Markey and Warren, working with and for FINRA/NASD show where their “*Best Interest*” lies. Markey and Warren’s “*Best Interest*” does not lie with victimized Investment Advisors and Investment Clients.

Later on came NASD Education Fund paid for with FIRST COMMAND INVESTMENT ADVISORY Settlement NASD did not order restored to the Military family victims.²⁴

Senators Markey and Warren represent Massachusetts. FINRA/NASD banks in Massachusetts.

The “*Best Interest*” proposal does not address what I discovered by FOIA, a former Investment Advisor firm the SEC ‘registered’ but did not qualify for that title.

The “*Best Interest*” proposal does not address what I learned in the FINRA/NASD process that I had no contract either with the Securities Broker-Dealer or the Investment Advisor who, during the FINRA/NASD DRS slipped a different firms ‘*broker agreement*’ for a firm I had not heard of before.

The “*Best Interest*” proposal does not address the contract I did sign was with JP Morgan Clearing Corp, only. JPMCC was not party to the arbitration. “*Double Jeopardy*” then was.... Victims are told there is nothing you can do. “*Best Interest*” would make sure something will be done. Law enforcement is working this out.

Shows how much lawyers know.

“*Best Interest*” was easily done or undone, is better said with the Supreme Court Rulings for.

(i) Epic Systems v Lewis

(ii) S.E.C. v Lucia

(iii) S.E.C. v Bandimere

All it took was 8+ years of being an S.E.C. Requested Investment Client to figure ‘*things*’ out, things not reported accurately in Wall Street industry publishing.

There is Industry speculation on ‘*Post Lucia – S.E.C. proceedings.*’ The S.E.C. for “*Best Interest*” of Securities Broker-Dealers took Lucia in to the SEC ALJ Courts, to cover up away from Cops Securities Broker-Dealer and Clearing House culpability. There should not be speculation. Lucia gets handed over to Cops for crimes Lucia committed against victims. All tolled statutes will be frozen after all freezing statutes is what the S.E.C. does for “*Best Interest*” of Securities Broker-Dealers the SEC regulates.

No, S.E.C. will not take another swipe at Lucia. S.E.C. had no authority to take Lucia away from Cops which is what the S.E.C. did taking Lucia in to the regulator self-created self labelled ‘*enforcement*’ bubble covering crimes up. The SCOTUS decision on Lucia puts control back where it never should have been removed from, the hands of Cops.

²⁴ NASD Educational Fund is renamed FINRA Educational Fund

Lucia says “*he’s vindicated by Supreme Court win- no need for a new hearing*”²⁵ is not how the Raymond Lucia matter should be going down. S.E.C. is required to let affiliated agencies know about crimes oversight of the affiliate agency. Ponzi schemes never were oversight of the S.E.C., a regulator with no arrest and law enforcement ability. S.E.C. employees, answerable themselves to the law are required to turn crimes over to the appropriate law enforcement agencies, plural.

What I accomplished with SCOTUS was S.E.C. stopping taking Investment Advisors in to the S.E.C. ALJ Court, created for S.E.C. securities Broker-Dealer “*Best Interest*”, not Consumers.

Ponzi schemers and financial criminals of crimes against Investment Clients go to jail except the S.E.C. and FINRA/NASD deception push crime statutes `ast their point of tolling.

Texas State Court sentenced to 12 years Bobby Eugene Guess former radio host of “*Dollars & Sense.*” Guess who held in person seminars doling out Investment Advice is accused of stealing \$6 million from victims.²⁶ There was no written clarity on the actual dollars stolen.

Most likely what occurred is once the S.E.C. could no longer ignore complaints against Guess, the S.E.C. ‘took action’ in an S.E.C. ALJ Court which then called in the US Attorneys of Texas who argued the case the S.E.C. curated with facts that would not expose the S.E.C. has no oversight of Investment Advisors which Guess was. Guess was not a ‘broker.’

There is no such thing as a ‘broker’ in Wall Street definitions from Congress. There is the term “*Securities Broker-Dealer.*” Guess is not a Securities Broker-Dealer. The S.E.C. conspired with that State to cover the crimes up. The S.E.C. cannot be sued. S.E.C. employees complicit to crimes can and should be sued.

Guess’ partner Timothy Lloyd Booth got hit with a 68 year prison sentence accused of stealing \$23 million. The Texas Investigator Letha Sparks did “*Best Interest*” with information fed by the S.E.C.. Guess was under investigation by the SEC for money laundering.

The proposal said exactly what it meant.

There is a problem. Lawyers are the problem. Investment Advisors and Investment Clients problem is the understanding their lawyers give them on “*Best Interest*”, what *Best Interest*” means and for whom the “*Best Interest*” bell is intended to roll...

Not for Investment Clients.

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http://financialadvisoriq.com/c/2010163/229304/banned_advisor_says_vindicated_supreme_court_need_hearing?referrer_module=emailMorningNews&module_order=1&login=1&code=YVc1bWlwQmpaVzUwWlhKbWlzSmpiM01Y21sbmFIUnBibIJsWjNKcGRla3VZMjI0TENBeE1EVXdOVE13TXI3Z09UYzVOakV3T1RNMg

²⁶ [https://www.law360.com/securities/articles/1060672/texas-radio-host-gets-12-years-for-investment-ponzi-scheme?nl_pk=1069c78e-e97e-4af2-9a4c-](https://www.law360.com/securities/articles/1060672/texas-radio-host-gets-12-years-for-investment-ponzi-scheme?nl_pk=1069c78e-e97e-4af2-9a4c-88fe68935b1a&utm_source=newsletter&utm_medium=email&utm_campaign=securities)

[88fe68935b1a&utm_source=newsletter&utm_medium=email&utm_campaign=securities](https://www.law360.com/securities/articles/1060672/texas-radio-host-gets-12-years-for-investment-ponzi-scheme?nl_pk=1069c78e-e97e-4af2-9a4c-88fe68935b1a&utm_source=newsletter&utm_medium=email&utm_campaign=securities)

FINRA.org “*Brokers*” states “...there are various types of investment professionals...” continuing “...*the products and services each type can- or cannot= provide...depends on the license(s) and training the person or firm has...*” continuing “...*here’s what you need to know about brokers...*”

- (i) what they are
- (ii) who regulates them
- (iii) what they offer

“*What they offer*”: “... *Broker-Dealers vary widely in the types of services they offer, falling generally into two categories- full service and discount brokerage firms...*” continuing “...*Registered representatives are primarily securities salespeople....*”, salespeople “...*and may also go by such generic titles as financial consultant, financial advisor or investment consultant...*” whose “...*products they can sell you depend on the licenses they hold...*” as if Investment Clients can discern.

“*Who Regulates Them*”: “...*with few exceptions, broker-dealers must register with the Securities and Exchange Commission (S.E.C.) and be members of FINRA...*” Congress did not write in to law that Broker-Dealers must be members of FINRA. Congress told the SEC to appoint multiple s.r.o.s The S.E.C. only appointed one the NASD, currently being called FINRA. FINRA and the NASD are the same entity, just with a name change. FINRA.org continues “...*Individual registered representatives must register with FINRA, pass a qualifying examination and be licensed by your state securities before they can do business with you...*”

The FOIA responses I received from the S.E.C. do not state Congress wrote in to law that “...*Individual registered representatives must register with FINRA...*” The SEC can only do and tell the FINRA/NASD to do what Congress wrote in to law. The SEC cannot write policy. It does in a tricky way by letting ‘*things*’ get stuck in CRA while being made ‘*operational*’ until if and ever Congress hears something, a game plan is in play until, if, ever it gets found out by Congress, if, ever...

Paraphrasing Cuba Gooding, “*show me the money*”, show me the law Congress wrote in to law.

Individual small Broker-Dealers must register with FINRA but “*Individual Registered Representatives*” ...

“*What they are*”, “*Brokers*” is FINRA/NASD and SEC’s sleight of hand. “...*While many people use the word generically to describe someone who handles stock transactions, the legal definition is somewhat different- and worth knowing...*” continuing “...*A broker-dealer is a person or company that is in the business of buying and selling securities- stocks, bonds, mutual funds and certain other investment products- on behalf of its customers (as broker)*²⁷ ...” continuing “...*for its own account (as dealer) or both...*” concluding “...*Individuals who work*

²⁷ As in the verb ‘to broker’

for broker-dealers- the sales personnel whom most people call brokers- are technically known as registered representatives... ”

It is fun, now, to read FINRAbrokercheck.org understanding what a “*broker*” is not, seeing how many times the word “*broker*” appears in

FINRA “*User Guidance*”

“*About this Brokercheck Report*”

“*Disclosure of Customer Disputes, Disciplinary and Regulatory Events*”

“*Report Summary For This Broker*” (the SEC ALJ Court decision says is Investment Advisor)

“*Dear Investor*” (2010 finrabrokercheck)

“*Report Summary for this Broker*” (2017)

“*About Brokercheck*” (2017)

I am loving this “*Check Out Your Broker*” continuing “...*Fraudulent entities and individuals have been known to steal the identities of legitimate brokers and brokerage firms so that they can get at our personal information...*”

Warnings for Madoff, Murphy, Lucia, Drake, the list goes on and on. Where are those warnings. FINRA Disciplinary going back to 1996 are “*aged out.*”

Matthew Charles Otis ‘*disciplinary*’ are not aged out. Matthew is incarcerated because a US Attorney changed his mind on Matthew’s release.

Meek Mills ‘*disciplinary*’ are not aged out.

Wikipedia says “*Registered Investment Adviser*” says “...*RIA, Registered Investment Adviser is a firm that is an Investment adviser in the United States, registered as such with the Securities and Exchange Commission or a state’s securities agency...*” The Wikipedia states “...*An investment adviser is defined by the Securities and Exchange Commission as an individual or firm that is in the business of giving advice about securities...*” continuing “...*an RIA is the actual firm, while the employees of the firm are called Investment Adviser Representatives...*”

Wikipedia states Registered Investment Advisor firms are required to act as a fiduciary because they are compensated in fees for giving investment management and financial advice while Broker-Dealers give advice for a commission, not required to be a fiduciary.

The Wikipedia states firms can be dual registered²⁸, registered both as a Registered Investment Advisor and Broker-Dealer able to give advice for a fee and take a commission on sales of certain product.²⁹ FINRA determined with release 34-51523 the Broker-Dealers FINRA has authority over “...*are not to be deemed investment advisors...*” hence not subject to the same fiduciary standards as are RIA and Investment Advisors.

²⁸ UBS International Inc is an example of a firm finrabrokercheck.org presents as both an “Investment Advisor Firm” and a Brokerage Firm” intended to confuse Consumers. UBS International Inc was terminated 12/31/2009

²⁹ https://en.wikipedia.org/wiki/Registered_Investment_Adviser

Even more confusing is FINRAbrokercheck.org listing all the states the “*broker*”/“*Investment Advisor*” are ‘*licensed*’ to be salesmen in moreso when the “*broker*” is actually only an info@kynetic.com

This is not a decision FINRA was able to make. FINRA/NASD can only do what Congress told the S.E.C. the S.E.C. can do.

RIAs managing assets less than \$100 million registered with the state securities agency where they have their principal place of business.

RIAs managing more than \$100 million register with the S.E.C.

This bell is intended to ‘*toll*’ and add financing to the S.E.C.

Jim Lundy, a former S.E.C. enforcement guy knows better the S.E.C. does nothing for Investment Advisors and Investment Clients.

The Financial Advisor article said the RIA proposal wanted to know why calling “...*for Advisors to provide advice in the client’s best interest...*”³⁰ is not in the Regulation Best Interest proposal....

This was from a man formerly working for the S.E.C. Division of Enforcement who should no better.

The S.E.C. is approved by Congress to regulate Securities Broker-Dealers, only.

Financial Advisor IQ goes one further citing “...*the SEC has said that it doesn’t intent to hold brokers and advisors to the same standard...*” continuing “...*the definition in the advisor proposal to the broker rule is “problematic”....*”

“*Problematic*” is an understatement. While a regulatory agency cannot be sued, employees of the agency can be and, god willing, will be.

Congress never gave the S.E.C. oversight of Investment Advisors and Investment Clients, ever. Congress only gave the S.E.C. oversight of Securities Broker-Dealers, ever.

Somehow, somewhere between trusting financially raped victims and lawyers that do not do diligence, I came along, S.E.C. Requested Investment Client Whistleblower. I figured ‘*things*’ out.

Carefully, slowly, methodically, I have set in to play events unfolding at this time with

³⁰ http://financialadvisoriq.com/c/1988733/233703/lawyers_call_clearer_definition_best_interest

unanticipated, in a way for the S.E.C. and FINRA/NASD that is, with the S.E.C. and FINRA/NASD realizing their decades long 'jig' is up.

S.E.C. Commissioner Michael Piwowar left.. rapidly... after I released through my social media communication platform of choice what Piwowar knew, did and did not do.

While I am advocating for another Commissioner to step down, it was not Kara. Kara is the bastion on the S.E.C. panel with an Investment Client defender leaning. Jay, not sure, quite. With Piwowar gone, the Commissioner in CLAYTON's head, from what I saw the day of the S.E.C. Sunshine meeting for 1000 page roll out of "Best Interest", I will give Jay a bit more time before forming opinion. Jay's 'yes' vote was odd until I saw Michael at Jay's elbow, doing best effort to steer Jay away from the papers I put in to Jay's hands.

MD 8:17-cr-0472-PX, the case the S.E.C., FINRA/NASD and the DC D.I.S.B. would sooner wish away. In time. Not yet.

The proposal is slowed down, nothing to do with Piwowar abandoning the S.E.C. ship. The proposal slowed down with three Supreme Court of the United States decisions showing the S.E.C. and FINRA/DISB emperors never wore clothes more correctly were pretending at being Wizards of Oz, 'playing,' Investor Clients and Investment Advisors from behind the proverbial curtain the SEC and FINRA/NASD called 'enforcement.'

The Consumer Federation of AMERICA, the Certified Financial Planner Board of Standards, the Committee for the Fiduciary Standard, Consumer Action and the Financial Planning Association letter to the SEC made my above point of who is doing what in the 'name' of Investment Clients and Investment Advisors when their intent is to benefit their dues paying business league members. The named associations want allowed time to "...test new disclosures on investors..."

Now, if those chilling words don't come up for readers what Investment Clients and Investment Advisors are to Wall Street... lab rats.

That the Association letter goes continues "...a summary disclosure document can be developed that will enable investors to better understand the differences between brokerage accounts and advisory accounts including the standards of conduct that apply and make an informed choice among the available accounts and services..." should be enough to force the Executive to take a forceful stand against the Associations.

FINRA/NASD and the S.E.C. have no, none, nada engagement with Investment Clients and Investment Advisors nor do the Associations who should know better.

That said, yes, Investment Clients and Investment Advisors must understand the difference between brokers and Investment Advisors.

Investment Clients are not understanding the Investment Advisors is a ‘product’ salesperson using the relationship of a Broker-Dealer and a Clearing House which means the Investment Advisor relationship with the Broker-Dealer is the tool FINRA/NASD and the SEC use to pull the Investment Client away from Courts where Investment Client complaints with Investment Advisors and Broker-Dealers are taken for resolving disputes.³¹ Well, that is what is supposed to happen but does not. Lawyers take Investment Clients and Investment Advisors away from the Courts in to FINRA/NASD and SEC coverup away from Congress, Cops and Courts.

FINRA/NASD offers their ‘guidance’ on what to Expect When You Open A Brokerage Account” written with intent to mislead Investment Clients, stating, “...*this publication explains what to expect if you do decide to open a brokerage account, including what information you will be asked to provide, what decisions you will be asked to make, what questions you should ask your broker and what your rights are as a customer of a brokerage firm...*”

The Investment Client did not become a customer of a brokerage firm. The Investment Client became a customer of the Investment Advisor. Investment Advisors are not Brokers. FINRA/NASD state “*broker*” is a technicality. “*Broker*” is the tool FINRA/NASD crafted to align with the FINRA/NASD permitted oversight of FINRA/NASD dues paying business league members, securities Broker-Dealers, a tragic distinction Investment Advisors do not know nor do the Investment Advisor representing counsel, at a cost to the Investment Advisor and Investment Clients being taken away from Due Process in Courts and Cops. If and ever the Investment Advisor and Investment Client discover the truth, what Wall Street wanted to happen does, the statute is tolled, justice is too late.

None. FINRA/ NASD says the ‘*broker*’ is a technicality of ‘*Investment Advisor*.’ Believe that, I have bridge to nowhere in a desert to sell you. ‘*Broker*’ is not a technicality. ‘*Broker*’ is intended fraud distracting Investment Clients from understanding the S.E.C. and FINRA/NASD conspired to create a ‘*bubble*’ called ‘*Financial consultant*’ which encapsulate the frauds distracting Investment Clients from learning their cash is entrusted to an Investment Advisor who is an employee of an Investment Advisory firm that is separate and unaffiliated from the Securities Broker-Dealers.....

How in heavens name do Associations dare differently unless like Investment a Advisors and the average Joe Lawyer not know the world they work with in, begging the reality the Associations too are about conning the Investment Client and Investment Advisory public.

My God, it says it right there on FINRA/NASDs website Investment Clients and Investment Advisors go to Court, JAMS or AAA.

³¹ https://www.finra.org/arbitration-and-mediation/investment_advisers

It says it right there on the FINRA/ NASD letter alerting of FINRA DRS the s.r.o. has no enforcement over Investment Advisors hence unable to force the Investment Advisor to participate, same as is written in S.E.C. ALJ Court transcripts when one gets to read them.³²

It doesn't state the FINRA/ NASD arbitrators are trained as to FINRA/NASD rules that are not in lockstep with FAA Federal Arbitration Act premise of neutrality. There is no neutrality when an Investment Advisor or/and Investment Client are led, without disclosure, in to the DRS Dispute Resolution forum run by the dues collecting 501(c)(6) business league membership only self-regulator for the very people the victims are suing.

FAA, Federal Arbitration Act is neutral.

FINRA/NASD trains arbitrators to FINRA/NASDs way of running arbitration's. What goes in, does not come out. Records do not sit transparently in public like Court records and archives do. or legal precedence. Decisions lawyers made for victims, decisions arbitrators made in cases- none of that is available for law enforcement, Court clerks, lawyers even victims to look up and in to.

Rick Berry, FINRA/NASD says "...FINRA/NASD provides a comprehensive required training..." continuing "...The training is free and is comprised of online basic arbitrator training, online expungement training and classroom training. The classroom training is offered at one of Finra's regional offices or by live video.." continuing "...Finra also provides chairperson training, a free course which instructs arbitrators on the added responsibilities of serving as the chairperson of the panel. Completion of this course is one of the prerequisites of serving as a chairperson..." continuing "...provides advanced arbitrator trainings on a broad range of topics..." continuing "...Understanding the Prehearing Stage: Helps arbitrators manage and organize the Initial Prehearing Conference..." and "...Your Duty to Disclose: Explains the importance of arbitrator disclosure and instructs arbitrators on how to make full and complete disclosures..." and "...Discovery, Abuses and Sanctions: Focuses on the respective duties of arbitrators and parties in the discovery process, explains the Discovery Guide, and helps arbitrators recognize and address discovery abuses..." and "...Civility in Arbitration: Helps arbitrators evaluate their obligations before and during service on a case and set a proper tone for conducting fair and efficient hearings..." little of which describes the case rocking the S.E.C., FINRA/NASD and the USG at this time.

MD 8:17-cr-0472 began in the NASD back in the 1990s, finding its way in to FINRA then in to the S.E.C., back in to FINRA now in to America's history as the 'model' of everything wrong

³² www.centerforcopyrightintegrity.com

with Wall Street pushing the “*Whistleblower*” and “*Best Interest*” reforms the S.E.C. is driving, a bit too late.

Financial Advisor got it wrong. Wall Street Lobbyists did not kill the D.O.L. fiduciary rule. Wall Street Lobbyists made it easier for the Law Enforcement Wall Street has kept out of the Wall Street equation to step up and in when Wall Street ‘*enforces*’ crimes. Lobbyists cleared the way for cops to step in where law enforcement belongs.

Plaintiff’s National Association of Insurance and Financial Advisors, S.I.F.M.A. and the American Council of Life Insurers —are in bed with FINRA/NASD and the S.E.C. not with Investment Clients and Investment Advisors.³³

NAIFA members include broker-dealer representatives who are not R.I.A.s. There is no such thing as Broker-Dealer representatives. There are Broker-Dealers. There are Investment Advisors. The Investment Advisors work for Investment Advisory firms. They are sales people.

The Fiduciary Standard that applies to them all is called

- (i) the Uniform Commercial Code regulating the Securities Industry
- (ii) the Criminal Code.

N.A.I.F.A. argues its members be barred from offering financial advice if N.A.I.F.A. members can’t call themselves “*advisors*.”³⁴ Not the case. Anyone can call themselves an “*advisor*”. Anyone can call themselves a “*registered Investment Advisor*.” Failing to stop Bad Actors. What should have stopped Bad Actors is law enforcement. What could not stop Bad Actors was Law Enforcement. The reporting structure ‘*set in place*’ was constructed in the “*Best Interest*” of criminals not cops. If no one tells cops about crimes, if no one reports crimes to cops, if no one is taken to court, to jail, if no one pleads “*guilty or not guilty*” there is no crime, right?

No. There is a crime S.E.C. and FINRA/NASD worked with P.I.A.B.A. to call A.W.C., Acceptance Waiver and Consent.

Besides you cannot regulate honesty and coverup.

Investment Advisor personal information on line is a good start.

Bloomberg reporting “...*the SEC encourages investors to search the data that’s housed in the sprawling Central Registration Depository of more than 3,700 broker-dealers and hundreds of thousands of people authorized to work in the securities industry...*”³⁵ is a bizarre claim affirming how confused Industry is on their roles and abilities continuing “...*Some of that*”

³³

http://financialadvisoriq.com/c/2026313/236303/lobbyists_killed_rule_target_best_interest_regulation?referrer_module=emailMorningNews&module_order=5&login=1&code=YVc1bWlwQmpaVzUwWlhKbWlzSmpiM01Y21sbmFIUnBibIJsWjNKcGRla3VZMjIOTENBeE1EVXdOVE13TXI3Z01qazVNakV3TmpJMA

³⁴ <https://www.investopedia.com/news/next-target-lobbyists-sec-best-interest-rule-0/>

³⁵ <https://www.bloomberg.com/news/articles/2018-03-27/broker-watchdogs-accused-of-letting-sensitive-data-go-public>

information, which is used in Finra's BrokerCheck online portal and passed on to state authorities, has been mishandled, said the whistle-blower who asked not to be identified in discussing the allegations for fear of reprisals..."

C.R.D.s are not readily available to Investment Clients. Investment Advisor and Securities Broker-Dealer information is intended for State Securities Commissions. State Securities Commissions regulate. Aidikoff, Uhl & Bakhtiari law firm partner Ryan Bakhtiari explains "...FINRA doesn't have complete control over the Central Registration Depository—the electronic database that displays brokers' disciplinary histories..." explaining "...The committee has spent a substantial amount of time on expungement issues, but maintenance of the system is a joint effort between FINRA and the North American Securities Administrators Association..." Bakhtiari is chairman of the FINRA/NASD

"...The unpaid award issue is a "complex problem,"³⁶ according to Bakhtiari is, for Bakhtiari, Uhl and partner Phil Aidikoff. Aidikoff, Uhl and Bakhtiari make their living in the FINRA/NASD securities Broker-Dealer only forum, for decades, as far back as 1995.

FINRA/NASD states on FINRA's website Investment Clients and Investment Advisors issues do not get taken in to the Securities Broker-Dealer only forum.³⁷

FINRA/NASD and North American Securities Administrators Association argue either non-profit has been negligent in efforts to clean-up the disclosures. FINRA/NASD says FINRA/NASD has a team of more than 30 people looking for information that "...shouldn't be made public..."

Both FINRA/NASD and North American Securities Administrators Association are private businesses. Private businesses report crimes to Cops, to Law Enforcement. FINRA/NASD and North American Securities Administrators Association do not.

FINRA/NASD Spokesman Ray Pellecchia said FINRA/NASD "...is constantly enhancing our controls to better prevent or more rapidly address the isolated incidents where sensitive information is inadvertently entered by a non-FINRA/NASD filer..."

N.A.S.A.A. Director Joseph Brady tells Finrabrokercheck filers to include private information only when requested. Investment Clients request it. Only fair.

Wall Street thieves have know everything about Investment Clients needed to steal savings and financial security.

Investment clients have no clue who their Advisors are- where they live, etc.

³⁶ <http://www.securitiesarbitration.com/news/2017/02/09/finra-to-seek-expedited-small-claim-arbitration-via-phone/>

³⁷ https://www.finra.org/arbitration-and-mediation/investment_advisers

Investment Advisors and Securities Broker-Dealers in each state, territory. Finrabrokercheck.org is, publishing only what is unvetted, reported by Investment Advisors.

S.E.C. wants to lower the ceiling amount on Whistleblower Awards.

Phillips & Cohen partner former S.E.C. Chief Sean McKessy words challenging the S.E.C. wanting discretion to lower Whistleblower Awards stating “...the guidance would give the SEC great leeway to stiff tipsters who expose frauds through their own analyses...”³⁸ ring hollow.

McKessy knew firsthand the Citizen Whistleblower report on the “*HOODOO Investment Advisor*” crimes since 2010 when the SEC Whistleblower program was installed.

McKessy’s advocacy is not to stop crimes but to keep up inflating payouts to law firms like the firm McKessy works up just not for Citizen Whistleblowers.

“*Best Interest*” would be barring for a period of time former S.E.C. employees from working on the other side.

During McKessy’s tenure, the Citizen Whistleblower provided credible information on former Speaker of the House Nancy Pelosi’s son Paul Jr not being charged with crimes while co-owners of Natural Blue Resources were. The S.E.C. Whistleblower Program stiffed the Citizen Whistleblower of the Whistleblower Award.³⁹

Shock there is no integration with the Army Brass to understand the depth of the con the FINRA/NASD and S.E.C. intentional cons and crimes on serving military and Veteran needing being addressed with extra punishment for being done to heroes.

FINRA/NASD Rule 2010 “...standards of commercial honor and principles of trade...” does not exclude or preclude U.C.C. Uniform Commercial Code, local law or other.⁴⁰

FINRA is a Securities Broker-Dealer dues collecting business league. It may make rules. It does not make laws.

FINRA/NASD trains its Arbitrators to F.I.N.R.A.’s way of doing things.

Investment Advisors are told they can represent themselves in the Securities Broker-Dealer only forum without being told of FINRA/NASD’s formula, 1/10th and when it comes to Promissory Notes, decide to the FINRA/NASD dues collecting Securities Broker-Dealer only forum as in the case of a Pooler GA financial advisor 3 person panel found for Wells Fargo not the Financial

³⁸ <https://www.law.com/2018/07/10/whats-worrying-the-secs-former-whistleblower-chief-uber-snags-doj-scott-schools-lessons-from-credit-suisse/>

³⁹ <https://freebeacon.com/politics/company-cofounded-by-paul-pelosi-jr-charged-with-securities-fraud/>

⁴⁰

http://financialadvisoriq.com/c/1991803/229164/wirehouses_turn_tables_employees_finra_arbitrations?referrer_module=emailMorningNews&module_order=1&login=1&code=Wld4MGlyNUFZVzFsY21sMlpYUnpaV04xY21sMGFXVnpMbU52YIN3Z01UQXdOakExTVRNc0IESXhOREUwTURreU9Eaz0

Advisor. Standard to FINRA/NASD formula the Investment Advisor got hit with a FINRA/NASD award against him plus Wells Fargos attorney fees.⁴¹

Reporter Miriam Rozen says “...it is precarious going before a FINRA supervised panel of arbitrators can be for advisory particularly if they go without a counsel and with promissory note obligations to their employer...”⁴²

Rozen continues, wrongly “...advisors who want to allege wrongdoing against a wirehouse usually have little choice but to pursue such claims through FINRA since their employment agreements often have mandatory arbitration clauses in them...”⁴³

Wells was represented by Florida based Bressler, Amery and Ross lawyers Sara Soto and Joelle Simms. Simms site bio states “...Joelle Simms is an associate in the firm’s Fort Lauderdale, Florida office and focuses her practice on securities and commercial litigation. She specializes in the representation of broker-dealers and registered representatives in customer and employment disputes, including expungement proceedings, in state and federal court, and in arbitration proceedings throughout the United States before the Financial Industry Regulatory Authority (FINRA)...”⁴⁴

The Investment Advisor Employment agreement contracts I have seen bind the Investment Advisor in to Mandatory arbitration with a J.A.M.S. or A.A.A. not with FINRA/NASD moreso since FINRA/NASD is very clear on its website that Investment Advisors and Investment Clients do not go in to FINRA/NASD so why is this not being stopped by the S.E.C. unless, it has been in the “Best Interest” of the S.E.C. agenda to keep this con going for decades.⁴⁵

“... Guidance on Disputes between Investors and Investment Advisers that are Not FINRA Members, FINRA Office of Dispute Resolution has received inquiries from lawyers who represent investors and those who represent investment advisers (IAs) which are not FINRA members about the availability of FINRA’s arbitration and mediation forum to resolve their

⁴¹

http://financialadvisoriq.com/c/1991803/229164/wirehouses_turn_tables_employees_finra_arbitrations?referrer_module=emailMorningNews&module_order=1&login=1&code=Wld4MGlyNUFZVzFsY21sMlpYUnpaV04xY21sMGFXVnpMbU52YIN3Z01UQXdOakExTVRNcOIESXhOREUwTURreU9Eaz0

⁴²

http://financialadvisoriq.com/c/1991803/229164/wirehouses_turn_tables_employees_finra_arbitrations?referrer_module=emailMorningNews&module_order=1&login=1&code=Wld4MGlyNUFZVzFsY21sMlpYUnpaV04xY21sMGFXVnpMbU52YIN3Z01UQXdOakExTVRNcOIESXhOREUwTURreU9Eaz0

⁴³

http://financialadvisoriq.com/c/1991803/229164/wirehouses_turn_tables_employees_finra_arbitrations?referrer_module=emailMorningNews&module_order=1&login=1&code=Wld4MGlyNUFZVzFsY21sMlpYUnpaV04xY21sMGFXVnpMbU52YIN3Z01UQXdOakExTVRNcOIESXhOREUwTURreU9Eaz0

⁴⁴ <https://www.bressler.com/attorneys/simms-joelle-a>

⁴⁵ https://www.finra.org/arbitration-and-mediation/investment_advisers

disputes. Currently, such disputes are resolved in court or in non-FINRA dispute resolution forums. In response to these inquiries, FINRA offers the following guidance...

FINRA/NASD does not turn Investment Advisors and Investment Clients away. FINRA/NASD not turning Investment Advisors and Investment Clients away, S.E.C. not warning Investment Advisors and Investment Clients away is a fraud. That lawyers taking Investment Advisors and Investment Clients in to this forum ought to lose their licenses. Problem is from whom. It is a mix bag of 501(c)(6) Bar Associations around the Country self-regulating lawyers but they are self-regulators not government or law.

The FINRA/NASD says it has no oversight of lawyers. It had rules online until I made those rules public then they were taken down hastily offline.

The S.E.C. says the S.E.C. has no oversight of lawyers yet the S.E.C. lets lawyers unlicensed compliant to local law argue before the S.E.C. A.L.J. Court.

No one addresses lawyers working in unlicensed in foreign states.

They all ignore the 1940 Act that addresses “*aiding and abetting*” or Bar associations Ethics. An Investment Client daring to file a complaint against a lawyer is threatened to be sued for libel and defamation.

A Twenty year lawyer representing quoted in “*How Wirehouses Turn The Tables On Ex-Employees In FINRA Arbitrations*” said “*...It’s a horrible forum. I would have thought it would have gotten better and it’s gotten worse in the 20 years that I’ve been practicing...*”

Investment Advisors do not go in to that Forum. What is it lawyers are not reading. Better yet why?

The article misstates “*...a growing percentage of advisors have turned to seek redress through FINRA supervised arbitrations...*” Closer to the truth is a growing number of Investment Advisors are being taken in to the Securities Broker-Dealer forum, why is the S.E.C. and legislators not putting an end to this, neither bring Law Enforcement in when allegations of crimes against Investment Clients are alleged.

Crimes go to cops.

FINRA/NASD doesn’t break down FINRA/NASD statistics on intra-industry claims filed with FINRA/NASD. The only stats made public are cases that went in to FINRA/NASD DRS- not denials, expungements or claims lawyers told Investment Clients and Investment Advisors there is no merit in, in that lawyer’s opinion, not law enforcement.

FINRA/NASD admits there is a bump in Investment Advisors seeking to have complaints and decisions ‘*aged out*’ or expunged from the Investment Advisor’s C.R.D. The same complaint Investment Client victims file simultaneously against Investment Advisors and the Investment

Advisors affiliated Securities Broker-Dealer doesn't have the Investment Client's complaint on the Security Broker-Dealer's C.R.D.

It should be there. The forum is not the Investment Advisors forum. The forum is the Securities Broker-Dealer forum where FINRA/NASD writes the rules the SEC turns a blind eye to.

The article continues wrongly stating "... *The vast majority of advisors with employer disputes will end up disappointed at Finra-supervised hearings, according to Friedman...*" another lawyers. Investment Advisors are not employed by the Securities Broker-Dealers. Investment Advisors are employed by Investment Advisory firms. Their FINRA brokercheck may allege the Investment Advisor is '*employed*' by the Securities Broker-Dealer. Falsely alleging a person to be an "employee" when the person is an Independent Contractor is a fraud on both the State and Federal level in labor law.

Investment Advisor employee disputes are oversight of State and Federal law. Expunging these complaints is a coverup not afforded under the One Law Main Street is held accountable that Wall Street is not.

Friedman is quoted further stating how FINRA D.R.S. have no witnesses, no public record. I disagree with firsthand experience. My witness, my accountant waited several hours only to be barred from testifying to the arbitrators who alleged he did not qualify as an expert.

Arbitrator T.S. Perlman fell asleep in the proceeding.

Arbitrator Panel Chair Ed Statland lied on his FINRA arbitrator resume he was he was of counsel to Desoe & Buckley when the DC Bar membership stated Statland was '*inactive.*'

Arbitrator Susan Mathews facilitated F.B.I. Lawyer 1 as the F.B.I. Special Agent report names him in about 4+ arbitrations. Mathews, keeper of the F.I.N.R.A. digital audio machine hot mic'd herself stating wanting to teach '*activist Investor Clients*', me, a lesson.

The S S.E.C., the FINRA/NASD have possession of this audio for quite some time now.

FINRA Panel Chair Ed Statland is less than cordial in his distaste for my honest testimony where F.B.I. Lawyer 1's clients crimes were covered up for another 5+ years of more victims.... in Bad Faith? Not at all. More determined to stop these crimes going forward. But geez louise, the lawyers need to know what the laws and rules are not what FINRA/NASD and the S S.E.C. want lawyers to hear.

I am told I am the only, the first, Investment Client victim found in Bad Faith in the Securities Broker-Dealer only forum.

In D.C., a lawyer bringing an Investment Client victim across state lines away from the Courts where the Investment Client and/or the A.A.A. and J.A.M.S., from Virginia, from Maryland, bringing a person across state lines with the expectation of money is Human Trafficking.

Friedman is wrong the F.I.N.R.A. does not make these official digital audios available to the public. I learned from the tragedy FINRA/NASD-Morgan Stanley perpetrated on Whistleblower Investment Advisor Mark Mensack is get the audio, forcing my then attorney to secure what my former counsel said is never done.

What is it these expert lawyers are missing that I figured out and got.

Investment Advisors are misled in to filing Promissory notes with Securities Broker-Dealers. Advisors are employed by Investment Advisory firms who 'joinder' the Investment Advisor deceptively in to the Securities Broker-Dealer only forum.

Promissory notes are 'signed' with Investment Advisors. The Promissory Notes I have seen don't clarify for the Investment Advisor the Promissory Note is signed with ie. Morgan Stanley a Securities Broker-Dealer or ie. signed with Morgan Stanley Investment Advisory LLC the Investment Advisor is employed with. The Promissory Note says ie. Morgan Stanley only for the Investment Advisor to learn when the Investment Advisor Promissory Note issue the matter is debated in the Securities Broker-Dealer only, fatal to the Investment Advisor who will not win in FINRA/NASD.

The fraud I exposed, explained to the S.C.O.T.U.S. for their consideration of Epic Systems v Lewis, S.E.C. v Lucia and S.E.C. v Bandimere, is 'joinder' brought to an end, comfortably said, permanently with Freytag being plucked as a tool away from the S.E.C. and FINRA/NASD.

FINRA/NASD's website may state the Securities Broker-Dealer only forum expedites case administration that "solely involve a brokerage firm's claim that an associated person failed to pay money owed on a promissory note," but that fact Lawyers leading trusting "associated persons" in to this forum is shocking, ought to give their client's their Lawyer E&O, Error & Omissions information to allow the 2nd time victimized clients to be compensated for wrong guidance.

Part of the risk Investment Advisors and Investment Clients take should not be bad advice being misled by a lawyer.

FINRA/NASD judgments are only to be made against Securities Broker-Dealers unless the Investment Advisor or Investment Client sign the Special Submission Agreement submitting to the forum which is not more often the not the case. FINRA/NASD has gotten away with giving Securities Broker-Dealer only submission agreements to unsuspecting Investment Advisors and Investment Clients for so long with the S.E.C. knowledge. Why? The Securities Broker-Dealer only forums motivation is to silence the Investment Client Advisors and Investment Clients to confidentiality agreements barring them from their real forum of adjudication with the legal tool of Double Jeopardy.

Left out of the standard conversation is the Promissory Note becomes issue when the Investment Advisor wants to leave their employing Investment Advisory firm with the list of clients and contacts barred by Broker Protocol.⁴⁶

Imagine, Senators Cory Booker (D-N.J.) and Elizabeth Warren (D-Mass.) said they would introduce legislation to make no-poaching agreements illegal an “*anti-competitive*” practice but Senator Warren misviewed as the Godmother of Wall Street will not do the same to protect Investment Advisors from the Broker Protocol⁴⁷ fraud. The employees are not signed to Work-For-Hire agreements. The employees are also out the information the Investment Advisory firms demand to see pre- bringing the Investment Advisor or Team on board.

S.E.C. oversight is limited to Investment Advisory Firms. Why the Investment Adviser Association does not clarify these frauds is actually not puzzling when one is a D.C. insider for so long, active in getting Investment Advisors to troll the halls of Congress on annual “*Adviser Advocacy Day*” without though complete facts.

Michael Casey defrauded 700 investors out of \$19 million in an Internet Ponzi scheme. Casey kept his con alive until “...*he was investigated by the Securities and Exchange Commission...*”⁴⁸ The S.E.C. has no oversight of Ponzi Schemers. The D.O.J., Law Enforcement does. The S.E.C. obstructed the D.O.J.

S.E.C. Investment Advisory Council

Consumer Federation of America, Barbara Roper, director of Investor Protection

Finrabrokercheck proposed overhaul of FINRA/NASD brokercheck

3,800 S.E.C. registered Securities Broker-Dealer firms

630,000 F.I.N.R.A. registered broker-dealer professionals.

Trigger behind “*FINRA 360 organizational improvement initiative...*”

Securities Broker-Dealers allege Broker-Check includes unfounded customer or employer complaints. Founded or unfounded is alleged by

F.I.N.R.A. alleges finrabrokercheck “*saves investors from unscrupulous Broker-Dealers...*” alleges includes Broker-Dealers firms data like firms profile, history, operations and disclosures and Broker Investment advisors “*employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgement and arbitration awards... FINRA confirmed no such thing as “brokers” they are investment advisors paraded as ‘brokers.’*”

⁴⁶ <https://advisorhub.com/resources/end-broker-protocol-truce/>

⁴⁷ <https://advisorhub.com/resources/end-broker-protocol-truce/>

⁴⁸ <http://www.dailymail.co.uk/news/article-5921667/Fraudster-lawyer-71-duped-investors-19million-court-four-years-run.html>

FINRA overhaul has made it impossible to print the website pages instead printing, now, only the 1st page not all 2,3, 5.

Securities Broker-Dealer firms use the system to register and maintain records of *'associated persons'* deceptive since FINRA/NASD is the s.r.o. for Securities Broker-Dealers not for associated persons.

I have been advocating for the Tip Sheet, the S.E.C. is calling the 4 page C.R.S. Customer Relationship Summary form to clearly tell investors if the Investment Client is dealing with a Broker-Dealer or *'advisor'*.

Individuals cannot be registered as a Broker-Dealer. FINRA/NASD finally admitted no such thing as Broker.

AARP says the form is too long for old people.

Lets shorten it. Investment Clients can never truly understand what is going on with their entrusted finances. The back story is covered up with too many moving parts.

The condensed one page is simple

August 2004 N.A.S.D. Disciplinary Actions quotes N.A.S.D. Vice Chairman stating *"Every firm has a fundamental obligation to accurately and promptly file information about its brokers that NASD, other regulators and most importantly- the investing public rely on to learn of potential misconduct...."*

FINRA/NASD website states *"...FINRA also administers the largest dispute resolution forum for investors and firms..."*⁴⁹ continuing *"...FINRA, the Financial Industry Regulatory Authority, regulates all securities firms doing business in the United States. FINRA is dedicated to investor protection and market integrity through effective and efficient regulation and complementary compliance and technology-based services. FINRA touches virtually every aspect of the securities business – from registering and educating all industry participants to examining securities firms, writing rules, enforcing those rules and the federal securities laws, and informing and educating the investing public..."*

Barbara Roper says *"...the SEC's current proposal puts a thumb on the scale for broker-dealers...makes life easier for broker-dealers and in turn harder for RIAs..."* is mind boggling consider Roper's role. The S.E.C. is only about Securities Broker-Dealers not about Investment Advisors.

A firm is not both a Registered Advisor and a Securities Broker-Dealer. They are different companies, not dual registered. One is the Investment Advisory the other is the Broker-Dealer.

⁴⁹ <http://www.finra.org/newsroom/2016/finra-fines-12-firms-total-144-million-failing-protect-records-alteration>

Investopedia says “...A Registered Investment Advisor (RIA) is an advisor or firm engaged in the investment advisory business and registered either with the Securities and Exchange Commission (SEC) or state securities authorities. RIAs have a fiduciary duty to their clients, which means they have a fundamental obligation to provide suitable investment advice and always act in their clients' best interests...”⁵⁰

2011, S.E.C. Whistleblower Darcy Flynn blew the whistle on the S.E.C. destroying records of closed enforcement cases. Flynn let the National Archives know in 2010, the S.E.C. was destroying records. The National Archives is the overseer of federal record-keeping.

S.E.C. can only destroy records if Congress wrote that in to law. Destroying records makes it harder to hold the S.E.C. accountable to crimes it covers up.

S.E.C. calls the matters “M.U.I.”, Matters Under Inquiry. Senator Grassley confirmed the S.E.C. discards records including records of formal investigations even internal emails. Flynn exposed the National Archives approved the S.E.C. destroying records. N.A.R.A. approved the S.E.C. “Records Retention Schedule.” Records were to be preserved 25 years. The SEC changed the period to 3-5 years for the S.E.C. and FINRA/NASD.

Texas State Securities Board Investigator 75 year old Sparks is the benchmark of how an Investigators report should read. Sparks kicked her career in to motion when Sparks at age 41. Sparks “cause” is “investigating scams” a “forensic accountant at the Texas State Securities Board, she has helped expose over \$750 million worth of rip-offs targeting more than 4,000 people.” Sparks says “...Little by little, I can whittle away at the con man and make a difference. I can make sure justice prevails...”⁵¹

I learned today Letha Sparks retired one week ago.

I wish I had met Sparks when I brought the “HOODOO Investment Advisor”, twice, to the Texas State Securities Board. Instead, what happened was my tips were ignored.

A call in the other day made no difference. Cowboy Stadium owner Jerry Jones was paid with Investment Client victim cash collected by attorney Arnold Shokhui I did speak to the former and current Securities Commissioners and one other. The “HOODOO Investment Advisor” is better recalled for using elderly, injured, ill Ponzi Schemers funds to pay for the Cowboy Stadium skybox, pick a version.^{52, 53} The F.B.I. version is what remains in the books excepting

⁵⁰ <https://www.investopedia.com/terms/r/ria.asp>

⁵¹ time.com/money/collection-post/3426765/letha-l-sparks-2/

⁵² <https://www.dallasnews.com/business/business/2014/11/20/dallas-cowboys-sue-financial-advisor-for-7-3-million-over-att-stadium-luxury-suite>

⁵³ <https://www.dallasnews.com/business/business/2014/11/20/dallas-cowboys-sue-financial-advisor-for-7-3-million-over-att-stadium-luxury-suite>

the S.E.C. has yet to announce “*Best Interest*” disgorgement of stolen funds Cowboy Stadium attorney McCathern lawyer Arnold Shokouhi got for client Cowboy Stadium⁵⁴.

The D.C. D.I.S.B. could use “*Best Interest*” schooling from Letha. The D.C. D.I.S.B. issues letters citing a contract between two firms ignoring documents put in to the D.I.S.B. ‘hands’, repeatedly, disproving, indicating JP Morgan Clearing Corp had no contract to clear the “*HOODOO Investment Advisor*” millions of dollars of known victims cash.

The S.E.C. had the same papers too, repeatedly, as did the S.E.C.’s s.r.o. FINRA/NASD, repeatedly.

What the S.E.C. does, repeatedly, is push selected ‘*respondents*’ out public, sorta like the marketplace beheadings back in the days and time of “*Mary, Queen of Scots*.” You watched “*Reign*”, right? All those people bloodthirsty screaming for heads to be cut off without Due Process, while the real villains remain plot up in the castle towers?

Somethings don’t change, like no “*Due Process*.”

Letha’s “*Affidavit For Evidentiary Search Warrant*”, attached, is the “*Best Interest*” Gold Standard style and execution quality the SEC should demand “*Search Warrant*” for the “*Best Interest*” of each state’s Investment Clients and Investment Advisors, not the DC DISB no quality.

The DC DISB sends Investment Client confidential communications to private DISB staff home emails stating no breach of confidentiality to Investment Client whistleblower done. DISB communication is to the SEC not to the Whistleblower. The current DISB director Stephen Taylor’s SEC question asks status of the ‘*Carrie Devorah*’, whistleblower matter, not the status of the “*HOODOO Investment Advisor*” matter.

Letha’s attachment of the Grand Jury opinion public on line is the execution quality the S.E.C. should demand for “*Best Interest*” of each state’s Investment Clients and Investment Advisors, not the D.C. D.I.S.B. no quality.

Letha’s public sharing of her documents is a “*Best Interest*” example the S.E.C. should demand of all documents U.S. Attorneys arguing for the S.E.C. releases to Courts and Judges filling Case Dockets with “*not available for public viewing*” and “*Sealed*.” SEC “*Best Interest*” would be demanding all U.S. Attorneys keep that information public to allow all other U.S. Attorneys file their State’s case(s) against the criminals covered up in FINRA/NASD securities Broker-Dealer only forum.

⁵⁴ Case 8:17-mj-02292-CBD, FBI Special Agent Keith Custer

F.I.N.R.A. explains F.I.N.R.A. ‘...enforcement...’ I do not see the words “...law enforcement...” or “...cops...” in the “...FINRA 09-17 FINRA PROVIDES GUIDANCE ON ITS ENFORCEMENT PROCESS...”⁵⁵ once.

Madoff crimes went through F.I.N.R.A. enforcement, 1963.

“HOODOO Investment Advisor” crimes went to S.E.C. enforcement from me, 2010, went to F.I.N.R.A. enforcement 2012 if not sooner.

Letha’s public sharing Gold Star example allows victims learn of their financial demise sooner than later. Anything less than a “Letha Public Sharing” makes the Court, the U.S. Attorneys, the S.E.C. victimized by the S.E.C. wanted misunderstanding of what S.E.C. “Best Interest” is... not.

Parsing what or who is qualified as an S.E.C. Investment Advisory firm⁵⁶ under oversight of the S.E.C. is, well, work.

President Obama implemented the “Plain Writing Act of 2010.” The S.E.C. annually updates on the S.E.C. implementation of the “Plain Writing Act of 2010.” 3500+ employees work for the S.E.C.. 400, only, S.E.C. employees have completed the training. The S.E.C. F.O.I.A. team responses seem to indicate the S.E.C. F.O.I.A. team have not, yet, taken the “Plain Writing Act of 2010” S.E.C. training.

March 16, 2005, then S.E.C. Chief Counsel Joan McKown and intern Shannon A Sullivan. S.E.C. Deputy Director Division of Enforcement Linda Chatman Thomsen presented the “...International Institute Securities Market Development 2005 Program...”⁵⁷ that began with (1) “An Overview of Enforcement” continuing with “(b) Investigations”, “Preliminary Investigations”, etc providing further detail on “(c) Staff Recommendations to the Commission” followed up with an outline of “...recent SEC cases attached...”

I attached a few of the “Table of Contents” pages, reminded of what S.E.C. Commissioner Michael Piwowar told me up at A.U., American University law school that the Commissioners vote on cases to take to prosecution in the S.E.C. A.L.J. Courts, that the Supreme Court of the United States just confirmed is unconstitutional which in real English means the S.E.C. can no longer pretend being Judge and Jury and must turn criminal suspects and Ponzi schemers over to Courts and Cops, the real law enforcement.

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http://finra.complinet.com/en/display/display.html?rbid=2403&record_id=10536&element_id=7474&highlight=enforcement&print=1

⁵⁶ <https://advisorinfo.sec.gov>

⁵⁷ https://www.sec.gov/about/offices/oia/oia_institutes.htm

“Woodbury Financial Services, Inc” was brought in to the news resulting from activities of Robert Hayes Hoffman.^{58, 59}

“Woodbury Financial Services, Inc” has many, many *“Alternate Names”*. There is a balance and check I reserved for my book, but, look at all those names, page 1. Then look at *“Notice Filings”*, page 2.

The S.E.C. *“Investment Adviser Firm Summary”* *“Registration Status”* is *“approved”* under S.E.C. *“jurisdiction”* stating, *“Investment adviser firms registered with the SEC may be required to provide state securities authorities a copy of their Form ADV and any accompanying amendments filed with the SEC...”* continuing *“...these filings are called “notice filings”...”* stating *“...below are the states with which the firm you selected makes its notice filings, also listed is the date the firm first became notice filed or registered in each state...”* That balance and check too will remain for my book which has to happen after all these decades of getting stupid about Wall Street before getting smarter than Buffett.

The information? Provided by FINRA/NASD at a \$0 contract, but of course which allows Investment Advisors and Securities Broker-Dealers post whatever they choose to, unvetted, unviewed by the victims names made public in the C.R.D.s but of course which is, by S.E.C. way of doing things, S.E.C. *“Best Interest”*, *“Investment Advisors”* meaning Investment Advisory firms, not Individuals.

The S.E.C. has no oversight of Investment Advisor individuals. No one does.

Page 4, of the S.E.C. *“Investment Adviser Firm Summary”* states *“Exempt Reporting Advisers”* definition is *“...Exempt Reporting Advisers, ERA, are investment advisers that are not required to register as investment advisers because they rely on certain exemptions from registration under sections 203(i) and 203(m)⁶⁰ of the Investment Advisers Act of 1940 and related rules....”*

Page 4, of the S.E.C. *“Investment Adviser Firm Summary”* states *“...an ERA is required to file a report using FORM ADV but does not complete all items contained in Form ADV that a*

⁵⁸ www.investorprotection.com › Blog

⁵⁹ <https://www.ibj.com/articles/67194-greenwood-broker-banned-for-life-from-trading-securities/>

⁶⁰ <https://www.law.cornell.edu/cfr/text/17/275.203%28m%29-1>; § 275.203(m)-1 Private fund adviser exemption.

(a) United States investment advisers. For purposes of section 203(m) of the Act (15 U.S.C. 80b-3(m)), an investment adviser with its principal office and place of business in the United States is exempt from the requirement to register under section 203 of the Act if the investment adviser: (1) Acts solely as an investment adviser to one or more qualifying private funds; and (2) Manages private fund assets of less than \$150 million.

(b) Non-United States investment advisers. For purposes of section 203(m) of the Act (15 U.S.C. 80b-3(m)), an investment adviser with its principal office and place of business outside of the United States is exempt from the requirement to register under section 203 of the Act if: (1) The investment adviser has no client that is a United States person except for one or more qualifying private funds; and (2) All assets managed by the investment adviser at a place of business in the United States are solely attributable to private fund assets, the total value of which is less than \$150 million.

registered adviser must complete...” More correctly, S.E.C. Form A.D.V. Part IIs are supposed to be given to every Investment Advisor client, key words, “...*supposed to be...*” They are not, in my experience.

Page 4, of the S.E.C. “*Investment Adviser Firm Summary*” continues “...*Other state securities regulatory authorities require an ERA to register as an investment adviser and file a complete Form ADV....*” Finishing with “...*below are the regulators with which an ERA report is filed...*”

What is filed with the S.E.C. in the individual Investment Form A.D.V. is often the farthest thing from the Investment Client victims true experience. In fact, when you actually get actual real S.E.C. Form A.D.V. from the S.E.C. after repeated denial the form does not exist, one can see how that firm never met the S.E.C. benchmark for registering replete with red lines and multiple digital footprints exemplary usually of when someone is trying to figure out their ‘*truth*’ that fits.⁶¹

Page 4 of WOODBURY FINANCIAL SERVICES, “*Investment Adviser Search*”, S.E.C. I.A.P.D. details WOODBURY FINANCIAL SERVICES is

(i) Investment Adviser Firm

(ii) Brokerage Firm

stating “ not ‘*an Investment Adviser Firm/ Brokerage Firm*’, two distinct separately incorporated entities, continuing “...*by clicking on any broker-dealer above, you will be linked to FINRA’s Brokercheck system to view information about the Broker-Dealer...*” that is if F.I.N.R.A. isn’t changing Broker-Dealer published information responsive to whistleblower public disclosures as did and does happen with disclosures I make ie. R.B.C. trademark “*RBC Wealth Management*” appearing both under R.B.C. Capital Markets and R.B.C. Private Counsel excepting “*RBC Wealth Management*” according to R.B.C. S.E.C. filings and R.B.C. Private Counsel tracked directly to Canada, then replaced with an updated ‘*filing*’, in finrabrokercheck alleging R.B.C. Private Counsel ‘*last filed*’ almost a decade earlier. R.B.C. was fined and charged in the U.S., Canada and elsewhere on money laundering, discovered in my R.B.C. client accounts that sat open but unfunded yet I.P.O.s, Options and K.I.I.D.S. were being purchased in my account named for me, years after my funds were transferred out.⁶²

One must ask out loud why anyone would fudge publicly shared documents after the information has been shared.

Securities Broker-Dealer filing information is located in F.I.N.R.A.’s Brokercheck system.

⁶¹ As with many of my other disclosures, expect this will impact SEC FOIA ADV responses going forward from this day

⁶² [https://www.pacermonitor.com/public/case/6561047/DEVORAH v ROYAL BANK OF CANADA et al](https://www.pacermonitor.com/public/case/6561047/DEVORAH_v_ROYAL_BANK_OF_CANADA_et_al). Read the Statement of Claim and attachments that includes documents otherwise not seen outside of FINRA arbitrations that Investment Advisors and Investment Clients are taken in to away from the Courts

Another page states “...*the adviser’s REGISTRATION status is listed below...*” followed with “*This advisers is also a brokerage firm...*”, bolded and underlined the way real estate appraiser home review reports are marked to alert.

Investment Adviser FIRMS are searched in the S.E.C. IAPD website. The S.E.C. intentionally misleads site visitors by calling the “firms”, “*Investment Advisors.*” In “*SEC speak*”, “*Investment Advisors*” means the firm, not the two legged people named and searchable in the S.E.C. IAPD.gov website.

The two legged people are called “*Registered Investment Advisors*”, R.I.A.

Info on ‘*Investment Advisors*’, the two legged people kind, is provided, also (we know why) in the FINRAbrokercheck system and then provided by the Securities Broker-Dealer system FINRA/NASD to the S.E.C. that lists the *Investment Advisors*’, the two legged people kind, in the S.E.C. Investment Advisory Firm only summary.

Tell me, what was that again about S.E.C. “*Best Interest*”, covering up crimes, for sure, not about “*Best Interest*” of Investment Client victims and Investment Advisors victimized by this decades long con.

FINRAbrokercheck is part of the myth. F.I.N.R.A. confirms there is no such thing, industry word as “*broker*”, a ‘technicality.

FINRAbrokercheck should state “*FINRAsecuritiesbroker-dealercheck.org*” That wont happen anytime soon. FINRAbrokercheck was the political baby accomplishment of now, Senator, former Congressman Ed Markey.

F.I.N.R.A. deposits its ‘*fin*es’, ‘*monies*’ in Massachusetts. One anticipates “*Best Interest Of Investment Clients*” Massachusetts William Galvin and his team will freeze those funds, now.

ATTACHMENTS INDEX:

July 16, 2018. MD Criminal Case PX-17-0472. Letter from Defendant Dawn Bennett Public Defender to Judge Paula Xinis re Motion To Dismiss Securities fraud Conspiracy and Substantive Fraud Counts for lack of venue

Fri, Jul 18, 2014 at 3:18pm

Email from Hunter Hobart FSC, House to Carrie Devorah "...FINRA is a private entity, no federal statute authorized their existence..."

Tue, June , 2013 at 5:37pm

Email from FINRA Senior Examiner LA, Kevin Suh to Carrie Devorah "...FINRA is not a governmental Authority and therefor lacks the authority to pursue criminal charges...however when appropriate, we can make referrals to entities with the authority to to so..."

FINRAbrokercheck Disclosure PDF from 2010 stating "...FINRA Broker Check is governed by Federal Law..." continuing "...State disclosure programs are governed by state law..." referring to NASAA a private charity non profit a 501 (c)(3)

Fri, Dec 19, 2014 at 2:34pm

Email from FINRA Senior VP and General Counsel Terri Reicher to Carrie Devorah "...we administer arbitration claims that people bring in to our forum if they fall under our rules for eligibility..." continuing "...FINRA does not send claims to court or other forums..." further stating "...San Berman is a Registered Securities Representative so he was obligated to arbitrate the claim...likewise Dawn Bennett...held a series 7 with Wis as well as an Investment Advisor registration..." continuing "...under FINRA rules these claims fell within FINRA's arbitration jurisdiction..."

Both are Investment Advisors who take arbitrations to JAMS, AAA, etc, according to FINRA
*FINRA is a securities Broker-Dealer only forum

Fri, Dec 19, 2014 at 2:34pm

Email from FINRA Senior VP and General Counsel Terri Reicher to Carrie Devorah "...FINRA does not have jurisdiction over lawyers and we do not enforce state laws governing lawyer conduct..."

July 17, 2014. WASHINGTON Timesarticle on SEC case against PAUL Pelosi Jr. SEC, curates cases to tell the story the SEC wants told. SEC cut Speaker Pelosis son out of the criminal case. SEC only has authority over Securities Broker-Dealers and Investment Advisory firms of a minimum size. SEC has no authority over Investment scams, scam stars and Ponzi schemers

The SEC Press Release has been removed from the SEC archive. As said earlier, the SEC 'curates' the story the SEC wants told

December 2, 2010 SEC letter to SEC Requested Investment Client Whistleblower Carrie Devorah on Bennett Group Financial Services when Devorah brought information on BGFS Et al, WIS et al, JPMCC et

al, Royal Alliance

MA Senator Elizabeth Warren and Ed Markey proposed “Compensation For Cheated Investors Act” to move funds from FINRA to pay lawyers who work with the FINRA to craft Rules and Procedures in the Best Interest of FINRA, the SEC not Investment Clients or Investment Advisors

FINRA Notice Of Bank Change. FINRA banks in Massachusetts the state Senators Markey and Warren represent

FINRA Billing/collections Frequently Asked Questions

December 1, 1998. NASD Announces New Organizational Structure

SEC IAPD For Kyusun Kim page 2 of 2 citing ‘Investment Adviser Representative, and Broker Dealer. SEC is regulator only for Securities Broker-Dealers not Investment Adviser Representatives

October 2014. FINRA Disciplinary and Other FINRA Actions... lists the FINRA AWC coverup created by FINRA to cover up crimes that had this investment Advisor been turned over to police, would have been arrested, pled ‘guilty or not guilty’, gone to jail, become a felon and lost right to vote.

States Daniel Barthold was ‘suspended from association with any FINRA member in any capacity for 10 business days...’ more like being sent to your room and having your iPhone taken away rather than a jail sentence

FINRA Rule 8210. “Provisions of Information and Testimony and Inspection and copying of Books” says FINRA can share with ‘a domestic federal agency’ or a ‘foreign regulator’

JOINDER- How FINRA Has Been Covering Crimes Up By Taking Crimes Away From Cops & Courts
10/2/2015. NY Times article “Former Morgan Stanley Broker Sues Over Arbitration Policy” Morgan Stanley takes its Morgan Stanley Investment Advisory employees away from AAA or JAMS arbitrations in to FINRA/NASD a DRS Dispute Resolution forum only for Securities Broker-Dealers

FINRA website Guidance stating FINRA does not do DRS for Investment Advisors and Investment Clients

March 20, 2017. FL SD Opinion and Order issued by Judge Kenneth Marra between Steven Grant and Morgan Stanley stating Morgan Stanley employees go in to JAMS for DRS (page 7)

2/1/2011. JP MORGAN “ Binding Arbitration Agreement” stating employees of JP Morgan Chase go to AAA for arbitration. Investment Advisors and a Investment Clients are not FINRA “covered parties”
*SCOTUS decision EPIC SYSTEMS v LEWIS, SEC v LUCIA and BANDIMIRE have brought an end to the S.E.C. and FINRA/NASD joinder Investment Advisors an away from the DRS site stated on the Investment Advisors employment agreement and the Investment Clients going to Court. Investment Advisors and

Investment Clients are not FINRA “covered parties” hence “not subject to the arbitration requirements of FINRA

FINRA ARBITRATION SUBMISSION AGREEMENT Investment Advisors and Investment Clients must sign to participate in a FINRA Securities Broker-Dealer only forum. Rather, FINRA has FINRA staff give Investment Advisors and Investment Clients to have them sign to unknowingly participate in a forum only for Securities Broker-Dealers. The FINRA/S.E.C. purpose in pulling this scam is

(i) trick the Investment Advisor and Investment Clients in to silence, not talking about the crime(s) against them

(ii) trick them in to this fraud to bar the Investment Client and Investment Advisor from seeking redress in a Court of law when the scam is discovered to which Respondents Counsel will write, ‘there is nothing you can do about it.’ Sadly the fraudsters’ Lawyer is correct. Judges and their clerks are not understanding yet of the abuse of law and law carers, for the purpose of covering Wall Street crimes up.

The Supreme Court Justices learned, thank God.

FINRA.org definition of “Broker” confirms the Wall Street intentional abuse of the word ‘broker’ as a tool to get Investment Clients in to the Securities Broker-Dealer only forum, where details of crimes are hidden away

FINRAbrokercheck USER GUIDANCE gives more detail in to FINRA the brokerage only business league

FINRAbrokercheck USER GUIDANCE gives more detail how FINRA keeps crimes kept away from cops

FINRAbrokercheck USER GUIDANCE gives more detail how FINRA falsely alleges that Independent contractors are ‘employees’, a violation on both the State and Federal levels

FINRAbrokercheck USER GUIDANCE gives more detail how an Investment Advisor (S.E.C. 3-16801) is called a ‘broker’ by FINRA despite FINRA writing in prior FINRA.org page there are not Broker’s, there are Broker-Dealers- the firm- and there are Investment Advisors who are not Brokers even though the SEC and FINRA call them Brokers

UBS International brokercheck page stating a firm can be both a Brokerage Firm and an Investment Adviser Firm each under different management and regulatory authority or law enforcement.

August 2004 Sample page NASD disciplinary actions

March 16, 2005 SEC Enforcement Cases (selected pages)

FINRA “Investors, What to Expect When You Open A Brokerage Account”

SEC IADP Woodbury Financial Services Inc Pages CRD Number is for the Investment Advisory Firm, SEC numbers are for others. The names are for teams doing business under the Woodbury Financial umbrella. Example of How SEC/FINRA “Joinder” Firms To Mislead Investment Advisors and Investment Clients being led in to FINRA and SEC ALJ Courts away from Cops and Courts. Former Investment Advisor with Woodbury Financial was escorted from the Industry 5/2017

FINRA Regulatory Notice 10-59 approved by the SEC on Rule 8210 "Requiring Encryption of Information Provided via Portable Media Device". FINRA digital audios of hearings are rarely turned over to the Plaintiffs. If they are, often they are missing information as in the case of Mark Mensack's FINRA digital audio sounding like swiss cheese full of holes or mine where the hot mic'd moment recorded by arbitrator Susan Mathews was cut off the copy of the audio given to the FBI, after I secured the recordings, it seemed.

SEC Report on the "Plain Writing Act of 2010" updated April 17, 2018, accompanied with examples of SEC FOIA responses, not compliant with the law. It is important to read the Act to see how the SEC is in violation of the Act which simplifies the work the SEC would have to do to respond to FOIA requests, except it appears the SEC is interested in not responding to FOIA requests, covering crimes up confirmed via FOIA responses

LETHA SPARKS a recently retired Investigator for the State of Texas has created the most beautiful warrant write ups I have seen. THIS is the model and quality of an Investigation report one should get from the SEC, the FBI but does not.

FINRA publishes on line 09-17, FINRA Provides Guidance on ITS Enforcement Process.

- (i) FINRA is not law enforcement
- (ii) FINRA has no authority with crimes
- (iii) FINRA interfering with crimes is Obstruction of Justice and other crime potential including but not limited to Witness Tampering, Document Tampering, Accessory to crimes by FINRAs dues paying business league members and their sales people

DC DISB- RBC:

- Tue, Dec 14, 2010 at 11:07am Email from Carrie Devorah to Theodore Cross, DC DISB
- Mon, May 9, 2011 at 10:11am Email from DC DISB Theodore Cross to Carrie Devorah
- Thu, Mar 10, 2011 at 11:11am Email from DC DISB Theodore Cross to Carrie Devorah
- Thu, Mar 10, 2011 at 11:29am Email from DC DISB Theodore Cross to Carrie Devorah
- Fri, Sep 5, 2014 at 11:42am Email from FINRA Sr LA Examiner Kevin Suh to Carrie Devorah
- Fri, Sep 5, 2014 at 12:36pm Email from FINRA Sr LA Examiner Kevin Suh to Carrie Devorah
- Wed, Jun 3, 2015 at 12:17pm Email from Jon Faye, MPDC to Carrie Devorah
- Wed, June 3, 2017 at 11:44am Email from FINRA Sr LA Examiner Kevin Suh to Carrie Devorah
- Friday, July 26, 203 8:50am Email from DC DISB FOIA Officer Claudine Alula to Carrie Devorah cc dep
- December 20, 2012 Letter from DC DISB Financial Examiner Brad Kunzweiler to Devorah
- August 5, 2014 Letter from DC DISB Financial Examiner Brad Kunzweiler to Devorah
- September 22, 2014 Letter from DC DISB Financial Examiner Brad Kunzweiler to Devorah

September 25, 2014 Letter from DC DISB Financial Examiner Brad Kunzweiler to Devorah
DC RBC Administrative Consent Order No. SB-CO-12-13

Fri, Jan 15, 2016 at 2:06pm Email from Carrie Devorah to DC Council Peter Johnson

Tue, Jul 14, 2015 at 12:28pm Email from Carrie Devorah to DC City Attorney Bennett Rushkoff

May 3, 2011 at 5:20:30pm Forwarded email from Michael Marsalese to Carrie Devorah

Mon, May 9, 2011 at 10:11am Email from DC DISB Theodore Cross cc' Senayet Meaza to Carrie Devorah

Thu, Mar 10, 2011 at 11:46am Email from Carrie Devorah to DC DISB Theodore Cross

Mon, Jun 29, 2015 at 8:46pm Email from California DBO Phillip Behrens to Carrie Devorah

Fri, May 6, 2016 at 1:28pm Email from California DBO Phillip Behrens to Carrie Devorah

Mon, Dec 4, 2017 at 12:280m Email from California DBO Phillip Behrens to Carrie Devorah

10-22-2013 State of California DBO ENF Case No. 12366 ACO in the Matter of RBC Capital Markets LLC

Tue, Jan 6, 2015 at 1:10pm Email from Carrie Devorah to former attorney Michael Marsalese

March 15, 2100 at 4:29pm Forwarded email from former attorney Michael Marsalese to Carrie Devorah

8/16/02 Tampered/false RBC Dain Rauscher Custodial Individual Account Adoption Agreement

Wednesday, November 25, 2009 3:21pm Email from Linda Brosche at WIS to BGFS Kathleen Pruess re rejected ACAT

Fri, Jan 10, 2014 at 10:14am Email from JP Morgan Chase Executive office

Sun, Sep 7, 2014 at 2:10pm Email from Carrie Devorah to JP Morgan Barbara Feigelman, Julie Moy

Wed, Mar 26, 2014 at 9:46am Email from Carrie Devorah to JP Morgan Barbara Feigelman, Julie Moy

Thu, Mar 27, 2014 at 9:42am Email from JP Morgan Barbara Feigelman, Julie Moy to Carrie Devorah

Thu, 16 Jun 2011 12:21:25 Email from RBC attorney Carolyn Guy telling FINRA I have accounts at JP Morgan, not according to JP Morgan

NY Rules of Professional Conduct for Lawyers

Select Pages From SEC 2016 Annual Report Talking About SEC 'SLUSH FUND' IPF Investor Protection Fund a slush fund to move 'disgorgements' away from Investment Client Victims to Industry pointed in the direction of the Treasury...yup

Carrie Devorah, DTM
PUBLIC INVESTOR 12-03894

SEC REQUESTED INVESTMENT CLIENT WHISTLEBLOWER 2010 EXPOSING TRUTH WALL STREET WANTS KEPT COVERED UP
██████████ www.centerforcopyrightintegrity.com ██████████ PLEASE LINKEDIN

December 15, 2004 SEC Admin. Proc. File No. 11770 v First Command Financial Planning Inc

December 15, 2004 NASD Orders First Command to Pay \$12 Million for Misleading Statements in
Sales of Systematic Investment Plans To Military Personnel

May 12, 2006 NASD Investor Education Foundation "Investor Fraud Study Final Report"
prepared for WISE Senior Services and the NASD Investor Education Foundation by The Consumer Fraud
Research Group

**OFFICE OF THE FEDERAL PUBLIC DEFENDER
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NORTHERN DIVISION
TOWER II, 9th FLOOR
100 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201-2705
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TOLL FREE: (855) 213-8450**

JAMES WYDA
FEDERAL PUBLIC DEFENDER

DEBORAH L. BOARDMAN
FIRST ASSISTANT FEDERAL PUBLIC DEFENDER

July 16, 2018

The Honorable Paula Xinis
United States District Court for the
District of Maryland
6500 Cherrywood Lane
Greenbelt, Maryland 20770

Re: United States v. Dawn J. Bennett
Criminal Case No. PX-17-0472

Dear Judge Xinis:

We submit this brief reply to the government's response to Ms. Bennett's supplemental brief in support of her Motion to Dismiss Securities Fraud Conspiracy and Substantive Securities Fraud Counts for Lack of Venue (ECF 273). The government argues that the Superseding Indictment alleges venue because it thrice includes the prefatory, boilerplate language "in the District of Maryland and elsewhere." But the government fails to address Ms. Bennett's argument that the substantive acts constituting securities fraud contradict the boilerplate venue assertion and instead allege that the fraud occurred in the District of Columbia, not in the District of Maryland. The government's refusal to address this argument ignores the requirement that boilerplate venue language should be read in conjunction with the indictment's substantive allegations. United States v. Johnson, 297 F.3d 845, 861 (9th Cir. 2002).

The government's newly cited cases actually bolster our position, because unlike here, the substantive allegations in those cases were consistent with the boilerplate language. In United States v. Murgio, 209 F. Supp. 3d 698, 720 (S.D.N.Y. 2016), the Court denied the defendant's request for leave to file a motion to dismiss for lack of venue because the indictment alleged that the defendant accepted bribes "in the Southern District of New York and elsewhere" and contained a specific allegation that on May 9, 2014, a co-defendant "caused \$15,000 to be transferred via wire through the Southern District of New York to a particular bank account . . . at the request of [defendant]." In United States v. Menendez, 137 F. Supp. 3d 688, 697 (D.N.J. 2015), the Court held that the indictment charging concealment of material facts sufficiently alleged venue in New

Jersey, even though “the final act in this scheme occurred in Washington, D.C.,” because the indictment alleged that the defendant “took other acts of concealment in New Jersey.”

The other cases cited by the government are irrelevant. United States v. Zogheib, 2016 WL 4487907, at *1 (D. Nev. July 6, 2016), an unpublished report and recommendation by a magistrate judge, does not discuss whether the substantive allegations were inconsistent with the indictment’s venue allegation, as they are here. United States v. Bujese, 371 F.2d 120, 124 (3d Cir. 1967), a 49-year-old Third Circuit decision, is irrelevant because the venue challenge was based on a failure to “name the city where the robbed bank was located.” Ms. Bennett is not arguing that the charging document fails to identify the city in Maryland where the alleged crimes took place. She is arguing that the Superseding Indictment alleges venue for the crimes in a jurisdiction other than Maryland.

For the reasons stated in this paper, our opening motion, our supplemental filing, and at oral argument, the boilerplate venue allegations for the securities fraud charges are insufficient to survive a motion to dismiss because the contradictory substantive allegations make clear that venue is only proper in Washington, D.C.

We respectfully request that the Court grant Ms. Bennett’s motion and enter an Order dismissing Counts One through Five of the Superseding Indictment for lack of venue.

Sincerely,

/s/

Deborah L. Boardman
Elizabeth G. Oyer
Assistant Federal Public Defenders



Carrie Devorah <carriedev@gmail.com>

RE: FINRA question

1 message

Hobart, Hunter <Hunter.Hobart@mail.house.gov>
To: Carrie Devorah <[REDACTED]>

Fri, Jul 18, 2014 at 3:18 PM

Carrie,

Thanks for reaching out. After checking with our staff the answer is in fact that it doesn't exist. As FINRA is a private entity, no federal statute authorized their existence.

Best Regards,

Hunter

From: Carrie Devorah [mailto:[REDACTED]]
Sent: Friday, July 18, 2014 3:16 PM
To: Hobart, Hunter
Subject: FINRA question

Dear Hunter

FINRA wrote "FINRA's existence is authorized pursuant to a federal statute."
Sent me that Federal statute please

Sincerely

CARRIE Devorah
[REDACTED]

Ex 35



Carrie Devorah <[REDACTED]>

RE: follow up. I have all the papers in order

1 message

Suh, Kevin <[REDACTED]>
To: Carrie Devorah <[REDACTED]>

Tue, Jun 4, 2013 at 5:37 PM

Ms. Devorah,

↙

↘

FINRA is not a governmental entity and, therefore, lacks the authority to pursue criminal charges. However, when appropriate, we can make referrals to entities with the authority to do so.

Regards,

↗

Kevin Suh
Senior Examiner
One California Plaza - FINRA
300 South Grand Ave
Suite 1600
Los Angeles, CA 90071

T: [REDACTED]
F: [REDACTED]

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From: Carrie Devorah [mailto:[REDACTED]]
Sent: Tuesday, June 04, 2013 2:25 PM
To: Suh, Kevin
Subject: Re: follow up. I have all the papers in order

design changed :: 2010

Dear Investor:

2010



FINRA has generated the following BrokerCheck report for **DAWN BENNETT**. The information contained within this report has been provided by a FINRA member firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®) system.

you should consult. FINRA recommends that you learn as much as possible about the individual broker or brokerage firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers and firms licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to www.nasaa.org for a complete list of state securities regulators.

Thank you for using FINRA BrokerCheck.

not according to Congress. FINRA is a private business

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member firm or any of the member's associated persons. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides on currently registered individuals and individuals who were registered during the past two years include: actions by regulators, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens. FINRA also provides certain information on individuals whose registrations terminated more than two years ago.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm or broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource



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.



Carrie Devorah <carriedev@gmail.com>

RE: Re- Carrie Devorah RBC-Sangerman arbitration

1 message

Reicher, Terri <[REDACTED]>

Fri, Dec 19, 2014 at 2:34 PM

To: Carrie Devorah <[REDACTED]>

Cc: "Phillips, Allison" <[REDACTED]>, "Boykins, Noel" <[REDACTED]>, "Koutsouras, Evelyn" <[REDACTED]>, "Cox, JoAnne" <[REDACTED]>

Ms. Devorah: I responded with information on both of your arbitration cases because you referenced both of them in many of your questions—I therefore understood that you sought information on both of them.

I think that the point you are trying to make is that your claim against Scott Sangerman should not have been arbitrated in the FINRA forum because you understood him to be an investment adviser, not a broker, and FINRA does not have jurisdiction over IAs. You think that FINRA should not have taken the case.

1. You evidently misunderstand our role--we administer arbitration claims that people bring to our forum if they fall under our rules for eligibility. You, a customer represented by counsel, came to FINRA and filed a claim in our arbitration forum. We only check to see whether the parties named in the claim hold or held a securities registration, which Mr. Sangerman does, and has since 1984. We do not, and cannot, look beyond your claim into your thought process when you hired Mr. Sangerman, and whether you thought you were hiring a broker or an IA. We took the claim that you filed because it falls into the scope of claims eligible for arbitration under our rules.

2. The remainder of your questions are answered below in red.

Ms. Devorah, we have communicated with you in detail, and have answered your many questions to the best of our ability. You evidently think that FINRA should never have taken your claim against Scott Sangerman, but the facts remain that nobody forced you to file your claim at FINRA—you came to us, you arbitrated the claim, and you settled it. That claim is long concluded, and is not subject to any sort of legal challenge. I don't know what you are trying to

accomplish with these questions, but we are done responding to you about this long-concluded case.

Terri L. Reicher

Associate Vice President

Associate General Counsel

FINRA

1735 K Street, N.W.

Washington, DC 20006

██████████ ██████████

FAX ██████████ ██████████

From: Carrie Devorah [mailto:██████████@██████████]

Sent: Thursday, December 18, 2014 7:59 PM

To: Reicher, Terri

Cc: Phillips, Allison; Boykins, Noel; Koutsouras, Evelyn; Cox, JoAnne

Subject: Re: Re- Carrie Devorah RBC-Sangerman arbitration

Dear Terri

You are thorough to send me papers I have. Sangerman's broker check you sent is dated 2014. I hired Sangerman many years ago. I hired an investment advisor.

I

have always only hired fee paid Investment Advisors

.

I must also request you and your staff not follow my questions not insert your own agenda. I called your office(s) to address Scott Sangerman/RBC. Your staff continues to raise conversations unrelated to my contacting FINRA at this time. Do not.

1- My Sangerman papers dating back years confirm I hired Sangerman an Investment Advisor. What he is today is of no bearing as to who I hired unless you are writing that FINRA ignores original contracts as long as by the time the Arbitration is conducted the Respondent has signed up as a FINRA member? [Reicher, Terri] Mr. Sangerman is listed in FINRA's registration records as holding both Registered Representative and Investment Adviser registrations. See BrokerCheck record for Scott Sangerman attached

2- Thank you for this.

[Reicher, Terri] FINRA does not "send claims" to court or other forums, but FINRA does not accept claims that are not eligible for arbitration under the FINRA Code of Arbitration Procedure

Terri

It appears FINRA is concerned with my questions. FINRA directed, it seems all employees to send all my inquiries to you.

My questions are below. I am repeating them for your convenience. Upon learning last week that my former attorney Michael Marsalese misappropriated my FINRA refund, 9-2011, for the RBC matter, I want to know why/how FINRA accepted the RBC claim against Scott Sangerman

1- My Sangerman papers starting, 2002, that I received from RBC in 2012, confirm that Sangerman was an Investment Advisor[Reicher, Terri] Mr. Sangerman is listed in FINRA's registration records as holding both Registered Representative and Investment Adviser registrations. See BrokerCheck record for Scott Sangerman, attached. Mr. Sangerman holds a Series 7 registration. Many firms use the term "Investment Adviser" to refer to brokers as well as investment advisors, but be assured that Mr. Sangerman was and is registered as a General Securities Representative.

2- post the FINRA 12-03894 matter, I am aware that FINRA states on FINRA's website that FINRA sends claims against Investment Advisors to Courts or to Neutral Arbitration forums. FINRA is not neutral. FINRA oversight is for dues paying members. I am not a member of FINRA.[Reicher, Terri] FINRA does not "send claims" to court or other forums, but FINRA does not accept claims that are not eligible for arbitration under the FINRA Code of Arbitration Procedure. While FINRA does not have jurisdiction over registered Investment Advisers, but FINRA does accept arbitration claims against Investment Advisers, if all parties seek to submit the claim to the FINRA Dispute Resolution forum. Information about the availability of the arbitration forum to investment advisers is available on the FINRA website at the following URL: <http://www.finra.org/arbitrationandmediation/arbitration/specialprocedures/p196162>.

This does not appear to have been an issue in the Sangerman case, since he is also a registered securities representative subject to FINRA jurisdiction. Mr. Sangerman was obligated to arbitrate your claim and did so. The same is true for Dawn Bennett, who also holds dual securities and investment adviser registrations.

3- In neither FINRA matter, RBC or 12-03894 was a Special Submission Agreement signed. I have copies of the Broker agreements FINRA allowed each Investment Advisor to sign. I have documentation confirming the respective Investment Advisors were just that not Brokers.[Reicher, Terri] Again, Mr. Sangerman is a registered securities representative, so he was obligated to arbitrate the claim you submitted. Likewise, Dawn Bennett, the individual respondent in Case No. 12-03894, held a Series 7 registration with Western International Securities, as well as an Investment Adviser registration. Under FINRA rules, these claims fell within FINRA's arbitration jurisdiction, since you filed the claims as a customer against firms and individuals who held securities registrations.

4- I want an answer how my FINRA matter was expunged when no arbitrator emailed, mailed, or called me to advise me an expungement was requested by Respondents. I did not consent to a FINRA expungement arbitration[Reicher, Terri] I did not find any record of an expungement being requested or granted of any arbitration you have brought. The Sangerman arbitration is disclosed in Mr. Sangerman's BrokerCheck record and listed as settled. The Bennett award (attached) is no longer reportable on Ms. Bennett's registration records because your claim was dismissed by the arbitrators after a merits hearing, but the award does not indicate that Ms. Bennett requested or received expungement.

Cordially

Carrie Devorah

On Thu, Dec 18, 2014 at 3:10 PM, Phillips, Allison <Allison.Phillips@finra.org> wrote:

no complaint filed in 2009 to firm.

"vet out" the information reported on the forms.

You are aware the FINRA complaint was filed 2010 not in 2009 as it appears on Sangerman's record. [Reicher, Terri] The arbitration claim was reported as an add-on to your original complaint to the firm, which was reported first in 2009.

How can a U4 be expunged if there is no record of the request? What does FINRA do in that case?[Reicher, Terri] A U4 cannot be expunged unless a court so orders, and none was expunged in Mr. Sangerman's case.

I do want to ask a question addressing attorneys. Does FINRA maintain and publish a record of attorneys that appear before FINRA? If so where is that list published. If not, why not. [Reicher, Terri] No. FINRA does not have jurisdiction over attorneys.

Addressing arbitrators, what does FINRA do when a FINRA arbitrator claims on the resume sent to participants to be a lawyer when the FINRA arbitrators license is inactive at the time the resume is sent? [Reicher, Terri] FINRA constantly advises arbitrators that they need to be current on their disclosures, and we do period background checks. If you have specific information that an arbitrator disclosure was inaccurate, please let us know.

How does FINRA confirm lawyers- panel, sending declarations, representing clients- are compliant with local laws in any and all of the over 70 jurisdictions including London that FINRA conducts hearings in?[Reicher, Terri] FINRA does not have jurisdiction over lawyers, and we do not enforce state laws governing lawyer conduct.

I also want to see a copy of the RBC file and a copy of the statute that FINRA states Congress authorized FINRA under. Kevin Suh advised me RBC communicated to him details, that conflict. I want those papers. How do I get them? [Reicher, Terri] I have no idea what you are talking about on the RBC vile, and Kevin Suh. The statute authorizing national securities associations such as FINRA is 15 U.S.C. sec. 78o-3, Section 15A of the Securities Exchange Act of 1934. Here is a link.

Cordially

Carrie Devorah

On Thu, Dec 18, 2014 at 4:53 PM, Reicher, Terri <Terri.Reicher@finra.org> wrote:

Dear Ms. Devorah;

I did some preliminary research and can respond to at least some of your questions—my responses are below, next to your questions.

Terri L. Reicher
Associate Vice President
Associate General Counsel
FINRA
1735 K Street, N.W.
Washington, DC 20006
(202) 728-8967
FAX (202) 728-8894

From: Carrie Devorah [mailto:]
Sent: Thursday, December 18, 2014 3:29 PM
To: Phillips, Allison; Reicher, Terri
Cc: Boykins, Noel; Koutsouras, Evelyn; Cox, JoAnne
Subject: Re: Re- Carrie Devorah RBC-Sangerman arbitration

Terri

It appears FINRA is concerned with my questions. FINRA directed, it seems all employees to send all my inquiries to you.

My questions are below. I am repeating them for your convenience. Upon learning last week that my former attorney Michael Marsalese misappropriated my FINRA refund, 9-2011, for the RBC matter, I want to know why/how FINRA accepted the RBC claim against Scott

SEC does not regulate lawyers



Carrie Devorah <[redacted]>

SEC Response HO::~~00546115~::HO

1 message

"Hel [redacted] <h [redacted]>
To: "[redacted]" <[redacted]>

Thu, Nov 5, 2015 at 2:30 PM

Dear Ms. Devorah:

Thank you for contacting the U.S. Securities and Exchange Commission (SEC).

The SEC's Office of Investor Education and Advocacy processes many comments from individual investors and others. We keep records of the correspondence we receive in a searchable database that SEC staff may make use of in inspections, examinations, and investigations. In addition, some of the correspondence we receive is referred to other SEC offices and divisions for their review. If they have any questions or wish to respond directly to your comments, they will contact you.

[Handwritten mark]

Please note that the SEC does not regulate law firms or attorneys. If you believe that your attorney failed to correctly notify you about an arbitration award, you may wish to file a complaint with your state bar association. Contact information for the state bar associations is available at <http://www.washlaw.edu/bar/>.

Thank you for communicating your views.

Sincerely,

Steven G. Johnston
Special Counsel
Office of Investor Education and Advocacy
U.S. Securities and Exchange Commission
(800) 732-0330
www.sec.gov
www.investor.gov
www.twitter.com/SEC_Investor_Ed

File Attachment:

Correspondent Name: Mr. Carrie Devorah
Create Date: 2015-11-05 04:45:34
Origin: Phone
File #: HO::~~00546115~::HO
Description:

Dear Steve Two days ago I learned for the first time that NASD arbitrators awarded me over \$136,000 in my 1995 arbitration filed against DH Blair and Michael Alan Katz. About a month ago, the arbitration award online was brought to my attention. Two days ago, the firm that represented me in the arbitration, sent me a copy of that award. I had not seen the award papers before. The firm alleges I was sent notification of the award. The firm has been asked several times to provide to me the 'electronic file' the attorney said he found my award in. The firm wont send me that file. The law firm alleges there were multiple updates on their part to me updating me on the firm's efforts to collect the award for me. The firm, again, has not yet provided me those alleged correspondences nor did they provide to me their filing of the award in the courts that I asked for when the firm represented they attempted to get me payment. My recollection has been the lawyer told me the settlement was about \$4,000 collected on what I recall being told was a \$19,000 award, the lawyer having represented to me the NASD would make awards from Respondents shell companies to successful Claimants, the claimants unsuccessful, then, on collecting their award. I never saw the award before Monday. I had contacted the lawyer asking for what he could tell me about the NASD NY reimbursement fund. At that time, I was not aware the fund was nationwide, all states

and the District of Columbia. I spent too much time today making calls. There is a disconnect. I want front and back copies of the check the award says DH Blair sent to the NASD. Now, too, I want restitution. The case number 95-00217. My name at the time was Cara Marks. Carrie is the endearment of Cara. Marks was a former married name. I want your help. – Sincerely CARRIE Devorah 562 688 2883 www.linkedin.com/in/carriedevorah @godingovt DISCLAIMER : With the continuing crossing and interfacing of platforms both on & off line both with & without our knowledge nor approval to note nothing sent over the Internet anymore is ever private nor should be presumed to be so. If it is that much of a secret, say nothing. If you must? Take a lesson from our military- hand write the note, chew then swallow

sec.TPLGC

ref:_00D30JxQy._500a0zIHLsAAM:ref

Copyrighted material redacted. Author cites:

Harrington, Elizabeth. "Company Co-Founded by Nancy Pelosi's Son Charged with Securities Fraud." The Washington Free Beacon, The Washington Times, 17 July 2014,
www.washingtontimes.com/news/2014/jul/17/company-co-founded-nancy-pelosis-son-charged-secur/.

should be required to compensate Respondents that are compelled to defend those accusations with the reimbursement of their attorney's fees.

Supplemental Statement of Respondents' Attorney's Fees

1. As set forth in my Affidavit for Legal Fees that was submitted the morning of the last day of the hearings, during the period of April 24, 2013 to November 30, 2013, Respondents were billed \$43,318.22 by my firm. From December 1st through today, Respondents will be billed an additional \$19,014.07. (See attached pre-billing statement with portions redacted that refer to attorney-client conversations.) Therefore, the total is \$62,332.29.

2. Greenburg Traurig, the predecessor law firm, was retained by Respondents from January 2013 through April 2013 and Respondents paid that firm \$83,481.74.

3. Therefore, the total legal fees and disbursements in the defense of this case is \$145,814.03.

For the reasons set forth in Respondents' pre-hearing memo of law (that focused on the authority of arbitrators to order reimbursement of attorney's fees) and the reasonableness of the fees, Respondents request that those fees should be included in the arbitrators' Award in the amount of \$145,814.03.

Dated: December 9, 2013



David F. Robbins

cc: ~~_____~~ Esq. (via e-mail and U.S. Mail)
~~_____~~ (via e-mail and U.S. Mail)

not licensed in DC.
vidating
See act of 1960
in award +
abiding



Notice to Attorneys and Parties Represented by Out-of-State Attorneys

In some jurisdictions, an out-of-state attorney cannot represent a client in arbitration. In these jurisdictions, it is considered the unauthorized practice of law to provide such legal representation without being admitted to the appropriate Bar.¹

The following list contains the status of the law addressing the unauthorized practice of law in the states where the regional offices of Dispute Resolution are located. This list may also contain similar information on other states, depending on a state's proximity to FINRA's regional offices as well as FINRA's awareness of relevant changes to applicable laws in that state. This list is for information purposes only.

For states not on this list, please visit the appropriate State Bar's web site for information and guidance on the attorney practice rules for that jurisdiction. You may also visit the American Bar Association's web site for a survey of those states that have adopted the Model Rule 5.5, which permits out-of-state attorneys to appear in dispute resolution proceedings under certain circumstances.

California

Attorneys not admitted to practice in California may represent a party in FINRA arbitration proceeding in California, provided they satisfy the requirements of Cal. Code of Civil Procedure Section 1282.4(c) (Section 1282.4(c)). Under Section 1282.4(c), out-of-state attorneys must complete a Certification Form (Form) and file it with the FINRA Dispute Resolution, Western Regional Office in Los Angeles, California. The Form also must be filed with the Office of Certification, State Bar of California, in San Francisco, California, and must be served upon all other parties and counsel in the arbitration whose addresses are known to the attorney. See the Form and the FINRA Guidelines for compliance with Section 1282.4(c), as amended, can be found on our Web site.

Florida

Effective January 1, 2006, new rules require lawyers from other states who are not members of The Florida Bar to provide certain information to The Florida Bar if they wish to appear in an arbitration proceeding in Florida. A Verified Statement along with a \$250.00 fee has to be submitted to The Florida Bar in certain arbitration proceedings pursuant to Rules Regulating The Florida Bar 1-3.11. You should consult that rule as well as rule 4-5.5 of the Rules Regulating The Florida Bar to determine whether you need to file the Verified Statement. The rules are available on The Florida Bar's Web site.

See additional information on the arbitration process in Florida.

Illinois

Attorneys not admitted to practice in Illinois may represent a party in a FINRA arbitration or mediation proceeding in Illinois, provided they comply with the requirements of Rule 5.5 of the Illinois Rules of Professional Conduct of 2010. You should consult Rule 5.5 of the Illinois Rules of Professional Conduct and

the Illinois State Bar Association for more information.

New Jersey

Attorneys not admitted to practice in New Jersey may represent a party in a FINRA arbitration or mediation proceeding in New Jersey, provided they comply with the requirements of the New Jersey Rules of Professional Conduct 5.5 (RPC 5.5). FINRA has developed guidelines to assist parties. The guidelines and answers to frequently asked questions can be found on our Web site.

New York

Persons engage in the unlawful practice of law when they practice as attorneys-at-law or as counselors-at-law, or represent a person other than themselves in a court of record in New York without first being licensed and admitted to practice law in the state. N.Y. Jud. Law §478. The New York statutes also prohibit persons who are not attorneys from receiving any compensation directly or indirectly for representing a person other than themselves in any court or before any magistrate in the state. N.Y. Jud. Law §484.

Oregon

FINRA has received a letter from the Oregon State Bar regarding out-of-state lawyers participating in Oregon arbitration and mediation proceedings. As indicated in the letter, you may contact the Oregon State Bar with any questions.

To notify FINRA of updates to this list, please [Contact Us](#).

¹ Each state has the right to determine whether representation by an out-of-state attorney in FINRA's forum violates the state's unauthorized practice of law provisions. FINRA has no rule on out-of-state practice, so any attorney practice issues must be addressed to the appropriate jurisdiction for resolution.

[Sitemap](#) [Privacy](#) [Legal](#)

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Representation by an Attorney

Parties may be represented in an arbitration or mediation by an attorney at law in good standing and admitted to practice in any jurisdiction in the U.S., including the District of Columbia, or any commonwealth, territory or possession of the U.S., unless state law prohibits such representation. Thus, under this provision, if a party chooses to be represented by an attorney, the attorney must be licensed to practice law in a U.S. jurisdiction, be in good standing and comply with the applicable laws of the U.S. jurisdiction in which the hearings are held.⁴

Under this provision, neither the staff nor the arbitration panel⁵ is required to verify the attorney's compliance with state law. If state law prohibits such representation, the parties may raise the issue with the panel. Parties also may seek court or regulatory agency relief. In the absence of a court order, the arbitration proceeding shall not be stayed or otherwise delayed pending resolution of such issues.

If a party chooses to be represented by an attorney, either the party or the attorney must notify FINRA in writing of the attorney's intent to appear, and provide the attorney's contact information.⁶ The party or attorney may satisfy this requirement by providing this information in the initial pleadings⁷ filed with the Director of Arbitration (Director) or by means of the online filing system (www.finra.org/onlineclaimfiling).⁸

← this has been distorted to be read that a lawyer can practice anywhere in FINRA and as long as they are licensed somewhere

Representation by Others

Parties may be represented in an arbitration or mediation by a person who is not an attorney, unless:

- ▶ state law prohibits such representation;
- ▶ the person is currently suspended or barred from the securities industry in any capacity; or
- ▶ the person is currently suspended from the practice of law or disbarred.

This provision allows a relative, friend or associate to represent or assist a person (e.g., an elderly or disabled person) with his or her arbitration or mediation. Investors can also find affordable legal representation at law school securities arbitration clinics.⁹

Under this provision, neither the staff nor the arbitration panel is required to verify the non-attorney's compliance with state law. If state law prohibits such representation or if the non-attorney representative is currently (i) suspended or barred from the securities industry or (ii) suspended from the practice of law or disbarred, the parties may raise the issue with the panel. Parties also may seek court or regulatory agency relief. In the absence of a court order, the arbitration proceeding shall not be stayed or otherwise delayed pending resolution of such issues.

(d) Qualifications of Representative

Issues regarding the qualifications of a person to represent a party in arbitration are governed by applicable law and may be determined by an appropriate court or other regulatory agency. In the absence of a court order, the arbitration proceeding shall not be stayed or otherwise delayed pending resolution of such issues.

Industry Code

13208. Representation of Parties

(a) Representation by a Party

Parties may represent themselves in an arbitration held in a United States hearing location. A member of a partnership may represent the partnership; and a bona fide officer of a corporation, trust, or association may represent the corporation, trust, or association.

(b) Representation by an Attorney

At any stage of an arbitration proceeding held in a United States hearing location, all parties shall have the right to be represented by [counsel during any stage of an arbitration] an attorney at law in good standing and admitted to practice before the Supreme Court of the United States or the highest court of any state of the United States, the District of Columbia, or any commonwealth, territory, or possession of the United States, unless state law prohibits such representation.

(c) Representation by Others

Parties may be represented in an arbitration by a person who is not an attorney, unless:

- state law prohibits such representation, or
- the person is currently suspended or barred from the securities industry in any capacity, or
- the person is currently suspended from the practice of law or disbarred.

Endnotes

1. Exchange Act Release No. 56540 (Sept. 26, 2007), 72 Federal Register 56410 (Oct. 3, 2007) (File No. SR-NASD-2006-109).
2. Exchange Act Release No. 55604 (April 9, 2007), 72 Federal Register 18703 (April 13, 2007).
3. See note 1.
4. While the multi-jurisdictional practice of law may be permitted in many jurisdictions, it may constitute a violation of certain states' unauthorized practice of law provisions.
5. The term "panel" means the arbitration panel, whether it consists of one or more arbitrators. See Rule 12100(q) of the Customer Code and Rule 13100(q) of the Industry Code.
6. If parties file an arbitration claim in California, their attorneys must provide a notice of intent to appear in the initial pleading submitted to FINRA Dispute Resolution. The notice in California arbitrations includes information similar to what is requested here. See FINRA's Notice to Attorneys and Parties Represented by Out-of-State Attorneys at www.finra.org/ArbitrationMediation/ResourcesforParties/NoticestoParties/index.htm.
7. A pleading is a statement describing a party's causes of action or defenses. The following documents are considered pleadings: a statement of claim, an answer, a counterclaim, a cross claim, a third-party claim and any replies.
8. In this case, if a party chooses to be represented by an attorney and the attorney files a pleading or otherwise acts on behalf of a party in the FINRA dispute resolution forum, then FINRA will consider these actions as sufficient notice of representation.
9. A securities arbitration clinic can help an investor who has a smaller claim but is unable to hire an attorney, provided the investor qualifies for assistance. For more information on clinic locations and eligibility requirements, see "How to Find an Attorney" at www.finra.org/ArbitrationMediation/StartanArbitrationorMediation/HowtoFindanAttorney/index.htm
10. In this case, if a party chooses to be represented by a person who is not an attorney and this representative files a pleading or otherwise acts on behalf of a party in the FINRA dispute resolution forum, then FINRA will consider these actions as sufficient notice of representation.

↓ 2007

©2007. FINRA. All rights reserved. *Regulatory Notices* attempt to present information to readers in a format that is easily understandable. However, please be aware that, in case of any misunderstanding, the rule language prevails.

What to Expect: FINRA's Dispute Resolution Process

It is rare for most investors to find themselves in a dispute with a securities firm or individual broker that escalates to a point where FINRA's dispute resolution services are needed. But, this can happen on occasion. This resource guide should help prepare you for what to expect from FINRA's dispute resolution process.

It is typically less costly and faster to use arbitration or mediation as a way to settle a dispute than to take a case to court. In arbitration, a single arbitrator or panel of three arbitrators—depending on the amount of money in controversy—hears all sides of the issues, studies the evidence, and then decides how the matter should be resolved. In mediation, a mediator facilitates negotiations between disputing parties to help them develop and agree on a resolution.

FINRA operates the largest securities dispute resolution forum in the world, and has extensive experience providing a fair, efficient and effective place to handle a securities-related dispute. Investors and parties in the securities industry can all resolve disputes by arbitrating or mediating through FINRA's dispute resolution forum.

FINRA's dispute resolution forum is neutral. While FINRA staff members coordinate the dispute resolution process, they are not involved in rendering judgments.

FINRA's dispute resolution forum is neutral. Staff members who coordinate the process are FINRA employees, but they are not involved in rendering judgments, and are separate from FINRA's Examination and Enforcement departments. FINRA cannot offer legal advice or legal representation to anyone.

Investors can file an arbitration claim or request mediation through FINRA when they have a dispute involving the business activities of a brokerage firm or one of its brokers. Generally, for consideration in the FINRA arbitration forum, your claim must be about an incident that took place within the last six years. FINRA's website contains resources to help you determine if FINRA can administer your case.

Some investors are confused about the difference between resolving monetary disputes through arbitration or mediation and filing an investor complaint. These are independent and unrelated. If you want to make FINRA aware of any potentially fraudulent or suspicious activities by brokerage firms or brokers, you should use FINRA's Investor Complaint Center. If you want to recover damages, like money or securities, then filing an arbitration or a mediation case offers you a way to seek damages. You can choose to file a complaint through FINRA's Investor Complaint Center, and file a separate arbitration or mediation case through FINRA's Dispute Resolution program. You can pursue all of these options, or none of them. It is up to you.

NO NOT HIS
FINRA DR.
is the forum
People
Vic
Sue
refer to
Teri
Reicher
ema



Carrie Devorah <carriedev@gmail.com>

3-14: BGFS: THE EMAIL FROM FINRA GC TERRI REICHER: July 3 letter to Linda Fienberg

1 message

Carrie Devorah <[redacted]>
To: [redacted]

Mon, Mar 14, 2016 at 3:31 PM

----- Forwarded message -----

From: Carrie Devorah <[redacted]>
Date: Mon, Mar 7, 2016 at 12:39 AM
Subject: BGFS: THE EMAIL FROM FINRA GC TERRI REICHER: July 3 letter to Linda Fienberg
To: [redacted]

----- Forwarded message -----

From: Reicher, Terri <[redacted]>
Date: Tue, Jul 15, 2014 at 3:46 PM
Subject: July 3 letter to Linda Fienberg
To: "[redacted]" <[redacted]>

Ms. Devorah:

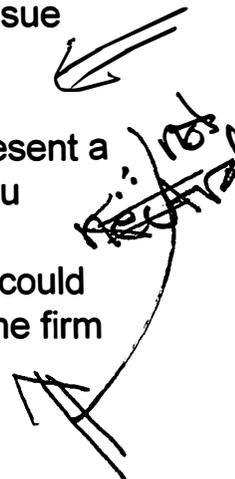
Your recent letter to FINRA Dispute Resolution, Inc. President Linda D. Fienberg was referred to me for response. As I told you in June, all of your communications to FINRA will come to me, regardless of to whom they are addressed, and I will decide whether to respond.

I am responding to your July 3 letter because it contains several fundamental misstatements of FINRA's status, and of the rules applicable to the payment of arbitration awards.

First, while FINRA's existence is authorized pursuant to a federal statute, it is not a government agency; it receives no appropriations from Congress or any other government entity; it is not operated by the government; and no government official is employed by FINRA, or sits on any FINRA board or committee. Quite simply, FINRA has no Congressionally-imposed obligation

to you “to answer questions and address issues” that you present. We have responded to you as a courtesy, and because we want you to understand FINRA’s role in arbitration, and what we can and cannot do. But we have provided you with all of the explanation and information we can. We cannot give you what you apparently want—a “pass” on complying with the arbitration award. That power lies only with the court.

Second, you seem to think that FINRA’s By-Law, Article VI, Section 3, exempts you from any legal obligation to pay the arbitration award at issue because it contain an exception for “valid basis for non-payment.” The By-Law in question permits FINRA to suspend the licenses of firms and associated persons who fail to pay an arbitration award, unless they present a valid reason for not paying the award. The By-Law does not apply to you because you are not a firm or associated person subject to FINRA’s regulatory jurisdiction. You do not hold a securities license that FINRA could suspend. Moreover, the By-Law is inapplicable because in your case, the firm was not in fact ordered to pay anything on the award—you were.



Finally, the term “valid basis for non-payment” applies only to the FINRA By-Law; it does not apply in any court proceeding that the firm might bring against you to enforce the award. FINRA has no role in judicial proceedings to confirm or vacate arbitration awards, and FINRA By-Laws do not relieve you of any obligation imposed by the arbitrators. Only the court can do that under the law governing judicial enforcement and vacatur of arbitration awards. If you want to assert these reasons for nonpayment of your award in court, you are of course free to do so. I urge you to consult with competent counsel about your legal options because your continued efforts to involve FINRA in your judicial proceeding will not change your legal position.

You made a separate request for the “voting record” of the three arbitrators on your case. You can access all awards issued by each of these arbitrators by using the FINRA Awards Online database and searching for their names. Here is the link: <http://finraawardsonline.finra.org/> .

If you contact anyone at FINRA, they will not respond—they will only forward your communication to me, as Ms. Fienberg did. And I will only respond if I deem it appropriate to do so.

We are sorry that you are not happy with the outcome of your arbitration, but our involvement with you is ended. You have to seek any redress in court, through your attorney.

Very truly yours,

Terri L. Reicher

Associate Vice President

Associate General Counsel

FINRA

1735 K Street, N.W.

Washington, DC 20006

██████████

██████████████████

Confidentiality Notice: This email, including attachments, may include non-public, proprietary, confidential or legally privileged information. If you are not an intended recipient or an authorized agent of an intended recipient, you are hereby notified that any dissemination, distribution or copying of the information contained in or transmitted with this e-mail is unauthorized and strictly prohibited. If you have received this email in error, please notify the sender by replying to this message and permanently delete this e-mail, its attachments, and any copies of it immediately. You should not retain, copy or use this e-mail or any attachment for any purpose, nor disclose all or any part of the contents to any other person. Thank you



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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA REGIONAL OFFICE
Mellon Independence Center
701 Market Street
SUITE 2000
PHILADELPHIA, PENNSYLVANIA 19106-1532

December 2, 2010

Ms. Carrie Devorah
1330 New Hampshire Avenue NW
Apartment 607
Washington, DC 20036-6311

Re: Bennett Group Financial Services

Dear Ms. Devorah:

This is to confirm that we have received the documents that you sent to us relating to the above-referenced matter. Cooperation in furnishing information is very important to us in fulfilling our enforcement and regulatory responsibilities under the federal securities laws. Your documents have been referred to the appropriate people within the Commission.

This should not be construed as an expression of opinion on the part of the Commission or its staff that any violation of law has occurred, nor should it reflect adversely on the character or reliability of any person or entity or on the merits of any security involved.

Although cooperation by the public in furnishing information is very important in our work, our work is confidential. This is done to protect the integrity of an investigation from premature disclosure and to protect the privacy of persons with respect to whom unfounded charges may be made. Thus, subject to applicable provisions of the Freedom of Information Act, as amended, the existence or non-existence of an investigation is generally not disclosed unless it is made a matter of public record in proceedings instituted before the Commission or in the courts. As a result, we will not be able to provide you with any future updates on the status of your complaint or of any pending Commission investigations.

Additionally, we are not authorized to render legal or financial advice, nor may we represent any individual in connection with the assertion of his personal claims or rights. You have the right to consult a lawyer to explore any remedies that may be available to you. To do so, however, you must initiate legal action promptly or you may lose your legal rights to recover funds.

55
(1)

Ms. Carrie Devorah
Page 2
December 2, 2010

I have enclosed an SEC Form 1662 that governs information given to the Commission.
Thank you for contacting the Commission and taking the time to send in your documents.

Very truly yours,

Cynthia Hoekstra

Cynthia Hoekstra
Attorney

Enclosure:
SEC Form 1662

Compensation for Cheated Investors Act Summary

This bill directs FINRA to use its existing authority to create a fund that compensates investors for unpaid arbitration awards against FINRA members.

According to a December 2015 report by FINRA's Dispute Resolution Task Force, investors were unable to collect more than \$62 million in unpaid arbitration awards in 2013 alone.¹ A subsequent study by the Public Investors Arbitration Bar Association determined that one-third of all arbitration awards in 2013 went unpaid, and that the \$62 million in unpaid awards represented nearly a quarter of the total amount of arbitration awards that year.²

FINRA — and its predecessor self-regulatory organizations — have let this problem continue for too long. A 2000 report from the non-partisan United States General Accounting Office found that 49 percent of investor arbitration awards in 1998 went entirely unpaid by broker-dealers and an additional 12 percent were only partially paid.³ Those unpaid awards cost defrauded investors more than \$100 million.⁴ GAO recommended that the self-regulatory organizations “develop procedures addressing the problem of unpaid awards caused by failed broker-dealers.”⁵ Yet, nearly two decades later, FINRA still has not established such procedures and investors have been unable to recover hundreds of millions of dollars owed to them.

Senator Warren asked then-CEO of FINRA Richard Ketchum about this issue at a Banking Subcommittee hearing in March 2016. Mr. Ketchum said it was an issue worth addressing and that FINRA would look into it. FINRA has not acted on it since.

This bill directs FINRA to establish a pool funded by penalties from member organizations that will provide adequate funds to pay unpaid final awards and track whether arbitration awards are paid.

¹ Final Report and Recommendations of the FINRA Dispute Resolution Task Force (Dec. 2015), at 50 (available at <https://www.finra.org/sites/default/files/Final-DR-task-force-report.pdf>).

² Public Investors Arbitration Bar Association, *Unpaid Arbitration Awards* (Feb. 25, 2016), at 7 (available at [https://piaba.org/system/files/pdfs/Unpaid%20Arbitration%20Awards%20-%20A%20Problem%20The%20Industry%20Created%20-%20A%20Problem%20The%20Industry%20Must%20Fix%20\(Febuary%2025,%202016\).pdf](https://piaba.org/system/files/pdfs/Unpaid%20Arbitration%20Awards%20-%20A%20Problem%20The%20Industry%20Created%20-%20A%20Problem%20The%20Industry%20Must%20Fix%20(Febuary%2025,%202016).pdf)).

³ United States General Accounting Office, *Securities Arbitration: Actions Needed to Address Problem of Unpaid Awards* (June 2000), at 5 (available at <http://www.gao.gov/assets/160/156962.pdf>).

⁴ Id.

⁵ Id. at 9.

115TH CONGRESS
2D SESSION

S. _____

To require the Financial Industry Regulatory Authority to establish a relief fund to provide investors with the full value of unpaid arbitration awards issued against brokerage firms or brokers regulated by the Authority.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To require the Financial Industry Regulatory Authority to establish a relief fund to provide investors with the full value of unpaid arbitration awards issued against brokerage firms or brokers regulated by the Authority.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINRA RELIEF FUND.**

4 (a) DEFINITIONS.—In this Act:

5 (1) BANK.—The term “bank” means—

6 (A) a banking institution organized under
7 the laws of the United States;

1 (B) a member bank of the Federal Reserve
2 System;

3 (C) any other banking institution—

4 (i) whether incorporated or not, doing
5 business under the laws of any State or of
6 the United States, a substantial portion of
7 the business of which consists of receiving
8 deposits or exercising fiduciary powers
9 similar to those permitted to national
10 banks under the authority of the Comp-
11 troller of the Currency pursuant to the
12 first section of the Act entitled “An Act to
13 place authority over the trust powers of
14 national banks in the Comptroller of the
15 Currency”, approved September 28, 1962
16 (12 U.S.C. 92a);

17 (ii) supervised and examined by a
18 State or Federal authority having super-
19 vision over banks; and

20 (iii) that is not operated for the pur-
21 pose of evading the provisions of that Act;
22 and

23 (D) a receiver, conservator, or other liqui-
24 dating agent of any institution or firm de-
25 scribed in subparagraph (A), (B), or (C).

1 (2) **BROKER.**—The term “broker”—

2 (A) means any individual, corporation,
3 partnership, association, joint stock company,
4 business trust, unincorporated organization, or
5 any other legal entity engaged in the business
6 effecting transactions in securities for the ac-
7 count of others;

8 (B) has been admitted to membership in
9 FINRA; and

10 (C) is not a bank.

11 (3) **BROKERAGE FIRM.**—The term “brokerage
12 firm” means any broker or dealer admitted to mem-
13 bership in FINRA.

14 (4) **FINRA.**—The term “FINRA” means the
15 Financial Industry Regulatory Authority.

16 (5) **RELIEF FUND.**—The term “relief fund”
17 means the relief fund that FINRA is required to es-
18 tablish under subsection (b).

19 (b) **FUND ESTABLISHED.**—FINRA shall establish a
20 relief fund that shall be used to provide an investor with
21 the full value of an arbitration award that—

22 (1) was issued in favor of the investor against
23 a brokerage firm or a broker regulated by FINRA;

24 (2) was confirmed in a court of competent ju-
25 risdiction in a final order that is not appealable; and

1 (3) is unpaid as of the date that the investor
2 submits a claim to the relief fund.

3 (c) NO LIMITATIONS.—FINRA may not—

4 (1) limit the amount that an investor may re-
5 ceive from the relief fund; or

6 (2) prohibit any investor from submitting a
7 claim to the relief fund.

8 (d) IDENTIFICATION OF SUFFICIENT FUNDS.—
9 FINRA shall ensure that—

10 (1) there are sufficient reserves in the relief
11 fund to provide each investor that submits a valid
12 claim to the relief fund with the entire amount owed
13 to that investor, including in a year in which there
14 may be an unusually large number of unpaid arbi-
15 tration awards that are subject to claims from the
16 relief fund;

17 (2) the reserves described in paragraph (1) are
18 obtained from brokerage firms or brokers regulated
19 by FINRA and not from investors; and

20 (3) the relief fund shall be funded first from
21 penalties paid by brokers and then from sources de-
22 termined by FINRA.

23 (e) DISCLOSURE.—FINRA shall annually disclose on
24 a publicly available website—

1 (1) for the year covered by the disclosure, the
2 total number of arbitration awards issued in favor of
3 investors against brokerage firms or brokers regu-
4 lated by FINRA, including—

5 (A) the total dollar amount of such
6 awards;

7 (B) the number of such awards that, as of
8 the date of the disclosure, are unpaid, including
9 the total dollar amount of the unpaid awards;
10 and

11 (C) with respect to each arbitration award
12 issued against a broker regulated by FINRA—

13 (i) the name of the brokerage firm or
14 broker regulated by FINRA against which
15 the award was issued;

16 (ii) the total amount of the award;

17 (iii) the specific claims asserted by the
18 investor in the arbitration;

19 (iv) the date by which the award was
20 required to be paid in full (pursuant to
21 FINRA rules); and

22 (v) the actual date the award was
23 paid in full or, if any part of the award
24 has not been paid in full, an explanation as
25 to why not; and

1 (2) beginning in the first full year after the re-
2 lief fund is established, the number of—

3 (A) claims made to the relief fund during
4 the year covered by the disclosure; and

5 (B) investors that made claims to the relief
6 fund that, as of the date of the disclosure, have
7 not obtained an amount from the relief fund.

8 (f) IMPLEMENTATION.—

9 (1) IN GENERAL.—FINRA shall—

10 (A) not later than 1 year after the date of
11 enactment of this Act, promulgate such regula-
12 tions as FINRA determines are necessary to es-
13 tablish the relief fund; and

14 (B) when adopting rules under paragraph
15 (1), establish a procedure for submitting a
16 claim to, and recovering an amount from, the
17 relief fund that—

18 (i) reduces the burden on investors;
19 and

20 (ii) ensures that an investor obtains
21 an amount from the relief fund as quickly
22 as is practicable after submitting a valid
23 claim to the relief fund.

24 (2) FAILURE TO PROMULGATE REGULATIONS.—

25 If FINRA fails to promulgate the regulations under

1 paragraph (1), FINRA shall use amounts made
2 available to FINRA from its general budget to pay
3 claims made to the relief fund.

4 (g) CLAIMS.—FINRA may require investors to sub-
5 rogate their claims against brokers and FINRA may pur-
6 sue additional remedies against the brokers.



AdvisorAssist

HOME

CHANNELS »

TI

Friday, January 3, 2014

FINRA Bank Change - February 2014

8:39 AM

CHRISTOPHER WINN

[NO COMMENTS](#)



FINRA issued a reminder notice on January 2, 2014 that they will be changing the bank used to process payments. Please see our original notification in [November 2013](#).

A copy of the notice is below.

AdvisorAssist strongly encourages advisors to use the new E-Bill funding account instead of mailing and wiring money. We often encounter issues with FINRA mistakes with these manual payment processes.

If you must mail a check or make a wire, but very careful to follow the instructions and formally follow-up to ensure the funds reached

your account.

For instructions on the new E-Bill system, please visit the [AdvisorAssist Blog](#).

As a reminder, in February 2014, FINRA will switch its banking services to a new bank. As part of this transition, FINRA will simplify the methods firms use to make payments to us.

First, FINRA will consolidate all check payment addresses, with the exception of GASB payments, into a single payment address. This change will allow for a more efficient check payment and deposit process.

Second, to ensure your firm's payments are applied to the correct invoice in a timely manner, firms must include invoice numbers on all check remittances, and include it as the reference number on ACH and wire payments. Note: If a firm submits a payment without an invoice number, FINRA will apply the funds to the firm's FINRA Flex-Funding account, which is accessible via [E-Bill](#). Someone at your firm must then transfer the funds to the appropriate invoice in order for the invoice to be closed.

Starting in February, you must use the following information to make payments to FINRA.

Mailing Address

To mail a check to FINRA, include the invoice number on the check and mail the payment to:

All payments (except GASB payments)

Bank of America Lockbox Services FINRA 418911 MA5-527-02-07 2 Morrissey Blvd. Dorchester, MA 02125

GASB payments

Bank of America Lockbox Services GASB 418925 MA5-527-02-07 2 Morrissey Blvd. Dorchester, MA 02125

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Wiring Instructions

To wire a payment to FINRA, provide your firm's bank with the following information:

FINRA and subsidiaries (except GASB payments)

Transfer funds to: FINRA Wire ABA Number: 026009593 ACH ABA Number: 054001204 Beneficiary:
FINRA FINRA Account Number: 226005684771 Reference Number: Invoice number

GASB payments

Transfer funds to: FINRA Wire ABA Number: 026009593 ACH ABA Number: 054001204 Beneficiary:
FINRA FINRA Account Number: 226005684823 Reference Number: Invoice number

W-9 Information

Please see the attached W-9 for the relevant information to update your Accounts Payable system.

As a reminder, firms can view and pay invoices through [E-Bill](#), FINRA's electronic billing system.

If you have any questions, please contact the FINRA Accounts Receivable Department at (240) 386-5909.

Posted in: [E-Bill System](#), [FINRA](#), [Registration Fees](#)

0 COMMENTS:

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Comment as: Carrie Devorah (G)

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corporations are exempt. A person registered under the Investment Advisers Act of 1940 who regularly acts as a broker also is exempt.

Barter exchange transactions and patronage dividends. Only payees listed in items 1 through 4 are exempt.

Payments reportable under sections 6041 and 6041A. Payees listed in items 1 through 5 generally are exempt.

However, the following payments made to a corporation and reportable on Form 1099-MISC, Miscellaneous Income, are not exempt from backup withholding.

- Medical and health care payments.
- Attorneys' fees (also gross proceeds paid to an attorney, reportable under section 6045(f)).
- Payments for services paid by a federal executive agency. (See Rev. Rul. 2003-66, which is on page 1115 of Internal Revenue Bulletin 2003-26 at www.irs.gov/pub/irs-irbs/irb03-26.pdf.)

Payments made in settlement of payment card or third party network transactions. Only payees listed in items 1 through 4 are exempt.

Payments Exempt From Backup Withholding

Payments that are not subject to information reporting also are not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A, 6050N, and 6050W and their regulations. The following payments generally are exempt from backup withholding.

Dividends and patronage dividends.

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an ESOP.

Interest payments.

- Payments of interest on obligations issued by individuals. However, if you pay \$600 or more of interest in the course of your trade or business to a payee, you must report the payment. Backup withholding applies to the reportable payment if the payee has not provided a TIN or has provided an incorrect TIN.
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Other types of payment.



FINRA Billing/Collections Frequently Asked Questions (FAQ)

General Billing/Collection Questions

Q1. What are the methods of making payments for FINRA invoices?

A1. The preferred method of payment is through E-Bill, which firms can access via the Firm Gateway. Visit the E-Bill Web page for more information on making payments via E-Bill.

The next best way to make payment to FINRA is via check. When making payments by check, include the invoice number with your payment.

Wire/ACH payments are also acceptable but please remember to include the invoice number as the reference number so we can properly apply your payment.

Q2. Will I receive a paper invoice from FINRA?

A2. FINRA's primary delivery method for invoices is electronic via E-Bill (except for arbitration, fines and costs, and miscellaneous billing). FINRA no longer automatically mail invoices to firms. Firms that choose to receive a paper invoice must opt-in via E-Bill to receive it.

Q3. Who do I call if I have questions regarding specific items on my FINRA invoice or other collection questions?

Invoice Type or FINRA Process	BILLING SERVICE CONTACT
Advertising	Dawit Beru (240) 386-5308
Arbitration/Matrices	Jeni Baker (240) 386-5188
BDW Cancellation Process	Chantel Wright (240) 386-5392
CMA (Change in Membership Application)	Dawit Beru (240) 386-5308
Corporate Actions	Emily Maurer (240) 386-5437

CRD (Central Registration Depository)	Jeni Baker (240) 386-5188
E-Bill	Dawit Beru (240) 386-5308
Education & Training	Emily Maurer (240) 386-5437
FNC (Fines and Costs)	Chantel Wright (240) 386-5392
GASB (Governmental Accounting Standards Board)	Dawit Beru (240) 386-5308
Miscellaneous Billing	Jeni Baker (240) 386-5188
MREGN (Member Regulation Fee) Annual Assessment	Chantel Wright (240) 386-5392
ORF (OTC Equities Reporting Facility)	Vicki Gincel (240) 386-5394
REGT Filing Extensions	Chantel Wright (240) 386-5392
RGFEE (Regulatory Transaction Fee)	Vicki Gincel (240) 386-5394
Suspension Notices	Dawit Beru (240) 386-5308
TAF (Trading Activity Fee)	Michelle Glunt (240) 386-5351
TRACE (Fixed Income Regulation FEE/ Trade Reporting and Compliance Engine)	Emily Maurer (240) 386-5437
General Billing/Invoice questions	Michelle Glunt (240) 386-5351
General Collections questions	FINRA Accounts Receivable Department (240) 386-5910

Q4. If a firm received notice of an unpaid invoice, can they make payment with funds in Flex-

A4. Firms should call FINRA Finance if amendments affect the revenue totals and if their gross FOCUS revenue is greater than \$1 million.

Q5. If a firm files a Form BDW subsequent to paying its Member Regulation Fee, will the firm be entitled to a refund?

A5. Firms will be eligible for a prorated refund of the Gross Income Assessment, unless the BDW is filed in the fourth quarter, in which case no refund is available. Personnel Assessments are neither refunded nor prorated.

Q6. How is the Personnel Assessment determined?

A6. The Personnel Assessment is based on the firm's number of registered representatives as of December 31 of the previous year under a tiered rate structure. The fee structure is as follows:

Number of Reps	Fee
1-5	\$150/rep
6-25	\$140/rep
26+	\$130/rep

not called employees here but called employees on FINRA Brokercheck when all ICA - independent contractors raising issues of state + federal DOL

If you have questions regarding the number of registered representatives used in calculating your firm's PA assessment, please contact Daniel Hardesty at (240) 386-5472.

Q7. If a firm terminates any of its personnel prior to year-end, will the firm receive a Personnel Assessment refund?

A7. No. Personnel Assessments are neither refunded nor prorated.

Q8. Will firms be billed for additional Personnel Assessment if they hire new personnel during the year?

A8. No. As noted above the Personnel Assessment is based solely on the number of registered representatives as of December 31 of the preceding year.

Q9. Can firms view their invoices on the CRD website?

A9. No, however, your invoice is available through E-Bill, which you can access via the Firm Gateway.

Q10. Can firms pay their invoices through the Flex Funding Account?

A10. Yes, firms can reallocate funds via E-Bill.

Q11. When is the payment due? Can we pay the Annual Assessment Invoice in installments?

A11. Firms can pay the entire invoice upon the receipt of the invoice. If a firm chooses, payments can be made in 4 installments as follows:

A3. Yes, firms must call FINRA Operations at (866) 776-0800. Before termination is complete, firms must complete the electronic order to discontinue service.

RGFEE (Regulatory Transaction Fee/Sec-31)

Q1. General Information

A1. This section is designed to help FINRA member firms understand the process FINRA uses to calculate the Regulatory Transaction Fee.

The basis for the Regulatory Transaction Fee is trade reports provided to FINRA, by firms, through the Over the Counter Reporting Facility (ORF), the Alternative Display Facility (ADF), the FINRA/NASDAQ Trade Reporting Facility (NQTRF), and the FINRA/NYSE Trade Reporting Facility (NYTRF). Activity for each trade reporting facility is broken out onto a separate line on the invoice. The invoice line item for each trade reporting facility includes fees for trades for the month net of trade reversals and step-out transactions.

Trade reports are accumulated and processed, for billing, on a monthly basis. In cases where a reported trade is amended, FINRA uses the final state of the trade as the basis for determining whether the trade should be included, or excluded, from the Regulatory Transaction Fee calculations. For example, if a trade has been corrected three times during a month, the state of the trade following the third, and final, correction will be used as the basis for the calculation for that month.

Q2. Which date drives the calculations?

A2. FINRA uses the Trade Report Date (i.e. the date the trade is reported to the FINRA facility) for determining the appropriate billing period and rate (which is the same rate as that determined by the SEC for calculating FINRA's Section 31 fees).

Q3. What trade amounts are used for the calculations?

A3. The Contract Value (Entered Price times Entered Volume) is multiplied by the applicable rate to determine the fee.

Q4. Which firm is billed?

A4. Generally, the clearing firm reported on the sell-side of the transaction will be charged for the Regulatory Transaction Fee.

If the clearing firm that is determined to be on the sell-side of the trade is **not** an active FINRA member, the Regulatory Transaction Fee will be charged to the clearing firm on the buy-side. If neither the sell-side clearing firm nor the buy-side clearing firm is an active FINRA member, the Regulatory Transaction Fee will be charged to the firm associated with the MPID on the sell-side of the trade. If that firm is not an active FINRA member, the Regulatory Transaction Fee will be charged to the firm associated with the MPID on the buy-side of the trade.

Q5. Which trades are included?

- > Trades marked by the reporting firm as "tape-reported" (i.e. Client-provided Publish Flag of

GASB (Governmental Accounting Standards Board)

Q1. What are GASB Fees?

A1. The GASB Accounting Support Fee is collected on a quarterly basis from member firms that report trades to the Municipal Securities Rulemaking Board (MSRB).

Q2. How are the GASB fees calculated?

A2. Each member firm's assessment is based on the member firm's portion of the total par value of municipal securities transactions reported by all FINRA member firms to the MSRB during the previous quarter.

Corporate Actions

Q1. Can I get a fee waiver?

A1. Please send an email to Emily Maurer with your request and FINRA Finance Department will forward it to the Corporate Action Department for review.

Corporate Finance

Q1: I checked the system and the balance is showing \$0.

A1: To see your firm's fee calculation, go to the Fee Cabinet in the POS System. Select the tab "Fed wire or Fee Info". Call the Corporate Finance Department at (240) 386-4623 for help.

Arbitration and Mediation

Q1. Where can I find out more information on Arbitration and Mediation?

A1. Please see the arbitration and mediation page.

Q2. I show that my invoice has a credit balance. When should I expect to receive the refund check?

A2. If the case is closed, the refund will be sent out within 60 days starting from the day the case was closed if there is no other outstanding balance.

Q3. I am expecting a refund check to be sent out. Does the refund check get sent to the attorney or the party listed in the case?

A3. The refund will be sent to the care of the attorney but the refund check will always be made out to the party listed on the case. We do not make the check payable to the attorneys.

Q4. I do not believe a fee that I was assessed is accurate. How can I get the error corrected?

A4. You would need to reach out to your case administrator. The case administrator assesses the fees in the case and would be responsible for any adjustments.

Q5. How can I get a copy of older invoices for an arbitration case?

A5. If you are the individual who was listed in the case or an attorney who represented a party in the case, you can email arbitration@finra.org or call (240) 386-5910 to obtain the invoice. If you send an email, please include the case ID number and the firm/individual to whom that invoice was billed.

Q6. The address that was listed on my invoice is incorrect. How do I update it?

A6. If the address needs to be updated you should email arbitration@finra.org. Please include the new address in the email as well as the party name and case ID number.

Q7. How can I start a payment plan or apply for a financial hardship?

A7. If you want to start a payment plan, you should email arbitration@finra.org. Investors and associated persons may apply for a financial hardship by sending an email to arbitration@finra.org. Please indicate which option you are requesting and reference the customer number in the email.

If you have additional questions regarding FINRA billing or collections, please contact the FINRA Accounts Receivable Department at (240) 386-5910, or Amanda Rath at (240) 386-6637.

[Sitemap](#) [Privacy](#) [Legal](#)

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News Release

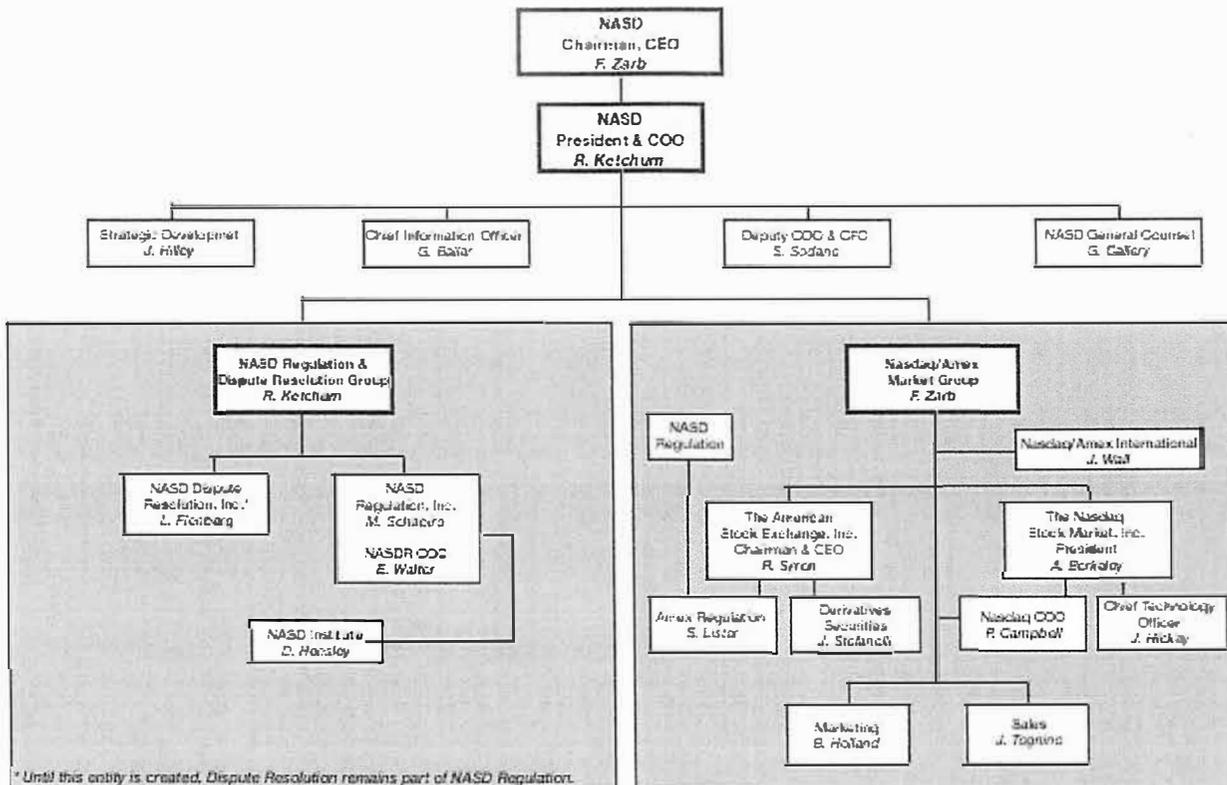
For Release: Tuesday, December 1, 1998

Contact(s): Michael Jones
(202) 728-8157



NASD Announces New Organizational Structure

Washington, D.C.—The National Association of Securities Dealers, Inc. (NASD®), today announced the creation of two new divisions – The Nasdaq-Amex Market GroupSM and the NASD Regulation and Dispute Resolution Group – designed to enhance market efficiencies, as demonstrated by the following chart:



The Nasdaq-Amex Market Group, Inc., will address the market created by the merger of The Nasdaq Stock Market® and the American Stock Exchange® (Amex®). The other, NASD Regulation, Inc. & Dispute Resolution Group, will focus on regulatory and investor protection issues, as well as the dispute resolution function.

NASD Chairman & Chief Executive Officer Frank G. Zarb will lead the Nasdaq-Amex Market Group, which is the first of its kind—a unique dual market structure that sets the stage for the stock market of the future.

The Nasdaq Stock Market, headed by President Alfred R. Berkeley, III, and the American Stock Exchange, headed by Chairman and Chief Executive Officer Richard Syron, will operate under a single holding company—with each market continuing to function as an independent subsidiary under The Nasdaq-Amex Market Group. Syron will also become a member of the Office of the Chairman of the NASD. Each market will be able to provide substantial benefits to investors, companies, and member firms of all sizes through technological innovation, and resource and operating efficiencies.

The NASD Regulation & Dispute Resolution Group, will be led by NASD President and Chief Operating Officer Richard G. Ketchum. This group will include NASD Regulation, Inc., headed by President Mary L. Schapiro. Elisse Walter will continue in her capacity of Chief Operating Officer of NASD Regulation, Inc. A new subsidiary, NASD Dispute Resolution, Inc., will be created within this group to handle all dispute resolution matters, including both arbitration and mediation.

"Now that our merger with the American Stock Exchange is complete, we are moving quickly to deliver enhanced value to investors, issuers, and member firms. Our first order of business is to make sure our organizations are properly melded, with sensitivity to both cultures," said Frank Zarb. "As we move down this new road, we must have the structure and leadership in place to meet the challenges of a more competitive and rapidly evolving marketplace. Our Market and Regulatory Groups give us this capability."

The National Association of Securities Dealers, Inc. is the largest securities-industry, self-regulatory organization in the United States and parent organization of NASD Regulation, Inc., and The Nasdaq-Amex Market Group. Through its regulatory subsidiary, the NASD develops rules and regulations, provides a dispute resolution forum, and conducts regulatory reviews of member activities for the protection and benefit of investors. Through the Nasdaq-Amex Market Group, the NASD operates The Nasdaq Stock Market and the American Stock Exchange (Amex) in a unique dual market structure that brings together the central auction specialist and multiple Market Maker systems. The NASD oversees the nation's 5,600 brokerage firms and more than half a million registered brokers. Consumers can contact the NASD to obtain the disciplinary and work histories, as well as other selected background information, of member firms and individual brokers or to get information on how to lodge a complaint.

For more information about the NASD and its subsidiaries, please visit the following Web sites: www.nasd.com; www.nasdaq-amex.com; or the Nasdaq-Amex NewsroomSM at www.nasdaq-amexnews.com.

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this Investment Adviser Representative? **Yes**

The following types of events are disclosed about this Investment Adviser Representative:

Type

Regulatory Event

Customer Dispute

Count

1

23

BROKER DEALER INFORMATION ⓘ

This individual currently is registered as an investment adviser representative and previously was registered as a broker. For more information about this individual's record as a broker, visit FINRA's BrokerCheck website at: <http://www.finra.org/brokercheck>

KYUSUN KIM (CRD# 2864085)**Alternate Names:** KYU SUN KIM , Kenny Kim

The report summary provides an overview of the Investment Adviser Representative's professional background and conduct. The information contained in this report has been provided by the Investment Adviser Representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the Investment Adviser Representative, a previous employing firm, or a securities regulator on **07/02/2018**.

CURRENT EMPLOYERS**SANDLAPPER WEALTH MANAGEMENT, LLC**

IARD# 41534

16885 West Bernardo Drive Suite 108

San Diego, CA 92127

Registered with this firm since: 03/23/2016

QUALIFICATIONS

This Investment Adviser Representative is currently registered in **3** jurisdiction(s).

Is this Investment Adviser Representative currently suspended with any jurisdiction? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This Investment Adviser Representative was previously registered with the following Investment Adviser firms:

FIRM (IARD#) - LOCATION**REGISTRATION DATES**

INDEPENDENT FINANCIAL GROUP, LLC (IARD# 7717) - SAN DIEGO, CA

02/27/2006 - 03/21/2016

LINCOLN FINANCIAL ADVISORS CORPORATION (IARD# 3978) - SAN DIEGO, CA

10/15/1999 - 03/03/2006

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Robert W. Baird & Co. Incorporated (CRD #8158, Milwaukee, Wisconsin) submitted an AWC in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit last sale reports of transactions in designated securities to the FNTRF within 30 seconds after execution. (FINRA Case #2012033834401)

Triad Securities Corp (CRD #11363, New York, New York) submitted an AWC in which the firm was censured and fined \$7,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report secondary market trades (\$1 transactions) in TRACE-eligible corporate debt securities to TRACE within 15 minutes of the execution time. (FINRA Case #2013036988601)

Individuals Barred or Suspended

Robert Thomson Angle (CRD #811495, San Francisco, California) submitted an Offer of Settlement in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the allegations, Angle consented to the sanction and to the entry of findings that he failed to provide FINRA-requested information and documents. The findings stated that as a result of Angle's member firm's Uniform Request for Broker-Dealer Withdrawal (Form BDW) filing, a close-out examination was commenced to determine whether any violations of the federal securities laws and/or FINRA rules had occurred since the completion of the firm's most recent FINRA examination. Because Angle was designated as his firm's records custodian, all correspondence and requests for information were sent to him at his residential address of record in CRD and also to him at the firm's address, which he listed in the Custodian Information section of the Form BDW. Angle claimed he could not produce certain requested documents because the firm did not have access to them and its former clearing firms would not release the documents to him. These records were, or should have been, at the location at which the firm's records were kept following its withdrawal from membership, and constituted records that Angle was obligated, as custodian, to provide upon FINRA's request. (FINRA Case #2012032033101)

Daniel P. Barthold (CRD #5291827, North Bellmore, New York) submitted an AWC in which he was fined \$2,500 and suspended from association with any FINRA member in any capacity for 10 business days. Without admitting or denying the findings, Barthold consented to the sanctions and to the entry of findings that together with two other registered representatives, he attempted to settle a customer complaint away from their member firm by agreeing to jointly pay \$4,000 to the customer and by sending \$1,500 in cash to the customer in furtherance of the settlement agreement without the firm's knowledge or consent.

The suspension was in effect from September 15, 2014, through September 26, 2014. (FINRA Case #2012034393401)

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denying
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"guilty or not"



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8210. Provision of Information and Testimony and Inspection and Copying of Books

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(a) Authority of Adjudicator and FINRA Staff

For the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, an Adjudicator or FINRA staff shall have the right to:

(1) require a member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding; and

(2) inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such member's or person's possession, custody or control.

(b) Other SROs and Regulators

(1) FINRA staff may enter into an agreement with a domestic federal agency, or subdivision thereof, or foreign regulator to share any information in FINRA's possession for any regulatory purpose set forth in such agreement, provided that the agreement must require the other regulator, in accordance with the terms of the agreement, to treat any shared information confidentially and to assert such confidentiality and other applicable privileges in response to any requests for such information from third parties.

Any such agreement with a foreign regulator must also meet the following conditions:

(A) the other regulator party to the agreement must have jurisdiction over common regulatory matters; and

(B) the agreement must require the other regulator to reciprocate and share with FINRA information of regulatory interest or concern to FINRA.

(2) FINRA staff may exercise the authority set forth in paragraph (a) for the

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purpose of an investigation, complaint, examination, or proceeding conducted by another domestic or foreign self-regulatory organization, association, securities or contract market, or regulator of such markets with which FINRA has entered into an agreement providing for the exchange of information and other forms of material assistance solely for market surveillance, investigative, enforcement, or other regulatory purposes.

(c) Requirement to Comply

INVESTIGATION
AND
SANCTIONS

No member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.

8100.
GENERAL
PROVISIONS

(d) Notice

8200.
INVESTIGATION

8210.
Provision
of
Information
and
Testimony
and
Inspection
and
Copying
of
Books

A notice under this Rule shall be deemed received by the member or currently or formerly registered person to whom it is directed by mailing or otherwise transmitting the notice to the last known business address of the member or the last known residential address of the person as reflected in the Central Registration Depository. With respect to a person who is currently associated with a member in an unregistered capacity, a notice under this Rule shall be deemed received by the person by mailing or otherwise transmitting the notice to the last known business address of the member as reflected in the Central Registration Depository. With respect to a person subject to FINRA's jurisdiction who was formerly associated with a member in an unregistered capacity, a notice under this Rule shall be deemed received by the person upon personal service, as set forth in Rule 9134(a)(1).

If the Adjudicator or FINRA staff responsible for mailing or otherwise transmitting the notice to the member or person has actual knowledge that the address in the Central Registration Depository is out of date or inaccurate, then a copy of the notice shall be mailed or otherwise transmitted to:

8211.
Automated
Submission
of
Trading
Data
Requested
by
FINRA

(1) the last known business address of the member or the last known residential address of the person as reflected in the Central Registration Depository; and

(2) any other more current address of the member or the person known to the Adjudicator or FINRA staff who is responsible for mailing or otherwise transmitting the notice.

8213.
Automated
Submission
of
Trading
Data
for

If the Adjudicator or FINRA staff responsible for mailing or otherwise transmitting the notice to the member or person knows that the member or person is represented by counsel regarding the investigation, complaint, examination, or proceeding that is the subject of the notice, then the notice shall be served upon counsel by mailing or otherwise transmitting the notice to the counsel in lieu of the member or person, and any notice served upon counsel shall be deemed received by the member or person.

(e) Electronic Interface

Non-
Exchange-
Listed
Securities
Requested
by
FINRA

In carrying out its responsibilities under this Rule, FINRA may, as appropriate, establish programs for the submission of information to FINRA on a regular basis through a direct or indirect electronic interface between FINRA and members.

(f) Inspection and Copying

8300.
SANCTIONS

A witness, upon proper identification, may inspect the official transcript of the witness' own testimony. Upon written request, a person who has submitted documentary evidence or testimony in a FINRA investigation may procure a copy of the person's documentary evidence or the transcript of the person's testimony upon payment of the appropriate fees, except that prior to the issuance of a complaint arising from the investigation, FINRA staff may for good cause deny such request.

9000.
CODE OF
PROCEDURE

(g) Encryption of Information Provided in Electronic Form

10000.
CODE OF
ARBITRATION
PROCEDURE

(1) Any member or person who, in response to a request pursuant to this Rule, provides the requested information on a portable media device must ensure that such information is encrypted.

11000.
UNIFORM
PRACTICE
CODE

(2) For purposes of this Rule, a "portable media device" is a storage device for

12000.

CODE OF
ARBITRATION
PROCEDURE
FOR

CUSTOMER
DISPUTES

13000.

CODE OF
ARBITRATION
PROCEDURE
FOR

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DISPUTES

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CODE OF
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Immediately

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Changes

Pending

Issuance of a

Regulatory

Notice

Archive

electronic information, including but not limited to a flash drive, CD-ROM, DVD, portable hard drive, laptop computer, disc, diskette, or any other portable device for storing and transporting electronic information.

(3) For purposes of this Rule, "encrypted" means the transformation of data into a form in which meaning cannot be assigned without the use of a confidential process or key. To ensure that encrypted information is secure, a member or person providing encrypted information to FINRA staff pursuant to this Rule shall (a) use an encryption method that meets industry standards for strong encryption, and (b) provide the confidential process or key regarding the encryption to FINRA staff in a communication separate from the encrypted information itself.

••• **Supplementary Material:** _____

.01 Books and Records Relating to Investigations. This rule requires FINRA members, associated persons and persons subject to FINRA's jurisdiction to provide FINRA staff and adjudicators with requested books, records and accounts. In specifying the books, records and accounts "of such member or person," paragraph (a) of the rule refers to books, records and accounts that the broker-dealer or its associated persons make or keep relating to its operation as a broker-dealer or relating to the person's association with the member. This includes but is not limited to records relating to a FINRA investigation of outside business activities, private securities transactions or possible violations of just and equitable principles of trade, as well as other FINRA rules, MSRB rules, and the federal securities laws. It does not ordinarily include books and records that are in the possession, custody or control of a member or associated person, but whose bona fide ownership is held by an independent third party and the records are unrelated to the business of the member. The rule requires, however, that a FINRA member, associated person, or person subject to FINRA's jurisdiction must make available its books, records or accounts when these books, records or accounts are in the possession of another person or entity, such as a professional service provider, but the FINRA member, associated person or person subject to FINRA's jurisdiction controls or has a right to demand them.

Amended by SR-FINRA-2009-060 eff. Feb 25, 2013.
Amended by SR-FINRA-2010-021 eff. Dec. 29, 2010.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-FINRA-2008-056 eff. Nov. 6, 2008.
Amended by SR-NASD-98-57 eff. March 26, 1999.
Amended by SR-NASD-97-81 eff. Jan. 16, 1998 (formerly Rule 4615).
Amended by SR-NASD-97-28 eff. Aug. 7, 1997.
Amended by SR-NASD-96-46 eff. May 9, 1997.
Amended by SR-NASD-96-14 eff. Aug. 13, 1996.
Amended eff. Apr. 15, 1992.
Sec. 4 redesignated Sec. 5 eff. Sept. 1, 1969.

Selected Notices: [86-36](#), [92-19](#), [96-58](#), [99-16](#), [08-57](#), [10-59](#), [13-06](#).

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Copyrighted material redacted. Author cites:

Antilla, Susan. "Former Morgan Stanley Broker Sues Over Arbitration Policy." The New York Times, The New York Times, 21 Dec. 2017,
www.nytimes.com/2015/10/02/business/dealbook/former-morgan-stanley-broker-sues-over-arbitration-policy.html.



FINRA is Securities Broker-Dealers.org

Guidance on Disputes between Investors and Investment Advisers that are Not FINRA Members

FINRA Office of Dispute Resolution has received inquiries from lawyers who represent investors and those who represent investment advisers (IAs) which are not FINRA members about the availability of FINRA's arbitration and mediation forum to resolve their disputes. Currently, such disputes are resolved in court or in non-FINRA dispute resolution forums. In response to these inquiries, FINRA offers the following guidance:

With respect to arbitration, FINRA will accept these disputes on a voluntary, case-by-case basis if the parties meet the following conditions:

- › The IA and investor submit a post-dispute agreement to arbitrate.
- › The IA or other parties agree to pay all member surcharge and processing fees and such fees are paid prior to service of the statement of claim.
- › The investor files a special written submission agreement to submit the dispute to FINRA Office of Dispute Resolution that is:
 - › Signed by all parties to the arbitration (including all investor parties and all IA parties).
 - › Signed after the events occurred that gave rise to the underlying dispute.

The special submission agreement requires the parties to acknowledge that:

- › FINRA cannot enforce awards entered against non-member IAs and/or their employees (because FINRA is not a Self-Regulatory Organization for IAs).
 - › Prevailing parties may enforce awards entered against non-member IAs and/or their employees in a court of competent jurisdiction pursuant to applicable state or federal law.
- › FINRA may bar the IA from the forum in future cases if an IA fails to pay any award, settlement agreement, or FINRA fees.
- › FINRA cannot process expungement requests relating to information maintained in the Investment Adviser Registration Depository (IARD).
 - › Therefore, the parties may not make expungement requests related to information maintained in the IARD in this matter.

- › FINRA and its arbitrators and mediators will be held harmless from liability arising in connection with the resolution of the parties' dispute.
- › Disputes involving IAs will be administered in accordance with the SEC approved FINRA Codes of Arbitration Procedure.
- › The final award will be made publicly available.

FINRA will also accept industry disputes between non-member IAs and their employees on a voluntary, case-by-case basis if the parties meet the above conditions.

With respect to mediation, FINRA will offer mediation services for any IA disputes on a voluntary basis. Mediation can be faster and less expensive than arbitration or litigation. If the parties agree to mediate, they will not give up any right to arbitrate or litigate if they cannot reach a satisfactory settlement. FINRA's mediation program has achieved an 80% success rate – parties who mediate in our forum resolve four out of every five cases.

Parties and counsel may direct any questions regarding IA cases to Todd Saltzman, Vice President of Case Administration, Neutral Management and Operations at (212) 858-4273 or by email.

Note: FINRA requires IAs to arbitrate investor and industry disputes when the IA is dually registered with FINRA and the dispute arises in connection with the IA's business activities as a FINRA member or associated person (see FINRA Rules 12200 and 13200).

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 16-81924-CIV-MARRA

STEVEN R. GRANT,

Plaintiff,

vs.

MORGAN STANLEY SMITH BARNEY LLC,

Defendant.

OPINION AND ORDER

This cause is before the Court upon Defendant Morgan Stanley Smith Barney LLC's Motion to Compel Arbitration and to Stay (DE 5). The Motion is fully briefed and ripe for review. The Court held a hearing on the Motion on February 24, 2017. The Court has carefully considered the Motion and is otherwise fully advised in the premises.

I. Background

Plaintiff Steven R. Grant ("Plaintiff") brings a five count Amended Complaint against Defendant Morgan Stanley Smith Barney LLC ("Defendant") for a violation of the Florida Civil Rights Act, Florida Statutes § 760.10 (count one), a violation of the Florida's Private Whistleblower Act, Florida Statutes § 448.103 (count two), civil conspiracy (count three), tortious interference with a business relationship (count four) and unjust enrichment (count five). (Am. Compl., DE 1-5.) Plaintiff, an employee of Defendant, alleges Defendant subjected him to age discrimination and retaliated against him when he complained about the alleged discrimination. (Am. Compl. ¶ 1.)

The exhibits attached to the instant motion and the February 24, 2017 hearing established

the following: More than ten years ago, Defendant launched an internal employee dispute resolution program entitled CARE (Convenient Access to Resolutions for Employees). The pre-2015 version of CARE included both a mandatory arbitration program for some claims, and a voluntary arbitration program for other claims. Employment discrimination claims could be pursued in an arbitration forum or in court.

In 2015, Defendant expanded the CARE program to make arbitration mandatory for all covered claims. The arbitration agreement covers “any and all disputes between [Plaintiff] and [Defendant] . . . arising out of, or which arose out of [] employment.” This includes claims for “statutory discrimination, harassment and retaliation claims, and claims under, based on or relating to any federal, state or local . . . statute. . . and any other . . . discrimination law.”

(Arbitration Agreement ¶ 2, DE 5-6.) The agreement also provides that employment discrimination claims, including claims for harassment and retaliation, would be resolved by final and binding arbitration conducted under the auspices and rules of JAMS in accordance with the JAMS arbitration rules. (Id. at ¶ 5(a)(i).)

Defendant delivered this notice to employees via their work email accounts which contained links to the arbitration agreement, the CARE guidebook that described the expanded arbitration program, and the CARE arbitration program opt-out form. This information was also posted on Defendant’s intranet site where all human resources policies are available to employees. The email explained that, effective October 2, 2015, arbitration would mandatory for all employees. The email also explained that continuing employment with Defendant after October 2, 2015 would constitute acceptance of the arbitration agreement unless the employee opted out by following the instructions contained in the notice for completing the opt-out form.

The subject of the email was “expansion of the CARE arbitration program.”

The email notice was delivered to and received by Plaintiff on September 2, 2015, via his work email account. The email did not trigger an automatic out-of-office message and Plaintiff was not on leave at any time between September 2, 2015 and October 2, 2015. Plaintiff did not complete and submit the opt-out form.

Plaintiff testified that many emails are sent to his work email and he does not open and read all of them. Emails that are not opened remain in bold face with black lettering. When seeing the word “CARE” in the email, Plaintiff believed the email concerned a charity, as Defendant participates in various philanthropic activities. Plaintiff did not open the September 2, 2015 email.¹ On September 22, 2015, Anthony Polimeni, the branch manager where Plaintiff works, forwarded an email to 45 employees, including Plaintiff, which informed employees that the deadline to opt-out of arbitration was approaching.² Plaintiff testified that, while he opened that email, he did not read that email.³ It had the appearance of a broadcast or promotional email for a charity. Had he read that email, he would have given it to an attorney to explain it to him, which he did not do.

Defendant moves to compel arbitration on the basis that (1) federal law requires enforcement of the arbitration agreement; (2) the arbitration agreement is valid and enforceable

¹ Once the instant motion got filed, Plaintiff checked his email and saw that he had not opened this email.

² The subject of this email was “FW: Expansion of CARE Arbitration Program - Reminder.”

³ Plaintiff later testified that he is not sure if ever opened the second email and the second email may have also been in bold face, meaning that it was never opened.

as a matter of law: (3) Plaintiff's claims fall within the scope of the arbitration agreement and (4) Plaintiff's claims should be directed to JAMS arbitration.

Plaintiff responds that the arbitration agreement did not fairly and adequately inform him about the agreement and that "negative opt-out" emails are unconscionable.

II. Discussion

The Supreme Court has articulated a strong federal policy favoring arbitration agreements. See Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 24 (1983). One of the purposes of the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 1 et seq., is to "ensure judicial enforcement of privately made agreements to arbitrate." Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213, 219 (1985). As such, arbitration agreements must be "rigorously enforce[d]" by the courts. Id. at 221. Because arbitration is a matter of contract, however, the FAA's strong pro-arbitration policy only applies to disputes that the parties have agreed to arbitrate. Mastrobuono v. Shearson Lehman Hutton, Inc., 514 U.S. 52, 57 (1995). "[A] party plainly cannot be bound by an arbitration clause to which it does not consent." BG Grp., PLC v. Republic of Argentina, — U.S. —, 134 S. Ct. 1198, 1213 (2014) (Sotomayor, J. concurring).

For the purpose of a motion to compel arbitration, the Court may consider affidavits. See Samadi v. MBNA America Bank, N.A., 178 Fed. App'x 863, 866 (11th Cir. 2006). In fact, the party opposing a motion to compel arbitration has an affirmative duty of coming forward with affidavits or deposition transcripts to show that the court should not compel arbitration. See Sims v. Clarendon Ins. Co., 336 F. Supp. 2d 1311, 1314 (S.D. Fla. 2004). Federal substantive law of arbitrability determines which disputes are within the scope of the arbitration clause. Lawson v. Life of the South Ins. Co., 648 F.3d 1166, 1170 (11th Cir. 2011). Whether an

arbitration agreement was formed is governed by state contract law. Caley v. Gulfstream Aerospace Corp., 428 F.3d 1359, 1368 (11th Cir. 2005).

The question before the Court is whether Plaintiff's claims are subject to arbitration even though he never reviewed the opt-out emails sent by Defendant. To begin, the Court notes that "an arbitration agreement does not need to be signed to satisfy the written agreement requirement of the FAA." Santos v. General Dynamics Aviation Svcs. Corp., 984 So. 2d 658, 660 (Fla. Dist. Ct. App. 2008); see Caley, 428 F.3d at 1369 (no signature is needed to satisfy the FAA's written agreement requirement). Furthermore, Florida law permits the offeror to specify the terms and manner of acceptance. Dorward v. Macy's Inc., 2:10-cv-669-FtM-29DNF, 2011 WL 2893118, at * 9 (M.D. Fla. July 20, 2011) (citing Kendel v. Pontious, 261 So.2d 167, 170 (Fla. 1972); Holloway v. Gutman, 707 So. 2d 356, 357 (Fla. Dist. Ct. App. 1998)). Acceptance of an arbitration agreement may be done by performance, which includes continued employment. Santos, 984 So. 2d at 661; BDO Seidman, LLP v. Bee, 970 So. 2d 869, 875 (Fla. Dist. Ct. App. 2007). Moreover, "a party may manifest assent to an agreement to arbitrate by failing to opt out of the agreement within a specified time." Doward, 2011 WL 2893118, at * 10.

Corbin v. Affiliated Computer Svcs, Inc., No. 6:13-cv-180-Orl-36TBS, 2013 WL 3804862 (M.D. Fla. July 19, 2013) addressed a similar circumstance to the instant case. The plaintiff received an email at his work email address bearing the subject line "DRP⁴ (MANDATORY ARBITRATION PLAN) WILL APPLY TO YOU." Id. at * 3. The email stated that continuing employment 30 days after receipt of the email would constitute acceptance

⁴ DRP stood for "dispute resolution program" Id. at * 1.

of the arbitration agreement. Id. at * 5. The plaintiff stated that he did not recall receiving or reviewing the email. Id. at * 6. The court found that this fell short of an “unequivocal denial that he received and opened the email.” Id. Furthermore, the court stated “[w]hen a defendant has produced evidence showing it sent an item properly mailed, or in this case emailed, there arises a rebuttable presumption that it was received by the addressee.” Id. (citing Barnett v. Okeechobee Hosp., 283 F.3d 1232, 1239 (11th Cir. 2002); Abdullah v. American Express Co., No. 3:12-cv-1037, 2012 WL 6867675, *5 (M.D. Fla. Dec. 19, 2012) (“While this case deals with electronic email rather than mail sent through the U.S. Postal System, the undersigned sees no reason why the same presumption of delivery would not be applicable.”)). Based on the finding that the plaintiff received the email, the court found there was an agreement to arbitrate.

Here, Plaintiff acknowledges that he saw the two emails relating to the mandatory arbitration agreement, but failed to open and read them. The Court finds that Plaintiff’s decision not to open and read an email does not render the arbitration agreement invalid and unenforceable. See Morris v. Milgard Mfg. Inc., No. 12-cv-01623-REB-CBS, 2012 WL 6217387, at * 3 (D. Colo. Dec. 13, 2012) (the “plaintiff’s purported ignorance of the policy, whether willful or otherwise, does not absolve him from being bound by the agreement”); see also Smith v. Comcast Cable Communications Management, LLC, No. 15-62672-CIV-MORENO, 2016 WL 4480975, at * (S.D. Fla. Aug. 22, 2016) (rejecting the plaintiff’s claim that he never saw the brochure mailed to his home). Instead, by continuing employment and failing to opt-out, Plaintiff assented to the terms of the arbitration agreement. See Doward, 2011 WL 2893118, at * 10 (employee assented to arbitration agreement by continuing employment and failing to opt-out of the optional program when the plaintiff did not

mail in the election form received during her hiring within the allotted 30 days).

Plaintiff, however, argues that because the opt-out email was deceptively sent and was never read by him, it cannot form the basis to compel arbitration. Specifically, Plaintiff states that the email had the “innocuous appearance of a non-important human resources correspondence.” (Resp. at 2.) The Court disagrees. The subject line of the email stated “expansion of the CARE arbitration program.” Although Plaintiff testified that he believed the use of the word “CARE” reflected a firm-wide promotion email, the Court finds this belief was unreasonable, given that the subject line of the emails also included the words “arbitration program.” Nor does the Court find anything unreasonable about the manner in which the terms of the agreement were communicated. Indeed, the agreement was accessible both via links in the email as well as Defendant’s intranet.

Next, the Court rejects Plaintiff’s contention that the arbitration agreement is unconscionable and void because it requires him to arbitrate his claims before JAMS and requires him to arbitrate statutory claims. Arbitration forum selection clauses specifying a tribunal are valid and enforceable. Scherk v. Alberto-Culver Co., 417 U.S. 506, 519 (1974). Furthermore, “by agreeing to arbitrate a statutory claim, a party does not forgo the substantive rights afforded by the statute; it only submits to their resolution in an arbitral, rather than a judicial, forum.” Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc., 473 U.S. 614, 628 (1985). Hence, the broad language in the arbitration agreement encompasses the claims brought by Plaintiff, and JAMS is the proper forum given the claims brought.

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FINAL

III. Conclusion

Accordingly, it is hereby **ORDERED AND ADJUDGED** that Defendant Morgan Stanley Smith Barney LLC's Motion to Compel Arbitration and to Stay (DE 5) is **GRANTED**.

The parties are ordered to arbitrate this dispute. The case is **STAYED** pending completion of arbitration proceedings. The Clerk shall **ADMINISTRATIVELY CLOSE** this case and all pending motions are **DENIED AS MOOT**. Either party may move to re-open the case after the arbitration is completed if further judicial relief is required.

DONE AND ORDERED in Chambers at West Palm Beach, Palm Beach County, Florida, this 19th day of March, 2017.


KENNETH A. MARRA
United States District Judge

*FINRA NOT FOR
Investment Advisors
+ Investment clients*

makes a fool of Judge

SAMPLE

As a result, Employee's employment with Morgan Stanley is on an at-will basis and nothing herein shall be construed as a contract of employment for a definite term and Employee's employment can be terminated at any time for any reason or no reason.

Any controversy or claim arising out of or in any way relating to this Agreement or any benefits or payments available and/or due under this Agreement shall be settled by arbitration in accordance with the rules of the Financial Industry Regulatory Authority ("FINRA") in accordance with the FINRA Code of Arbitration Procedure for Industry Disputes. Any judgment or award entered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

This Agreement is confidential. As a further term of this Agreement, and to the extent permitted by law, Employee agrees that Employee will not disclose the existence of this Agreement or terms of this Agreement to any persons or parties; provided, however that this prohibition shall not apply to disclosures (i) to Employee's immediate family; (ii) to Employee's attorneys and/or tax advisors; (iii) to requests initiated by any state or federal regulatory agency or securities industry self-regulatory organization; (iv) in response to a validly issued subpoena or court order; or (v) as otherwise permitted or required by law in connection with any court action, arbitration or other legal proceeding to enforce the provisions of this Agreement. Any individuals to whom Employee makes any disclosure in accordance with items (i) and/or (ii) of this paragraph shall be advised by Employee of this confidentiality provision prior to any such disclosure, and shall agree thereafter to be bound by this confidentiality provision. Unless otherwise prohibited by applicable law, regulation or court order, prior to making any disclosure in accordance with items (iii), (iv) and/or (v) of this paragraph, Employee shall provide his/her Regional Director with notice of the request, subpoena or court order, so that Morgan Stanley may have the opportunity to answer, object or otherwise respond to it.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in the City of _____, in the State of _____ on the date first hereinabove written.

EMPLOYEE

Signature Date

MORGAN STANLEY SMITH BARNEY LLC

By: _____
Branch Manager Date

By: _____
Regional Director Date

*Advised to FINRA
in letter to go*

SAMPLE

SECOND ADDENDUM TO LOAN COMMITMENT AGREEMENT

Morgan Stanley Smith Barney LLC ("Morgan Stanley") agrees to extend loans to Employee as follows:

If Employee has brought into Morgan Stanley at least \$__ million in assets within fourteen (14) Production Months¹ of Employee's employment. Employee will be entitled to a loan of \$__ For purposes of this Agreement "assets" shall include assets that are networked directly through Morgan Stanley Smith Barney as well as assets that cannot be networked through Morgan Stanley Smith Barney but for which Employee is designated agent of record at Morgan Stanley Smith Barney, such as external mutual funds, certain insurance products, bank certificates of deposit, but not including DVP account assets and transactions and assets (including money market funds) which do not generate fees or commissions. Moreover, for purposes of determining whether Employee has satisfied the performance criteria set forth above, "assets" shall not include assets, in whole or part, transferred or reallocated to Employee by Morgan Stanley or by any other employee of Morgan Stanley, and shall only include assets brought into the Firm by Employee and must be under Employee's management at the relevant time period set forth herein, as reasonably determined by Morgan Stanley in its sole discretion.

by not stating investment advisory FWB's pull IA into FWBA DES

Said loan will be made to Employee within thirty (30) days following the receipt of the above referenced assets, provided said assets are received within the first 14 Production Months of employee's employment and Employee executes and delivers to Morgan Stanley a fully effective and enforceable Promissory Note. Alternatively, Employee may receive the loan provided for herein within 30 days following the expiration of the above referenced 14 month period contingent on receipt by Morgan Stanley Smith Barney of confirmation of Employee's agent designation for any assets not networked through Morgan Stanley Smith Barney. If this alternative is selected, said loan will be calculated based on the value of the assets brought into Morgan Stanley Smith Barney as of the expiration of the above referenced period. No loan will be due hereunder unless the minimum asset level above has first been attained.

To evidence the loan, Employee will sign a Eight (8) Year Promissory Note prior to the disbursement of loan proceeds, which Note will be in the form of the note attached to the Loan Commitment Agreement as Exhibit B.

SIGNED IN THE STATE OF _____

Employee

Date

MORGAN STANLEY SMITH BARNEY LLC

Branch Manager

Date

Regional Director

Date

EXHIBIT A

¹ The term "Production Month" (as used herein) shall be determined by using calendar month. In addition, for purposes of this Addendum, the first Production Month shall be _____, 2013.

Investment
advisory
firm Not a Broker
Dealer

SAMPLE

ADDENDUM TO LOAN COMMITMENT AGREEMENT

Morgan Stanley Smith Barney LLC ("Morgan Stanley") agrees to extend loans to Employee as follows:

1. Employee will be entitled to a loan equal to 30% of the gross production generated by Employee during Production Months¹ 13 through 24 of employment at Morgan Stanley Smith Barney, provided that said gross production is equal to at least \$_____.
2. Employee will be entitled to a loan equal to 35% of the gross production generated by Employee during Production Months 25 through 36 of employment at Morgan Stanley Smith Barney, provided that said gross production is equal to at least \$_____.
3. Employee will be entitled to a loan equal to 35% of the gross production generated by Employee during Production Months 37 through 48 of employment at Morgan Stanley Smith Barney, provided that said gross production is equal to at least \$_____.
4. Employee will be entitled to a loan of \$200,000, provided that Employee reaches at least \$1,000,000 in gross production in any rolling, consecutive 12 month period within Employee's first 60 Production Months of employment.

Any loans due hereunder will be made to Employee within 30 days after the loan amount is calculated and Employee executes and delivers to MSSB a fully effective and enforceable Promissory Note.

6. To evidence each loan, Employee will sign Promissory Notes prior to the disbursement of loan proceeds, which Notes will be in the form of the notes attached to the Loan Commitment Agreement as Exhibits C, D, E and F.

DO NOT
Sign on
Step
6 x 6

SIGNED IN THE STATE OF _____

Employee

Date

MORGAN STANLEY SMITH BARNEY LLC

Branch Manager

Date

Regional Director

Date

EXHIBIT A

¹ The term "Production Month" (as used herein) shall be determined by using calendar month. In addition, for purposes of this Addendum, the first Production Month shall be _____, 2013.

BINDING ARBITRATION AGREEMENT

this is a standard

JPMorgan Chase believes that if a dispute related to an employee's or former employee's employment arises, it is in the best interests of both the individual and JPMorgan Chase to resolve the dispute without litigation. Most such disputes are resolved internally through the Firm's Open Communication Policy. When such disputes are not resolved internally, JPMorgan Chase provides for their resolution by binding arbitration as described in this Binding Arbitration Agreement ("Agreement"). "JPMorgan Chase" and the "Firm" as used in this Agreement mean JPMorgan Chase & Co. and all of its direct and indirect subsidiaries.

doesn't state Investment Adviser or Broker dealer or deced Investment Advisers

This Agreement will be governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1 *et seq.*

As a condition of and in consideration of my employment with JPMorgan Chase & Co. or any of its direct or indirect subsidiaries, I agree with JPMorgan Chase as follows:

- SCOPE:** Any and all "Covered Claims" (as defined below) between me and JPMorgan Chase (collectively "Covered Parties" or "Parties", individually each a "Covered Party" or "Party") shall be submitted to and resolved by final and binding arbitration in accordance with this Agreement.
- COVERED CLAIMS:** "Covered Claims" include all legally protected employment-related claims, excluding those set forth below in Paragraphs 3 and 4 of this Agreement, that I now have or in the future may have against JPMorgan Chase or its officers, directors, shareholders, employees or agents which arise out of or relate to my employment or separation from employment with JPMorgan Chase and all legally protected employment-related claims that JPMorgan Chase has or in the future may have against me, including, but not limited to, claims of employment discrimination or harassment if protected by applicable federal, state or local law, and retaliation for raising discrimination or harassment claims, failure to pay wages, bonuses or other compensation, tortious acts, wrongful, retaliatory and/or constructive discharge, breach of an express or implied contract, promissory estoppel, unjust enrichment, and violations of any other common law, federal, state, or local statute, ordinance, regulation or public policy, including, but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866 and 1991, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act of 1990, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Equal Pay Act of 1963, Section 1981 of the Civil Rights Act, and the Worker Adjustment and Retraining Notification Act.
- EXCLUDED CLAIMS:** This Agreement does not cover, and the following claims are not subject to arbitration under this Agreement: (a) any criminal complaint or proceeding, (b) any claims covered by state unemployment insurance, state or federal disability insurance, and/or state workers' compensation benefit laws, except that claims for retaliation pursuant to these laws shall be subject to arbitration under this Agreement, (c) any claim under the National Labor Relations Act, and (d) claims for benefits under a plan that is governed by Employee Retirement Income Security Act of 1974 ("ERISA").

to J FINC I

Further, this Agreement also does not cover any action seeking only declaratory and/or emergency, temporary or preliminary injunctive relief (including a temporary restraining order) in a court of competent jurisdiction in accordance with applicable law, so long as that action is brought on an individual basis and not on a consolidated basis or as part of a collective or class action, and subject to the following:

- In the event such relief is sought by a Covered Party, who is not otherwise subject to the arbitration requirements of the Financial Industry Regulatory Authority ("FINRA"), after the court issues

*Investment Adviser
not subject to FINRA*

addressed by this Agreement. Where there is a conflict between this Agreement and the AAA Rules, this Agreement will govern. Where there is a conflict between applicable law and the AAA rules and/or this Agreement, the applicable law will govern. I understand that arbitration under this Agreement will occur in the state where I am currently or was most recently employed by the Firm, unless otherwise agreed by the Parties. Information about AAA is available from its website www.adr.org. A Covered Party may contact them directly at 1-800-778-7879. A Covered Party who is otherwise subject to the arbitration requirements of FINRA who wishes to pursue arbitration of a Covered Claim, must file such Covered Claim with AAA (or other mutually acceptable arbitrator), except as otherwise provide in Paragraph 3 of this Agreement.

AAF
GTX
FINR

To initiate arbitration:

• A Covered Party must send a written demand for arbitration to any office of the AAA (or if another mutually acceptable arbitrator has been agreed to by the Parties, to the offices of such other arbitrator). The Covered Party submitting the demand for arbitration must also simultaneously send a copy of the written demand for arbitration to the other Party (if being sent to JPMorgan Chase, the copy should be sent to the following address: JPMorgan Chase & Co. Legal Department, c/o Legal Papers Served, 1 Chase Manhattan Plaza, 26th Floor, New York, NY 10081).

• Both of the following must be included in the demand for arbitration:

(a) A statement of the nature of the dispute, including the alleged act or omission at issue, the names of the parties involved in the dispute, the amount in controversy, if any, the remedy sought to resolve the issue (including the dollar amount, if any), the mailing address for future correspondence and the legal counsel, if any, and

(b) Any required filing fee. If a Covered Claim is filed by me, the filing fee is \$100 payable by check, money order or any other method of payment permitted by the AAA (or another mutually acceptable arbitrator agreed to by the parties). In the event the filing fee required by the state or federal court in which the Covered Claim could have been brought is less than \$100, JPMorgan Chase agrees to refund to me the difference between \$100 and such state or federal court filing fee within 30 days of receiving notice of payment. Any demand received by the AAA (or another mutually acceptable arbitrator agreed to by the Parties) that is not accompanied by the required filing fee will be returned.

Chase
JPM
FINR
Cost

Nothing in this Agreement releases a Covered Party from any obligation to comply with timely filing requirements and statutes of limitations under applicable law, statutes, or regulations. Thus, whether or not a Covered Party chooses to file with administrative agencies, his/her arbitration must still be initiated as an arbitration within the applicable administrative, statutory or judicial filing time frame, as required by law, and the demand for arbitration must be received at the address above within the time period allowed pursuant to the statute, regulation or other law applicable to the alleged act or omission giving rise to the dispute. Nothing in this Agreement is intended or should be construed to shorten or extend the statute(s) of limitations and/or filing periods that exist under applicable law.

The submission and timing of any response to an arbitration demand shall be in accordance with AAA's Rules, which currently provides that a response be filed within 15 days after the date of the letter from the AAA (or other mutually agreed to arbitrator) acknowledging receipt of the demand for arbitration.

7. **ARBITRATION PROCEEDINGS:** The arbitrator will conduct the hearing as expeditiously as possible, while ensuring that all Parties have the opportunity to present evidence and arguments and ensuring that the Agreement is followed. The arbitrator will set the date, time, and place of the hearing, and AAA (or

Revised 2/1/2011

SAMPLE

MORGAN STANLEY SMITH BARNEY LLC

**FINANCIAL ADVISOR
EMPLOYMENT AGREEMENT**

FINRA created the term to "Morgan Stanley Investment Advisor" from the old FINRA rule

This agreement ("Agreement") is made between Morgan Stanley Smith Barney LLC ("Morgan Stanley" or "Firm") and _____.

In consideration of your compensation and employment by Morgan Stanley as a Financial Advisor, and for other good and valuable consideration, you hereby agree as follows:

1. AT-WILL EMPLOYMENT AND TERMINATION

Nothing in this Agreement is a promise of employment for a fixed term. Your employment by Morgan Stanley is strictly at-will and may be terminated by either party, for any reason or for no reason, at any time, with or without notice, and with or without cause. As used in this Agreement or Addendum, "termination" means the end of your employment regardless of the circumstances and includes, but is not limited to, (1) voluntary or involuntary resignation, (2) retirement, (3) release due to a reduction in force or closing of a branch office, or (4) discharge by Morgan Stanley.

_____(EMPLOYEE INITIALS)

2. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

2.1 In the course of your employment with Morgan Stanley, you will have access to information that has been acquired by expenditures of time, effort, and money by Morgan Stanley and its affiliates, and which is valuable and proprietary to Morgan Stanley because, among other reasons, this information it is not known by, or available to, the general public or persons or entities other than in the ordinary course of conducting business for Morgan Stanley and its affiliates. This information includes, but is not limited to: (a) customer files, lists, and holding pages; (b) the names, addresses, telephone numbers, and assets and obligations carried in the accounts of Morgan Stanley's customers; (c) Morgan Stanley's customer account histories and customer risk profiles; (d) computer software or hardware developed for use in Morgan Stanley's business; (e) all training material forwarded to you during your employment (including but not limited to books, papers, records, videotapes and recordings); (f) documents or computer programs prepared or generated by you, if any, using Morgan Stanley's confidential records or information; (g) Morgan Stanley's business or marketing plans and strategies; (h) other information or materials subject to intellectual property protection that are confidential; and, (i) any other information that constitutes confidential or trade secret information as defined by law. You may also have access to proprietary, private, or privileged information concerning Morgan Stanley's customers or employees. All of the above described information and documents are hereinafter collectively referred to as Trade Secrets ("Trade Secrets"). You acknowledge and agree that these Trade Secrets are unique, cannot lawfully be easily duplicated or acquired, and that Morgan Stanley views these Trade Secrets as highly confidential and takes all



FINRA ARBITRATION Submission Agreement

In the Matter of the Arbitration Between

Name(s) of Claimant(s)

Name(s) of Respondent(s)

1. The undersigned parties ("parties") hereby submit the present matter in controversy, as set forth in the attached statement of claim, answers, and all related cross claims, counterclaims and/or third-party claims which may be asserted, to arbitration in accordance with the FINRA By-Laws, Rules, and Code of Arbitration Procedure ("Code").

2. The parties agree that the term "member," as defined in the FINRA Code of Arbitration Procedure shall include Investment Adviser and the term "associated person" shall include an employee of an Investment Adviser except that member surcharge and process fees will be paid as outlined below.

Investment Advising FIRM

3. The parties agree that member surcharge and process fees (as outlined in Code Rules 12901/13901 and 12903/13903) will be paid as follows:

_____ will pay _____ % of member surcharge and process fees: _____;

_____ will pay _____ % of member surcharge and process fees. The parties agree to pay all member surcharge and processing fees prior to service of the statement of claim. FINRA, in its discretion, may decline to accept a case involving an Investment Adviser or an employee of an Investment Adviser that has failed to pay any arbitration or mediation fees owed to FINRA.

4. The parties hereby acknowledge that FINRA cannot process expungement requests relating to information maintained in the Investment Adviser Registration Depository (IARD). Therefore, the parties agree that they will not make expungement requests relating to information maintained in the IARD in this matter.

Admission & Label

*FINRA
decide
to do*

5. The parties hereby state that they or their representative(s) have read the procedures and rules of FINRA relating to arbitration, and the parties agree to be bound by these procedures and rules.

6. The parties agree that in the event a hearing is necessary, such hearing shall be held at a time and place as may be designated by the Director of Arbitration or the arbitrator(s). The parties further agree and understand that the arbitration will be conducted in accordance with the FINRA Code of Arbitration Procedure.

7. The parties agree to abide by and perform any award(s) rendered pursuant to this Submission Agreement. The parties further agree that a judgment and any interest due thereon, may be entered upon such award(s) and, for these purposes, the parties hereby voluntarily consent to submit to the jurisdiction of any court of competent jurisdiction which may properly enter such judgment.

8. The parties acknowledge that FINRA cannot enforce awards entered against an Investment Adviser that is not registered with FINRA or an employee of an Investment Adviser that is not registered with FINRA. FINRA, in its discretion, may decline to accept a case involving an Investment Adviser or an employee of an Investment Adviser that has failed to timely pay an arbitration award or a related settlement as outlined in Code Rules IM-12000 (d) and (e) and IM-13000 (d) and (e).

9. The parties agree that neither FINRA nor any arbitrator shall be liable to any party in any action for damages or injunctive relief for any act or omission in connection with an arbitration administered by FINRA under this Submission Agreement.

10. The parties acknowledge that FINRA will make the final award publicly available in accordance with Code Rules 12904 and 13904.

11. The parties hereto have signed and acknowledged the foregoing Submission Agreement.

Claimant's Name (please print)

Claimant's Signature Date
State Capacity if other than individual (e.g., executor, trustee, corporate officer)

Respondent's Name (please print)

Respondent's Signature Date
State Capacity if other than individual (e.g., executor, trustee, corporate officer)

*Why FINRA
ID
Name
Subscribed*



Brokers

There are various types of investment professionals. And the products and services each type can—or cannot—provide will depend on the license(s) and training the person or firm has.

As you consider a particular person or firm—or as you construct a team to help you—here's what you need to know about **brokers**.

What they are: While many people use the word broker generically to describe someone who handles stock transactions, the legal definition is somewhat different—and worth knowing. A broker-dealer is a person or company that is in the business of buying and selling securities—stocks, bonds, mutual funds, and certain other investment products—on behalf of its customers (as broker), for its own account (as dealer), or both. Individuals who work for broker-dealers—the sales personnel whom most people call brokers—are technically known as registered representatives.

- > **Who regulates them:** With few exceptions, broker-dealers must register with the Securities and Exchange Commission (SEC) and be members of FINRA. Individual registered representatives must register with FINRA, pass a qualifying examination, and be licensed by your state securities regulator before they can do business with you. You can obtain background information on broker-dealers and registered representatives—including registration, licensing, and disciplinary history—by using FINRA BrokerCheck or calling us toll-free (800) 289-9999. You can also contact your state securities regulator. To find your regulator, check the government listing of your phone book or contact the North American Securities Administrators Association at www.nasaa.org or (202) 737-0900.
- > **What they offer:** Broker-dealers vary widely in the types of services they offer, falling generally into two categories—full-service and discount brokerage firms. Full-service firms typically charge more for each transaction, but they tend to have large research operations that representatives can tap into when making recommendations, can handle nearly any kind of financial transaction you want to make, and may offer investment planning or other services. Discount broker-dealer firms are usually cheaper, but you may have to research potential investments on your own—though the broker-dealer websites may have a lot of information you can use. Registered representatives are primarily securities salespeople and may also go by such generic titles as financial consultant, financial advisor, or investment consultant. The products they can sell you depend on the licenses they hold. For example, a representative who has passed the Series 6 exam can sell only mutual funds, variable annuities, and similar products, while the holder of a Series 7 license can sell a broader array of securities. When a registered representative suggests that you buy or sell a particular security, he or she must have reason to believe that the recommendation is suitable for you based on a host of factors, including your income, portfolio, and overall



About this BrokerCheck Report

BrokerCheck reports are part of a FINRA initiative to disclose information about FINRA-registered firms and individual brokers to help investors determine whether to conduct, or continue to conduct, business with these firms and brokers. The information contained within these reports is collected through the securities industry's registration and licensing process.



Who provides the information in BrokerCheck?

Information made available through BrokerCheck is obtained from CRD as reported through the industry registration and licensing process.

The forms used by brokerage firms to report information as part of the firms registration and licensing process, Forms BD and BDW, are established by the SEC and adopted by all state securities regulators and SROs. FINRA and the North American Securities Administrators Association (NASAA) establish the Forms U4 and U5, the forms that are used for the registration and licensing process for individual brokers. These forms are approved by the SEC. Regulators report disciplinary information for firms and individual brokers via Form U6.

? Really?
x

How current is the information contained in BrokerCheck?

Brokerage firms and brokers are required to keep this information accurate and up-to-date (typically not later than 30 days after learning of an event). BrokerCheck data is updated when a firm, broker, or regulator submits new or revised information to CRD. Generally, updated information is available on BrokerCheck Monday through Friday.

What information is NOT disclosed through BrokerCheck?

Information that has not been reported to CRD and certain information that is no longer required to be reported through the registration and licensing process is not disclosed through BrokerCheck. Examples of events that are not required to be reported or are no longer reportable include: judgments and liens originally reported as outstanding that have been satisfied and bankruptcy proceedings filed more than 10 years ago.

Additional information not disclosed through BrokerCheck includes Social Security Numbers, residential history information, and physical description information. On a case-by-case basis, FINRA reserves the right to exclude information that contains confidential customer information, offensive and potentially defamatory language or information that raises significant identity theft or privacy concerns that are not outweighed by investor protection concerns. FINRA Rule 8312 describes in detail what information is and is not disclosed through BrokerCheck.

but they have that in the Investment Clauses

Under FINRA's current public disclosure policy, in certain limited circumstances, most often pursuant to a court order, information is expunged from CRD. Further information about expungement from CRD is available in FINRA notices 99-09, 99-54, 01-65, and 04-16 at www.finra.org.

only w/ a Court order

For further information regarding FINRA's BrokerCheck program, please visit FINRA's Web site at www.finra.org/brokercheck or call the FINRA BrokerCheck Hotline at (800) 289-9999. This hotline is open Monday through Friday from 8:00 a.m. to 8:00 p.m., Eastern Time (ET).

For more information about the following, select the associated link:

- About BrokerCheck Reports: http://www.finra.org/brokercheck_reports
- Glossary: http://www.finra.org/brokercheck_glossary
- Questions Frequently Asked about BrokerCheck Reports: http://www.finra.org/brokercheck_faq
- Terms and Conditions: <http://brokercheck.finra.org/terms.aspx>

Disclosure of Customer Disputes, Disciplinary, and Regulatory Events



What you should know and/or consider regarding any reported disclosure events:

- Before reaching a conclusion regarding any of the information contained in this BrokerCheck report, you should ask the broker to clarify the specific event(s) listed, or to provide a response to any questions you may have.
- "Pending" actions involve unproven and/or unsubstantiated allegations.

Disclosures in BrokerCheck reports come from different sources:

- **Self-disclosure:** Brokers are required to answer a series of questions on their application requesting securities industry registration (Form U4). For example, brokers are asked whether they have been involved in certain regulatory, civil, criminal and financial matters (e.g., bankruptcy), or have been the subject of a customer dispute.
- **Regulator/Employer postings:** In addition, regulators and firms that have employed a broker also may contribute relevant information about such matters. All of this information is maintained in CRD.



Possible multiple reporting sources – please note:

Disclosure details may be reported by more than one source (i.e., regulator, firm, or broker). When this occurs, all versions of the event will appear in the BrokerCheck report. The different versions of the same disclosure event are separated by a solid line with the reporting source labeled.

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 report a particular criminal event.

- Likewise, a regulatory agency must meet established standards before initiating a regulatory action and/or issuing sanctions. These standards typically include a reasonable basis for initiating the action after engaging in a fact-finding process.

In order for a customer dispute to be reported to CRD, a customer must:

- Allege that their broker engaged in activity that violates certain rules or conduct governing the industry; and
 - Claim damages of \$5,000 or more as a result of that activity.
- (Note: customer disputes may be more subjective in nature than a criminal or regulatory action)

What you should consider when evaluating the status or disposition of a reported disclosure event:

- Disclosure events may be **pending, on appeal, or final**. *Pending* and *'on appeal'* matters reflect allegations that (1) have not been proven or formally adjudicated, or (2) have been adjudicated but are currently being appealed. *Final* matters generally may be *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 represents a disposition wherein parties involved in a dispute reach an agreement to resolve the matter.

(Note: brokers may choose to settle customer disputes or regulatory matters for business or other reasons)

- Customer disputes also may be **resolved** without any payment to the customer or any finding of wrongdoing on the part of the individual broker.

they don't answer in entirety or completely

but if caps are not held then how can formal charges be filed

lets put in the event

DAWN BENNETT

CRD# 1567051

Currently employed by and registered with the following FINRA Firms:

WESTERN INTERNATIONAL SECURITIES, INC.

1400 K. ST NW
WASHINGTON DC, DC 20005
CRD# 39262

Registered with this firm since 10/01/2009

None. Independent contractor.

Report Summary for this Broker

The report summary provides an overview of the broker's professional background and conduct. The individual broker, a FINRA-registered firm(s), and/or securities regulator(s) have provided the information contained in this report as part of the securities industry's registration and licensing process. The information contained in this report was last updated by the broker, a previous employing brokerage firm, or a securities regulator on 10/07/2009.



Broker Qualifications

This broker is registered with:

- 1 Self-Regulatory Organization
- 51 U.S. states and territories

Is this broker currently suspended or inactive with any regulator? **No**

This broker has passed:

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

Disclosure of Customer Disputes, Disciplinary, and Regulatory Events

This section includes details regarding disclosure events reported by or about this broker to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events include formal investigations and disciplinary actions initiated by regulators, customer disputes, certain criminal charges and/or convictions, as well as financial disclosures, such as bankruptcies and unpaid judgments or liens.

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

*SEC said
Investment
Adviser
3-16-201*

The following types of disclosures were reported:

Customer Dispute

Investment Adviser Representative Information

Is there information available about this individual in the Investment Adviser Public Disclosure Program? **Yes**

Registration and Employment History

This broker was previously registered with the following FINRA member firms:

ROYAL ALLIANCE ASSOCIATES, INC.

CRD# 23131
WASHINGTON, DC
02/2006 - 10/2009

LEGG MASON WOOD WALKER, INCORPORATED

CRD# 6555
BALTIMORE, MD
08/1996 - 02/2006

WHEAT, FIRST SECURITIES, INC.

CRD# 6124
CHARLOTTE, NC
03/1987 - 08/1996

For additional registration and employment history details as reported by the individual broker, refer to the Registration and Employment History section of this report.

not licensed in DC until 4/5/2010

DISB had no problem w/ this conflict

was licensed w/ WIS Investment Advisory not brokerage

DAWN BENNETT

CRD# 1567051

Report Summary for this Broker



This broker is not currently registered.

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

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

Registration History

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

WESTERN INTERNATIONAL SECURITIES, INC.
 CRD# 39262
 WASHINGTON DC, DC
 10/2009 - 12/2015

ROYAL ALLIANCE ASSOCIATES, INC.
 CRD# 23131
 WASHINGTON, DC
 02/2006 - 10/2009

CITIGROUP GLOBAL MARKETS INC.
 CRD# 7059
 NEW YORK, NY
 02/2006 - 02/2006

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	3
Customer Dispute	13
Termination	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>

*SEC says
an Investment
Adviser not
Broker*

*cross
reference
FINRA
definition
"Broker"*

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?** → *no such thing as brokers*
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, ~~criminal convictions~~, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - o information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.

FINRA rules, govern your brokerage relationship. Make sure to ask for copies if you do not receive them and download or print out copies of these for your records if you conduct business with your brokerage firm online.

Be sure to take time to review carefully all the information in these documents, whether you are opening your account in person at your broker's office or filling out your forms at home or online. And do not sign them unless you thoroughly understand and agree with the terms and conditions they impose on you.

Check Out Your Broker

If you haven't already done so, make sure you check out the background of your broker and brokerage firm **before you open an account with them**. Although a history free from registration or licensing problems, disciplinary actions or bankruptcies is no guarantee of the same in the future, checking out your broker and firm in advance can help you avoid problems. Look up your broker and firm on FINRA Brokercheck by going to <https://brokercheck.finra.org> or by calling toll-free (800) 289-9999.

Also make sure that the phone numbers and addresses that your broker and brokerage firm give you as their contact information are consistent with those listed in Brokercheck. Fraudulent entities and individuals have been known to steal the identities of legitimate brokers and brokerage firms so that they can get at your personal information!

Questions to Ask

Asking questions will help you to invest wisely and avoid problems. No matter what your level of investing experience, don't be shy or intimidated—it's your money. Here's a list to get you started.

1. Is this a margin account or a cash account? Can you explain the differences between the two?
2. What choices do I have regarding cash sweep programs? What are the different features, including interest rates and federal insurance coverage? If the firm offers both bank deposits and money market funds, what are the advantages and disadvantages of selecting one over the other?
3. Who will control decision-making in my account?
4. How often will I get account statements? Who will provide the statements and will they be online or in paper?

Tip: The brokerage firm that you open an account with may not be the one that sends your account statements. You may open an account with an **introducing firm**, which makes recommendations, takes and executes your orders and has an arrangement with a **clearing and carrying firm**, which is the one to finalize ("settle" or "clear") your trades and hold your funds or securities. There are also firms that take and execute orders and settle trades. If you work with an introducing firm, you may receive statements from the clearing firm. Find out what type of firm you open an account with and who will send you the

UBS INTERNATIONAL INC.

CRD# 107726

SEC# 8-53059

Main Office Location

101 PARK AVENUE
NEW YORK, NY 10178

Mailing Address

101 PARK AVENUE
NEW YORK, NY 10178

Business Telephone Number

212 916-2110

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at: <https://www.adviserinfo.sec.gov>

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additio in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 12/19/2001. Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure E

Brokerage firms : criminal matters, proceedings and one of its control

Are there events

The following ty reported:

Type Regulatory Even

NASD concluded that the late filings by Morgan Stanley had delayed several NASD investigations. The late filings also may have hampered the investing public's ability to accurately assess the background of certain brokers through NASD's public disclosure program, BrokerCheck, and compromised the ability of state securities regulators to review applications from brokers changing firms.

"Every firm has a fundamental obligation to accurately and promptly file information about its brokers that NASD, other regulators and—most importantly—the investing public rely on to learn of potential misconduct," said NASD Vice Chairman Mary L. Schapiro. "Those obligations cannot be ignored, and negligence on the scale demonstrated in this case merits particularly strong sanctions."

Under NASD rules, after a securities firm hires a broker, it must ensure that information disclosed on the broker's application for registration (Form U4) is kept current in the Central Registration Depository (CRD). The firm must file amendments with NASD promptly to update the information on the form when significant events occur—including regulatory actions against the broker, customer complaints and settlements involving the broker, and criminal charges and convictions. Normally, the amendments must be filed within 30 days. If the reportable event involves a statutory disqualification, the event must be disclosed within 10 days. In addition, firms must notify NASD within 30 days of learning that information disclosed on a termination notice (Form U5) filed for a broker has become inaccurate or is incomplete.

NASD found that, from January 2002 to March 2004, Morgan Stanley failed to file in a timely manner approximately 67 percent of the required Form U4 and Form U5 updates that were the subject of NASD's review. Those updates were filed from one to several hundred days late, and approximately 52 percent of all late filings were more than 90 days late. NASD also found that Morgan Stanley failed to maintain and enforce effective supervisory systems and procedures to achieve compliance with its reporting obligations. The firm, among other things, failed to assign clear responsibilities and tasks to its management and employees; to ensure that employees were accountable for the performance of their assigned tasks within clearly defined time periods, and to allocate sufficient resources, including personnel and other resources, to ensure timely filings.

Morgan Stanley previously has been the subject of four New York Stock Exchange disciplinary actions for similar reporting violations. State securities regulators in Maryland, Florida, and Vermont also have previously filed charges against the firm for failing to update reportable information pertaining to its representatives.

Morgan Stanley agreed to the sanctions while neither admitting nor denying the allegations.

NASD currently is engaged in a number of ongoing investigations involving similar types of reporting violations at other firms, including both late filings and failures to report information about brokers.

Goldman Sachs, Deutsche Bank, Miller Tabak Roberts, Citigroup Global Markets to Pay Total \$20 Million for Corporate High-Yield Bond Trade Violations

NASD ordered Goldman, Sachs & Co.; Deutsche Bank Securities, Inc.; Miller Tabak Roberts Securities, LLC; and Citigroup Global Markets Inc. to pay \$5 million each for rule violations relating to trading in corporate high-yield bonds. All four firms were cited for charging excessive markups or markdowns, inadequate record keeping, and supervision violations. The firms were also ordered to revise their written supervisory procedures for high-yield bond sales and purchases within 60 days.

All four firms were ordered to make restitution payments for the markup/markdown violations: nearly \$344,000 for Goldman Sachs, \$422,000 for Deutsche Bank, \$182,000 for Miller Tabak Roberts, and \$486,000 for Citigroup Global Markets.

NASD also charged three of the firms—Goldman Sachs, Deutsche Bank, and Citigroup Global Markets—with trade-reporting violations. Two of the firms—Deutsche Bank and Miller Tabak Roberts—were charged with failure to register one or more supervisors on the firms' high-yield desks.

"NASD rules require that firms sell all securities, including corporate high-yield debt, at fair prices," said NASD Vice Chairman Mary L. Schapiro. "NASD markup policy has been clear that markups and markdowns generally should not exceed 5 percent and, for most debt transactions, that figure should be lower. Numerous SEC and court rulings have reiterated these principles throughout the years. In the cases we announce today, markups and markdowns were clearly outside these well-established guidelines."

NASD found that in 2000 and 2001, Goldman Sachs charged markdowns ranging from 9.4 percent to 30.4 percent on five pairs of trades. From mid-2000 through early 2002, Deutsche Bank charged markdowns ranging from 9.6 percent to 16.6 percent on seven pairs of trades. In 2001 and early 2002, Miller Tabak Roberts charged markdowns ranging from 9.4 percent to 18 percent on three pairs of trades. Finally, from 2000 to early 2002, Citigroup charged markups and markdowns ranging from 13.1 percent to 32.2 percent on three pairs of trades. The firms bore little or no risk in these transactions.

In addition, all four firms failed to create or maintain records that clearly and accurately reflected the time customer orders were entered or the time those orders were executed. Such basic recordkeeping is required by SEC and NASD rules. Furthermore,

RECENT SEC ENFORCEMENT CASES¹

Submitted by²:

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Chief Counsel

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Student Intern

Division of Enforcement
Securities and Exchange Commission
Washington, DC

March 16, 2005

¹ Parts of this outline have been used in other publications.

² The Securities and Exchange Commission, as a matter of policy, disclaims responsibility for any private publication or statement by any of its employees. The views expressed herein are those of the authors and do not necessarily reflect the views of the Commission or its staff.

**INTERNATIONAL INSTITUTE FOR
SECURITIES MARKET DEVELOPMENT**

2005 PROGRAM

Linda Chatman Thomsen¹
Deputy Director
Division of Enforcement
U.S. Securities and Exchange Commission

I. AN OVERVIEW OF ENFORCEMENT

A. The Division of Enforcement

The Division of Enforcement ("Division") administers the Securities and Exchange Commission's Enforcement Program. The Division is responsible for detecting and investigating a wide range of potential violations of the federal securities laws and regulations. The securities laws prohibit fraudulent conduct both criminally and civilly, but the Commission is responsible only for civil enforcement and administrative actions.

In a civil enforcement action filed in a United States District Court, the Commission can obtain a court order enjoining an individual from further violations of the securities laws, disgorgement of any money obtained from the illegal conduct, and in some circumstances, civil penalties. In addition, the Commission can impose civil penalties against broker-dealers, investment advisers, and other regulated entities, as well as individuals associated with those entities. In an administrative proceeding, the Commission can require a respondent to "cease and desist" certain activities, disgorge illegal profits, and institute procedures to prevent further violations. The Commission can also, through administrative disciplinary proceedings, bar a firm from acting as a securities firm or an investment adviser, bar an individual from associating with any securities firm or investment adviser, or bar a professional from practice before the Commission.

Criminal enforcement of the federal securities laws is done through the U.S. Department of Justice and the individual U.S. Attorney's offices throughout the country. The Division provides assistance to United States Attorneys throughout the country by, among other things, providing access to Commission investigative files and assigning Commission staff to assist those offices as Special Assistant U.S. Attorneys. A defendant in a criminal securities fraud prosecution may be subject to both criminal fines and prison. A criminal prosecution does not preclude the Commission from taking civil

¹ The Securities and Exchange Commission, as a matter of policy, disclaims responsibility for any private publication or statement by any of its employees. The views expressed herein are those of the authors and do not necessarily reflect the views of the Commission or of the authors' colleagues on the staff of the Commission.

action for the same conduct, and similarly, Commission action does not generally preclude a subsequent criminal prosecution.

B. Investigations

Many different events and sources of information can trigger a Commission investigation: broker-dealer, investment company and investment adviser inspections, which the Commission can conduct without cause and at its discretion; examinations of filings made with the Commission; referrals from NASD (formerly known as the National Association of Securities Dealers), the Exchanges, and other self-regulatory organizations; complaints from members of the public, including issuers and their current or former employees, and anonymous sources; news media; referrals from other government agencies; and other investigations.

An investigation is not the same as a prosecution. Investigations involve fact finding by the Commission staff and are usually not public. In this way, the mere existence of an investigation does not harm an individual or entity. During an investigation, neither the staff nor the Commission makes any determination of wrongdoing. If, however, the staff ultimately believes that there has been a violation of the securities laws, it generally will make a recommendation to the Commission to take further action. The Commission then determines whether to file a public civil lawsuit in court or to institute a public administrative proceeding and whether to accept offers of settlement, if there are any.

1. Preliminary Investigations

Commission investigations usually begin as "informal" or "preliminary" investigations. In an informal investigation, the Commission staff does not have power to compel testimony or the production of documents by subpoena. Rather, the staff relies on the cooperation of individuals and entities from which information is sought. Preliminary investigations are nonpublic, except in the rare circumstance where the Commission orders the investigation to be made public. Entire investigations can often be done on an informal basis. Many individuals and entities voluntarily produce documents and provide testimony. The staff can also obtain documents from regulated entities, broker-dealers, investment companies and investment advisers through the Commission's inspection powers without a subpoena.

In addition, certain procedural safeguards that apply to a formal investigation also apply to informal investigations. Interviews with witnesses are typically conducted with a court reporter present and a verbatim transcript is usually produced. Although the staff cannot administer oaths or affirmations in a preliminary investigation, if a witness is willing to testify on the record, the Staff, after obtaining the witnesses's consent, will have the court reporter administer an oath. A criminal statute, which prohibits the making of false statements to government officials, 18 U.S.C. § 1001, applies even if the witness is not under oath. If the witness is placed under oath, then false testimony may be subject to punishment under federal perjury laws as well.

A preliminary investigation can conclude with or without a staff recommendation that the Commission authorize a formal investigation or an enforcement proceeding. Although cooperation by the persons and entities from which information is sought may keep an investigation informal, non-cooperation by third party witnesses, or the need to obtain information from entities that require a subpoena, such as banks and telephone companies, often necessitates that the staff seek Commission authorization to conduct a formal investigation.

2. Formal Investigations

To collect information needed to conduct or complete an investigation, the staff may seek authorization to conduct a formal investigation. A "formal order" from the Commission is a delegation of broad fact-finding and investigative authority to the staff. The formal order identifies a broad outline of the general matters, which the staff is empowered to investigate, and identifies particular staff members as officers of the Commission authorized to issue subpoenas compelling the production of documents and testimony and authorized to administer oaths. Lawyers and other Commission staff members such as accountants, analysts and investigators can be designated officers of the Commission for the purposes of a formal investigation. If a witness fails to comply with a Commission subpoena, the Commission can seek a court order compelling compliance. If the witness then fails to comply with the court's order, the witness can be held in contempt and subjected to court imposed sanctions. As in informal investigations, witnesses who testify before the staff in a formal investigation have the right to be accompanied by counsel and may refuse to testify, based on their right against self-incrimination under the Fifth Amendment to the U.S. Constitution.

3. Investigative Technique

Generally, in an informal or formal investigation, the staff utilizes the same fact-finding methods. Typically, the staff first obtains and reviews relevant documents by reviewing, for example, public documents, filings made with the Commission, newspaper articles, and documents obtained from those persons and entities involved in the matter under investigation. Depending upon the subject matter of the investigation, the staff may also examine brokerage account statements, telephone records, corporate documents, and auditor's working papers. After a thorough review of the documents, the staff schedules the testimony of those witnesses with knowledge of the facts relevant to the investigation. The witnesses may identify other persons with relevant information, causing the staff to request additional documents and testimony. After gathering all of the relevant facts, the staff makes a determination, based on a review of the record and an assessment of all the information gathered, including judgments about witness credibility, as to whether it believes that a violation of the securities law has occurred.

C. Staff Recommendations to the Commission

If the staff determines that its investigation shows that a violation of the securities laws has occurred, it formulates a recommendation for Commission action. The staff

prepares a comprehensive memorandum discussing, in detail, the facts gathered in the investigation and legal theories that support the recommendation. Although the memorandum to the Commission is confidential, the staff generally discusses the facts and legal theories supporting its recommendation with opposing counsel prior to making its recommendation. Absent extraordinary circumstances, such as the need to obtain a temporary restraining order freezing illegal profits or preserving original documents, the staff usually provides potential defendants and respondents an opportunity to respond in writing to the staff's recommendation. This response, called a Wells submission, is provided to the Commission along with the staff's recommendation and generally contains factual and legal arguments why the Commission should not authorize enforcement action in a given case. After the staff makes a recommendation, the matter is scheduled for discussion by the Commission at a non-public or "closed" Commission meeting attended only by the Commissioners and the staff.

The Commission may authorize all or part of the action being recommended by the staff, or it may determine that no action is warranted. If the Commission determines to institute enforcement proceedings in a given case, it has several options as to the nature of the proceedings that might be brought. The Commission may bring what is called a civil injunctive action against a person or an entity that it believes has violated the federal securities laws. This type of enforcement action, which has traditionally been the most frequently employed remedial relief sought by the Commission, is brought before a federal judge and, unless settled, is litigated pursuant to the procedural and evidentiary rules governing federal court litigation. In an injunctive action, the Commission seeks a court order that compels the defendant to obey the law in the future. Violating such an order can result in criminal contempt proceedings, which may result in fines, incarceration, or both.

The Commission may also seek what is called "ancillary relief" -- specific requirements imposed on a defendant that are designed to remedy the harm caused by the violation. For instance, such ancillary relief may include an accounting, disgorgement of any ill-gotten gain when a defendant has profited from the violation, or a bar from serving as an officer or director of a public company. In filing a civil case, the Commission also may ask the U.S. courts for emergency relief, generally in the form of a temporary restraining order ("TRO"). In seeking a TRO, the Commission often requests that the court issue an order freezing illegally obtained money to prevent its dissipation so that, at the successful conclusion of the case, the assets can be returned to defrauded investors.

The Commission may also institute administrative proceedings -- proceedings that are litigated before a Commission administrative law judge and that are subject to appeal directly to the Commission and thereafter to a U.S. Court of Appeals. The Commission, while it acts in a prosecutorial capacity in authorizing the enforcement action, acts in a judicial capacity if it reviews the administrative law judge's initial decision on appeal. Administrative proceedings provide for a variety of relief, including an order to comply with the law, a censure or a limitation on activities (in the case of a regulated entity or associated person), or a cease and desist order. With the passage of the Securities Law

Enforcement Remedies and Penny Stock Reform Bill of 1990, the Commission was vested with the power to obtain cease and desist orders, an accounting, disgorgement, and civil money penalties in appropriate cases. The Act enhanced the Commission's powers by enabling the Commission to seek civil money penalties against any person who has violated any provision of the federal securities laws and confirmed a federal court's authority to bar those who have engaged in securities fraud from serving as an officer or director of a public company. Additionally, the Sarbanes-Oxley Act of 2002 gave the Commission the authority in administrative actions to bar individuals from serving as officers or directors of publicly-held companies.

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What to Expect When You Open a Brokerage Account

If you're reading this, you may be planning to open a brokerage account. You may wish to invest for your retirement or a child's education, or simply to try to grow some cash you have set aside. This publication explains what to expect if you do decide to open a brokerage account, including what information you **will** be asked to provide, what decisions you will be asked to make, what questions you should ask your broker and what your rights are as a customer of a brokerage firm.

Information You'll Be Asked to Provide

When you decide to open an account, there will be paperwork to complete. This will include a **new account application**, which brokerage firms may also call a new account form, account opening form or something similar. This application form will require you to provide some information about yourself, as well as ask you to make certain decisions about your account. As explained in more detail below, brokers use this information for several purposes, including learning about you and your financial needs and meeting certain regulatory obligations. While it may take a little time to fill out the application, it is important to answer the questions on the application accurately. So, be sure to read the application and the accompanying agreements and other documents the brokerage firm gives you carefully—and ask questions about anything you don't understand.

*intend to do
no such
thing*

In a new account application, along with other information, you'll likely be asked to provide your:

- › **Social Security or other tax identification number:** The rules of the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA)—which regulate the securities industry—require brokerage firms to ask for this information for several reasons. Like banks, credit unions and other financial institutions, brokerage firms must report to the Internal Revenue Service the income you earn on your investments. In addition, under the USA PATRIOT Act of 2001, financial institutions may use your Social Security number to verify your identity when opening brokerage accounts in order to help prevent money laundering and terrorist financing.
- › **Driver's license or passport information, or information from other government-issued identification:** This, too, can help your broker comply with its obligations under the USA PATRIOT Act.
- › **Employment status, financial information—such as your annual income and net worth—and investment objectives:** Collecting this information helps your broker to fulfill regulatory obligations. For example, if your broker is recommending investments to you, SEC and FINRA rules require that your broker collect this information. In addition, the information can help your broker determine suitable investment recommendations for you.

Note that the terms used to describe investment objectives often vary across brokerage firms and new account applications. You might hear terms such as "income," "growth," "conservative," "moderate," "aggressive" and "speculative." If you don't understand the distinctions among the terms, ask your broker to explain or give examples. Make sure that you describe your financial goals, how much risk you are willing to take with your investments and when you expect to need access to the funds in your account as comprehensively as possible.

- › **Trusted contact person:** Effective February 5, 2018, new account forms may include a section asking you to provide information for a trusted contact person. Your broker might ask for this information in a conversation or via email as well. You should expect to be asked to provide the name, address and telephone number(s) for a trusted contact person that your brokerage firm may contact about your account. While you are not required to provide this information to open an account, it may be a good idea to do so. By choosing to provide this information, you are authorizing the firm to contact such person and disclose information about your account in certain circumstances, including to address possible financial exploitation, and to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney. You also will receive a written disclosure from the firm that lays out these details.

Be accurate when you are providing the information requested on these forms. Your broker will use the information to understand your financial needs and to meet certain regulatory obligations. In addition, you are certifying that the information you've provided is accurate when you sign the new account application.

Decisions You'll Be Asked to Make

The new account form will also ask you to make some important decisions about your account, including how you will pay for your transactions, how any uninvested cash will be managed and who will have control over and access to your account.

- › **Do you want a cash account or margin loan account?** Most brokerage firms offer at least two types of accounts—a cash account and a margin loan account (customarily known as a "margin account"). In a cash account, you must pay for your securities in full at the time of purchase. In a margin loan account, although you must eventually pay for your securities in full, your broker can lend you funds at the time of purchase, with the securities in your portfolio serving as collateral for the loan. This is called buying securities "on margin." The shortfall between the purchase price and the amount of money you put in is a loan from the brokerage firm, and you will incur interest costs, just as with any other loan.

There are risks that arise from purchasing securities on margin that do not come with most other types of loans. For example if the value of your securities declines significantly, you may be subject to a "margin call." This means that the brokerage firm can either (1) require you to deposit cash or securities to your account immediately, or (2) sell any of the securities in your account to cover any shortfall—**without informing you in advance of the sale**. The brokerage firm decides which of your securities to sell. Even if the firm gives you notice that you have a certain number of days to cover the shortfall, the firm still may sell your securities

before that timeframe expires. Also, the firm may change, at any time, the threshold at which customers can be subject to a margin call.

Be sure to read carefully your new account application and any other documents that your broker gives you about margin loan accounts. Be sure that you understand how these accounts work before you sign up for one. With some firms, you sign up for a margin loan account by default unless you indicate otherwise on the application. If you have opened a margin account, but you pay for your securities in full at the time of purchase, you incur no more risks than you would in a cash account. For more information about margin loan accounts, read FINRA's Investor Alert, Investing with Borrowed Funds: No "Margin" for Error.

Note: While margin loan agreements are typically used to allow investors to buy securities on margin, some firms allow their customers to take out loans for other purposes. In connection with these loans, a firm might ask the customer to sign a margin agreement. Before you borrow money from your brokerage firm-for any reason-be sure you fully understand the terms, costs and consequences.

- > **How do you want to manage your uninvested cash?** Sometimes there is cash in your account that hasn't been invested. For example, you may have just deposited money into your account without giving instructions on how to invest it, or you may have received cash dividends or interest. Your brokerage firm typically will automatically place—or "sweep"—that cash into a cash management program (customarily known as a "cash sweep" program).

On your new account application, your brokerage firm may ask you to select a cash management program. Cash management programs offer different benefits and risks, including different interest rates and insurance coverage. Be sure you understand the different features of the cash management programs that your firm offers so that you can make an informed decision if you are asked to choose one.

- > **Who will make the final decisions for your account?** You will have final say on investment decisions in your account unless you give "discretionary authority" in writing to another person, such as your financial professional. With discretionary authority, this person may invest your money without consulting you about the price, amount or type of security or the timing of the trades that are placed for your account.

Some firms allow you to indicate who has discretionary authority over the account directly on the new account application, while others require separate documentation. There may be other types of authority that you may provide over your account, including a power of attorney and authorized trading privileges. Make sure you think through the risks involved in allowing someone else to make decisions about your money.

Other Account Opening Documents

The new account application may come with other documents-such as a "Customer Agreement," "Terms and Conditions" or the like. These documents, along with applicable state and federal laws plus SEC and

Must see contract to sign

FINRA rules, govern your brokerage relationship. Make sure to ask for copies if you do not receive them and download or print out copies of these for your records if you conduct business with your brokerage firm online.

Be sure to take time to review carefully all the information in these documents, whether you are opening your account in person at your broker's office or filling out your forms at home or online. And do not sign them unless you thoroughly understand and agree with the terms and conditions they impose on you.

Check Out Your Broker

If you haven't already done so, make sure you check out the background of your broker and brokerage firm **before you open an account with them**. Although a history free from registration or licensing problems, disciplinary actions or bankruptcies is no guarantee of the same in the future, checking out your broker and firm in advance can help you avoid problems. Look up your broker and firm on FINRA Brokercheck by going to <https://brokercheck.finra.org> or by calling toll-free (800) 289-9999.

Also make sure that the phone numbers and addresses that your broker and brokerage firm give you as their contact information are consistent with those listed in Brokercheck. Fraudulent entities and individuals have been known to steal the identities of legitimate brokers and brokerage firms so that they can get at your personal information!

Questions to Ask

Asking questions will help you to invest wisely and avoid problems. No matter what your level of investing experience, don't be shy or intimidated—it's your money. Here's a list to get you started.

1. Is this a margin account or a cash account? Can you explain the differences between the two?
2. What choices do I have regarding cash sweep programs? What are the different features, including interest rates and federal insurance coverage? If the firm offers both bank deposits and money market funds, what are the advantages and disadvantages of selecting one over the other?
3. Who will control decision-making in my account?
4. How often will I get account statements? Who will provide the statements and will they be online or in paper?

Tip: The brokerage firm that you open an account with may not be the one that sends your account statements. You may open an account with an **introducing firm**, which makes recommendations, takes and executes your orders and has an arrangement with a **clearing and carrying firm**, which is the one to finalize ("settle" or "clear") your trades and hold your funds or securities. There are also firms that take and execute orders and settle trades. If you work with an introducing firm, you may receive statements from the clearing firm. Find out what type of firm you open an account with and who will send you the

broker is
Sales/deep

cannot

account statements. You will receive an account statement at least once every calendar quarter.

5. Will my securities be registered in my name, or in the name of the firm? Can you explain the differences between the two?

Tip: Whether the securities are registered in your name or in the name of the brokerage firm can affect how soon you receive your dividends and interest, the ease with which you can sell your securities and the types of communications you receive directly from the issuer of the securities, among other things. For more information, see "Holding Your Securities—Get the Facts" on the SEC's Web site at <http://www.sec.gov/investor/pubs/holdsec.htm>.

6. What are all the fees relating to this account? How much are commissions? Are there any other transaction or advisory fees? Fees for not maintaining a minimum balance? Account maintenance, account transfer, account inactivity, wire transfer fees or any other fees?

7. What services am I getting with this account?

8. Who do I contact if I have a question or concern regarding my account? What are the different ways I can contact my account representative or his or her manager? Phone? Email? Local branch office?

As You Monitor Your Account

After you open your account, you should monitor its activity regularly. Make sure that you review all of your account statements and trade confirmations for any errors or any transactions that you did not authorize. If you see any evidence of unauthorized trading or errors, notify your broker, broker's supervisor or brokerage firm's compliance department immediately to further protect your rights. Make sure to take notes of any conversations you have with your firm concerning such disputes, to send in your complaints in writing as well and to keep copies of these notes and all communications related to such disputes for your records.

Ask yourself whether your investments are meeting your expectations and goals and whether your goals have changed. Do your investments still appear to be right for you, and what criteria will you use to decide when to sell?

impossible to monitor -
in my book will be asked w/
all these

WOODBURY FINANCIAL SERVICES, INC. (CRD# 421 / SEC# 8-13846, 801-54905)*Blinder*
101

Alternate Names: ADVANCE FINANCIAL SERVICES , ALLEN FINANCIAL ADVISEMENT , ALLIANCE FIANNICAL SERVICES , ALLIANCE FINANCIAL SERVICES INVESTMENT AND RETIREMENT ADVISORS , ALPINE PLANNING GROUP , AMERICAN FINANCIAL SERVICES , AMEV INVESTORS, INC. , ATLAS FINANCIAL PLANNING , ATRIUM WEALTH ADVISORS , BERNSTEIN FINANCIAL GROUP , BLUE PACIFIC ADVISORS , BLUEBIRD WEALTH PARTNERS , BRACKER WEALTH MANAGEMENT , BROOKSTONE WEALTH STRATEGIES , BULLISH BAER , CALDERWOOD FINANCIAL STRATEGIES , CHRIS RHYNE FINANCIAL MANAGEMENT , CIRCLE CITY WEALTH ADVISORS , CLEAR DIRECTION INVESTMENTS , CML WEALTH MANAGEMENT , COMPREHENSIVE WEALTH SOLUTIONS , CONSULTANTS IN WEALTH MANAGEMENT , CORNERSTONE WEALTH MANAGEMENT , CREATIVE FINANCIAL GROUP , CROMER FAMILY FINANCIAL , CROSS FINANCIAL , CUE FINANCIAL OF OKLAHOMA , CUI WEALTH MANAGEMENT , D&L FINANCIAL ADVISORS , DEMERY WEALTH ADVISORS , DOTY FINANCIAL SOLUTIONS , ELEKTRON WEALTH MANAGEMENT , ENGAGE FINANCIAL GROUP , FELICIANO FINANCIAL GROUP , FERD GARCIA WEALTH MANAGEMENT , FERDINANDSEN FINANCIAL GROUP , FIRST MATE FINANCIAL ADVISORS , FORTIS INVESTORS, INC. , FPG PRIVATE WEALTH ADVISORS , GHJ FINANCIAL GROUP , GRIFFIN FINANCIAL LLC , GUIDANCE ADVISORS , HEDRICK WEALTH MANAGEMENT GROUP , HERSHEY INVESTMENTS , INCOME ADVISOR TEAM , INTEGRITY WEALTH SERVICES , INVESTMENT COMPONENT , KAS INVESTMENT SERICES, INC. , KHS WEALTH AND INSURANCE SERVICES , KNOX FINANCIAL ADVISING , LARSON FINANCIAL ADVISORS , LEGACY PLANNING GROUP , LEGACY PREMIER ADVISORS , LEGACY RETIREMENT PLAN SERVICES , LEGACY WEALTH MANAGEMENT , LINDBERG FINANCIAL , MACY WEALTH MANAGEMENT , MARK SCHLAFER & CO. , MARTING FINANCIAL , MINDFUL WEALTH ADVISORS , MINKOFF CAPITAL , MONEY WISE PLANNING GROUP , MURPHY FINANCIAL SERVICES , NICOLAS JOHN FINANCIAL , NORTHEAST VALLEY FINANCIAL , NORTHPOINT FINANCIAL GROUP , NORTHSTAR FINANCIAL SERVICES , NPB FINANCIAL , O'MALLEY WEALTH MANAGEMENT , OAK BROOK WEALTH MANAGEMENT , OMADA FINANCIAL , ON TRACK FINANCIAL , OZANNE FINANCIAL SERVICES , OZANNE FINANCIAL SERVICES , P&P ASSET MANAGEMENT , PEACOCK FINANCIAL SERVICES , PETRICIC & PHILLIPS FINANCIAL GROUP , PHYSICIANS PLANNING GROUP , POINDEXTER FINANCIAL SERVICES , POWER WOMEN INVESTING , RAMIREZ & RAINS , RAYMOND WEALTH MANAGEMENT , REYNOLDS FINANCIAL ADVISORS , RJA FINANCIAL SERVICES, INC. , ROB JOHNSON FINANCIAL , ROBNETT , ROBNETT CERTIFIED PUBLIC ACCOUNTANTS FIANCIAL ADVISORS , RUSSELL INVESTMENT ADVISORS , RYAN FINANCIAL , SCHLAFER WEALTH MANAGEMENT , SCHNUELLE, WITTE & ASSOCIATES , SCHOOLER FINANCIAL , SECURITY FIRST WEALTH MANAGMENET , SERVICE WEALTH ADVISORS , SHAW HOLDEN FINANCIAL , SHERPA FINNANCIAL SERVICES , SHOBER & ZELCER FINANCIAL PLANNING , SILVER OAK FINANCIAL , SILVEROAK FINANCIAL GROUP , SLAYTON WEALTH MANAGEMENT , SOUTHWEST BUSINESS CONSULTANTS , SPECTRUM FINANCIAL PARTNERS , ST. PAUL INVESTORS, INC. , STAFFORD WEALTH MANAGEMENT , STEWART FINANCIAL , STRATEGIC CAPITAL ADVISORS , STRATEGIC WEALTH INC , SWM FINANCIAL , TENACITY ADVISOR GROUP , TERESA M. HART FINANCIAL SERVICES , THE BIG PICTURE GROUP , THE LINEAGE GROUP , TRINITY ADVISOR GROUP, INC. , TRUJILLO PRIVATE WEALTH , TUTSCHULTE FINANCIAL PLANNING , VALTINSON BRUNER FINANCIAL SERVICES , VALTINSON, BRUNER AND YOUNG FINANCIAL GROUP , WAGNER FINANCIAL SERVICES, INC. , WALLER WEALTH MANAGEMENT , WEALTH NETWORK , WEALTH SERVICES ALLIANCE , WEGGE FINANCIAL GROUP , WHITTENBURG WEALTH MANAGEMENT , WOODBURY ADVISOR CENTRAL , WOODBURY FINANCIAL SERVICES, INC. , YUN CAPITAL ADVISORS [Hide](#) [^]

[View latest Form ADV filed](#)[Part 2 Brochures](#)The adviser's **REGISTRATION** status is listed below.This adviser is also a [brokerage firm](#)**REGISTRATION STATUS**

SEC / JURISDICTION	REGISTRATION STATUS ⓘ	EFFECTIVE DATE
SEC	Approved	09/19/1997

NOTICE FILINGS

Investment adviser firms registered with the SEC may be required to provide to state securities authorities a copy of their Form ADV and any accompanying amendments filed with the SEC. These filings are called "*notice filings*". Below are the states with which the firm you selected makes its notice filings. Also listed is the date the firm first became notice filed or registered in each state.

JURISDICTION	EFFECTIVE DATE
Alabama	02/12/2004
Alaska	04/12/2002
Arizona	02/24/2006
Arkansas	08/31/2001
California	01/27/1998
Colorado	01/01/1999
Connecticut	03/11/1998
Delaware	09/29/2003
District of Columbia	07/02/1999
Florida	10/27/1997
Georgia	04/01/1999
Hawaii	08/04/2006
Idaho	08/14/1998
Illinois	10/27/1997
Indiana	10/15/1997
Iowa	01/01/1999
Kansas	10/24/1997
Kentucky	03/13/2001
Louisiana	11/25/2002
Maine	02/24/2006
Maryland	11/19/1998

Massachusetts	01/01/2000
Michigan	03/22/2001
Minnesota	10/21/1997
Mississippi	01/07/1999
Missouri	10/30/1998
Montana	06/28/2000
Nebraska	11/19/1998
Nevada	07/14/1998
New Hampshire	12/03/1999
New Jersey	02/11/2003
New Mexico	09/13/2000
New York	04/01/1999
North Carolina	05/13/2002
North Dakota	04/25/2000
Ohio	04/02/1999
Oklahoma	11/24/1998
Oregon	08/27/1998
Pennsylvania	03/31/2004
Rhode Island	05/12/2004
South Carolina	01/01/2000
South Dakota	10/12/2000
Tennessee	11/25/2002
Texas	12/16/2002
Utah	09/29/2000
Vermont	09/29/1999
Virgin Islands	10/28/2010
Virginia	11/02/1998
Washington	08/17/1998
West Virginia	02/12/2004
Wisconsin	02/03/1998
Wyoming	07/06/2017

EXEMPT REPORTING ADVISERS

Exempt Reporting Advisers ("ERA") are investment advisers that are not required to register as investment advisers because they rely on certain exemptions from registration under sections 203(l) and 203(m) of the Investment Advisers Act of 1940 and related rules. Certain state securities regulatory authorities have similar exemptions based on state statutes or regulations. An ERA is required to file a report using Form ADV, but does not complete all items contained in Form ADV that a registered adviser must complete. Other state securities regulatory authorities require an ERA to register as an investment adviser and file a complete Form ADV. Below are the regulators with which an ERA report is filed.

Not Currently an Exempt Reporting Adviser

Below is a list of all possible matches that were returned based on the search criteria you provided. Search results may include both investment advisers and broker-dealers. Results show whether each firm is an investment adviser, broker-dealer or both.

Clicking the Get Details button will provide you with a summary for the individual or firm.

For additional information, please see the [information below](#) the list of possible matches.

1 Result

WOODBURY FINANCIAL SERVICES, INC.

Get Details

(CRD# 421 / SEC# 8-13846, 801-54905)

Alternate Names: ADVANCE FINANCIAL SERVICES , ALLEN FINANCIAL ADVISEMENT , ALLIANCE F... Show All

7755 3RD STREET NORTH, OAKDALE, MN 55128

Investment Adviser Firm
Brokerage Firm

The investment advisers listed above are (or were in the last 10 years) registered with the SEC and/or the states, or exempt from registration but required to file reports with the SEC and/or the states.

The broker-dealers listed above have information in FINRA's BrokerCheck system.

By clicking on any investment adviser above, you will be viewing the most recent Form ADV it filed. Investment advisers file a Form ADV to register with the SEC and/or the states. Exempt Reporting Advisers complete a portion of Form ADV for purposes of reporting to the SEC and/or the states.

By clicking on any broker-dealer above, you will be linked to FINRA's BrokerCheck system to view information about that broker-dealer.

If you would like additional information about an investment adviser (such as the investment adviser's previously filed Form ADVs), you may file a Freedom of Information Act (FOIA) request with the SEC Office of FOIA Services [here](#) or contact a state where the investment adviser is registered or files reports.

If the individual or firm you are searching for is not listed above, click [here](#) for suggestions.

Please [click here](#) to return to the beginning of the search results.

WOODBURY FINANCIAL SERVICES, INC. (CRD# 421 / SEC# 8-13846, 801-54905)

Alternate Names: ADVANCE FINANCIAL SERVICES , ALLEN FINANCIAL ADVISEMENT , ALLIANCE FIANNICAL SERVICE... [Show All](#) ⌵

The adviser's **REGISTRATION** status is listed below.

This adviser is also a brokerage firm

REGISTRATION STATUS

SEC / JURISDICTION	REGISTRATION STATUS ⓘ	EFFECTIVE DATE
SEC	Approved	09/19/1997

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Colorado	01/01/1999
Connecticut	03/11/1998
Delaware	09/29/2003
District of Columbia	07/02/1999
Florida	10/27/1997
Georgia	04/01/1999
Hawaii	08/04/2006

Idaho	08/14/1998
Illinois	10/27/1997
Indiana	10/15/1997
Iowa	01/01/1999
Kansas	10/24/1997
Kentucky	03/13/2001
Louisiana	11/25/2002
Maine	02/24/2006
Maryland	11/19/1998
Massachusetts	01/01/2000
Michigan	03/22/2001
Minnesota	10/21/1997
Mississippi	01/07/1999
Missouri	10/30/1998
Montana	06/28/2000
Nebraska	11/19/1998
Nevada	07/14/1998
New Hampshire	12/03/1999
New Jersey	02/11/2003
New Mexico	09/13/2000
New York	04/01/1999
North Carolina	05/13/2002
North Dakota	04/25/2000
Ohio	04/02/1999
Oklahoma	11/24/1998
Oregon	08/27/1998
Pennsylvania	03/31/2004
Rhode Island	05/12/2004
South Carolina	01/01/2000
South Dakota	10/12/2000
Tennessee	11/25/2002
Texas	12/16/2002

Utah	09/29/2000
Vermont	09/29/1999
Virgin Islands	10/28/2010
Virginia	11/02/1998
Washington	08/17/1998
West Virginia	02/12/2004
Wisconsin	02/03/1998
Wyoming	07/06/2017

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Not Currently an Exempt Reporting Adviser

Below is a list of all possible matches that were returned based on the search criteria you provided. Search results may include both investment advisers and broker-dealers. Results show whether each firm is an investment adviser, broker-dealer or both.

Clicking the Get Details button will provide you with a summary for the individual or firm.

For additional information, please see the [information below](#) the list of possible matches.

Results 31 to 35 of 35

Prev 1 2 3

ROBERT VINYARD HOFFMAN III(CRD# 3027432)[Get Details](#)**Broker**

(Not registered since 03/2009)

ZACHARY ROBERT HOFFMAN (CRD# 5692519)[Get Details](#)**Investment Adviser Rep**

(Not registered since 06/2010)

Broker

(Not registered since 09/2010)

ROBERT A HOFFMANN (CRD# 5291155)[Get Details](#)**Broker**

(Not registered since 08/2008)

ROBERT HAYES HOFFMANN (CRD# 4008798)[Get Details](#)**Alternate Names: ROBERT HOFFMANN****Broker**

(Not registered since 05/2017)

ROBERT HOFFMAN LITTER (CRD# 1004881)[Get Details](#)**Investment Adviser Rep**

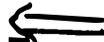
(Not registered since 03/2017)

Broker

(Not registered since 03/2017)

Prev 1 2 3

The investment advisers listed above are (or were in the last 10 years) registered with the SEC and/or the states, or exempt from registration but required to file reports with the SEC and/or the states.

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Please [click here](#) to return to the beginning of the search results.

Encryption of Rule 8210 Information

SEC Approves Amendments to FINRA Rule 8210 to Require Encryption of Information Provided Via Portable Media Device

Effective Date: December 29, 2010

Executive Summary

Beginning December 29, 2010, information provided via a portable media device in response to requests under FINRA Rule 8210 must be encrypted.

The text of FINRA Rule 8210, as amended, is set forth in Attachment A.

Questions regarding this *Notice* should be directed to:

- ▶ Emily Gordy, Senior Vice President and Director Of Policy, Enforcement, at (202) 974-2916;
- ▶ Laurie Dzien, Chief Privacy Officer and Associate General Counsel, Data Privacy & Protection, Office of General Counsel (OGC), at (240) 386-6339; or
- ▶ Stan Macel, Assistant General Counsel, OGC, at (202) 728-8056.

Background and Discussion

The SEC recently approved amendments to FINRA Rule 8210 (Provision of Information and Testimony and Inspection and Copying of Books) that require information provided via a portable media device pursuant to a request under the rule be encrypted, as described in more detail below.¹ These amendments take effect on December 29, 2010.

FINRA Rule 8210 confers on FINRA staff the authority to compel a member firm, person associated with a member firm or other person over which FINRA has jurisdiction, to produce documents, provide testimony or supply

→ where did Congress say?

November 2010

Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Senior Management

Key Topics

- ▶ Encryption
- ▶ Investigations

Referenced Rules & Notices

- ▶ FINRA Rule 8210

Where does it
Say in
Payment Employment

written responses or electronic data in connection with an investigation, complaint, examination or adjudicatory proceeding.² FINRA Rule 8210(c) provides that a firm's or person's failure to provide information or testimony or to permit an inspection and copying of books, records or accounts is a violation of the rule.

Frequently, member firms and persons that respond to requests pursuant to FINRA Rule 8210 provide information in electronic format. Because of the size of the electronic files, often this information is provided in electronic format using a portable media device such as a CD-ROM, DVD or portable hard drive.³ In many instances, the response contains personal information that, if accessed by an unauthorized person, could be used inappropriately.⁴

Data security issues regarding personal information have become increasingly important in recent years.⁵ In this regard, FINRA believes that requiring persons to encrypt information on portable media devices provided to FINRA in response to Rule 8210 requests will help ensure that personal information is protected from improper use by unauthorized third parties.

As amended, the rule requires that when information responsive to a request pursuant to Rule 8210 is provided on a portable media device, it must be "encrypted"—*i.e.*, the data must be encoded into a form in which meaning cannot be assigned without the use of a confidential process or key. To help ensure that encrypted information is secure, persons providing encrypted information to FINRA via a portable media device are required:

- (1) to use an encryption method that meets industry standards for strong encryption; and
- (2) to provide FINRA staff with the confidential process or key regarding the encryption in a communication separate from the encrypted information itself (*e.g.*, a separate email, fax or letter).

Currently, FINRA views industry standards for strong encryption to be 256-bit or higher encryption. Encryption software meeting this standard is widely available as embedded options in desktop applications and through various vendors via the Internet at no cost or minimal cost to the user.

Industry People
Must not
Share
Information

Endnotes

- ← confirm when approved by Congress
- 1 See Exchange Act Release No. 63016 (Sept. 29, 2010), 75 FR 61793 (Oct. 6, 2010) (Order Approving Proposed Rule Change; File No. SR-FINRA-2010-021).
 - 2 The rule applies to all member firms, associated persons and other persons over which FINRA has jurisdiction, including former associated persons subject to FINRA's jurisdiction as described in the FINRA By-Laws. See FINRA By-Laws, Article V, Section 4(a) (Retention of Jurisdiction).
 - 3 The amended rule defines "portable media device" as a storage device for electronic information, including but not limited to a flash drive, CD-ROM, DVD, portable hard drive, laptop computer, disc, diskette or any other portable device for storing and transporting electronic information.
 - 4 For example, a response may include a person's first and last name, or first initial and last name, in combination with that person's: (1) social security number; (2) driver's license, passport or government-issued identification number; or (3) financial account number (including, but not limited to, number of a brokerage account, debit card, credit card, checking account or savings account).
 - 5 For example, some jurisdictions, including Massachusetts and Nevada, have recently enacted legislation that establishes minimum standards to safeguard personal information in electronic records. See, e.g., Commonwealth of Massachusetts, 201 CMR 17.00 (Standards for the Protection of Personal Information of Residents of the Commonwealth), effective March 1, 2010; State of Nevada, NRS 603A.215 (Security Measures for Data Collector that Accepts Payment Card; Use of Encryption; Liability for Damages; Applicability), effective January 1, 2010. These laws contain potential penalties against persons and entities for failures to adequately safeguard electronic information containing personal information.

ATTACHMENT A

New language is underlined.

* * * * *

8200. INVESTIGATIONS

8210. Provision of Information and Testimony and Inspection and Copying of Books

(a) through (f) No Change.

(g) Encryption of Information Provided in Electronic Form

(1) Any member or person who, in response to a request pursuant to this Rule, provides the requested information on a portable media device must ensure that such information is encrypted.

(2) For purposes of this Rule, a “portable media device” is a storage device for electronic information, including but not limited to a flash drive, CD-ROM, DVD, portable hard drive, laptop computer, disc, diskette, or any other portable device for storing and transporting electronic information.

(3) For purposes of this Rule, “encrypted” means the transformation of data into a form in which meaning cannot be assigned without the use of a confidential process or key. To ensure that encrypted information is secure, a member or person providing encrypted information to FINRA staff pursuant to this Rule shall (a) use an encryption method that meets industry standards for strong encryption, and (b) provide the confidential process or key regarding the encryption to FINRA staff in a communication separate from the encrypted information itself.

U.S. Securities and Exchange Commission
Report on Implementing the Plain Writing Act of 2010
July 13, 2011 (updated April 17, 2018)

The purpose of this Report is to describe the U.S. Securities and Exchange Commission's plans for implementing the Plain Writing Act of 2010 (Act). The Act is intended to make it easy for the public to understand government documents. The SEC, like other federal agencies, must write documents in plain writing, which the Act defines as writing that is "clear, concise, well-organized, and follows other best practices appropriate to the subject or field and intended audience." Plain writing avoids jargon, redundancy, ambiguity, and obscurity.

By October 13, 2011, the Act requires executive agencies to write *new or substantially revised* "covered documents" using the Federal Plain Language Guidelines. The Act defines a "covered document" as any document that

- is necessary for obtaining any Federal Government benefit or service or filing taxes;
- provides information about any Federal Government benefit or service; or
- explains to the public how to comply with a requirement the Federal Government administers or enforces.

The Act excludes "a regulation" from the definition of "covered document," although guidance from the Office of Management and Budget (OMB) states that rulemaking "preambles," which correspond to our rulemaking releases, are to be considered "covered documents."

Based on the OMB guidance and input from the SEC's offices and divisions, "covered documents" generally include, but are not limited to:

- narrative text of Commission releases (for example, proposing, adopting, concept);
- no-action letters, exemptive and interpretive orders, including SRO rule filing notices and orders, answers to frequently asked questions, compliance alerts, and comment letters;
- press releases, news digests, and most content of sec.gov and investor.gov;
- investor alerts and bulletins; and
- correspondence and published speeches, presentations and conference materials that explain how to comply with SEC rules.

Other Requirements of the Act

- **Senior Agency Official for Plain Writing**

The Senior Agency Official responsible for Plain Writing is Lori J. Schock, Director, Office of Investor Education and Advocacy.

- **Plain Writing Webpage**

We have created a webpage that informs the public of the SEC's plans for complying with the Act and allows the agency to receive and respond to public comments and suggestions. The webpage, <https://www.sec.gov/plainwriting.shtml>, is accessible through a link at the bottom of the SEC homepage and on investor.gov.

- **Informing Agency Staff of Requirements of the Act**

We sent an agency-wide Administrative Notice to SEC staff, informing them of the requirements of the Act, on July 11, 2011.

- **Training**

From April 1, 2017 through March 31, 2018, the SEC offered 40 different professional writing courses to SEC staff that included a "plain language" component, and over 400 SEC staff completed the training. Online training resources from PLAIN and other federal agencies are also made available to the staff.

3500+ work for SEC

- **Assessment of Plain Writing Efforts**

Plain Writing Liaisons in the SEC's offices and divisions will report on progress on plain writing to the Senior Agency Official for Plain Writing. The Liaisons will also help evaluate public comments, consider the need for additional staff training, and develop methods to encourage staff compliance with the Act, which might include an award for achievement in plain writing.

- **Request for Comment**

Members of the public are requested to submit comments and suggestions on the SEC's plain writing efforts to: PlainWriting@sec.gov.

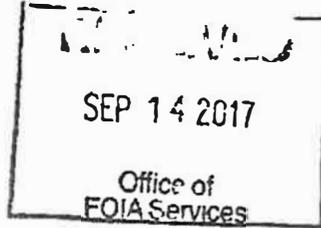
Probes Reporter.

*They know it. Now you know it.**

[REDACTED]
foia@s[REDACTED]
[REDACTED]

FOIA Request

US Securities & Exchange Commission
Office of FOIA and Privacy Act Operations
100 F Street, NE Mail Stop 5100
Washington, DC 20549-5100



14-September-2017

Under the Freedom of Information Act (FOIA), 5 U.S.C. § 552 et. seq, please provide me with copies of the following records of any investigation(s) that directly pertain to the conduct, disclosures, and/or transactions of the registrant **Cimpress N.V.** (cik #:0001262976) since **14-Sep-2015**.

- Correspondence sent to and/or received by the registrant;
- Correspondence sent to and/or received by third parties on behalf of the registrant;
- Wells Notices;
- Subpoenas;
- Orders of Formal Investigation as well as any supplemental orders; and,
- Opening and Closing Reports, including "Case Closing Recommendation", "Matter Under Inquiry Summary", "Investigation Summary", and/or similar documents and/or reports.

With regard to the Case Closing Recommendations and those other documents requested in my last bullet point, we specifically ask that that your response(s) to this request speak to the existence of these records, whether or not you intend to release them. If none is found for this registrant, please tell us that. If such records are found, please release them to us. If such records exist that you do not wish to release, please be specific as possible in describing those records not being released and why they, or components of them, are not being released.

At present we are not interested in rejected offers of settlement.

If any exemptions are asserted, I prefer the Commission grant a partial fulfillment of my request by providing our office with any documents which are not in dispute at this time.

If possible, for those records where confidential treatment is asserted, we request that the FOIA office provide us with the estimated number of pages & date range of the pages at issue. This will help us assess whether we want the FOIA office to proceed with confidential treatment processing.

As I qualify as a media requestor there should be no fees related to this request. In the event of unusual circumstances, this letter authorizes up to \$1,000 in search and related fees. Please invoice me where appropriate and we will pay the invoices promptly. Please feel free to call me at (763) 595-0900 with any questions or information regarding this request.

Thank you for your continued assistance.

J. [REDACTED]



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

October 3, 2017

J. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Re: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. [REDACTED]

Dear Mr. Gavin:

This letter is in response to your request, dated and received in this office on September 14, 2017, for copies of any investigation(s) that directly pertain to the conduct, disclosures, and/or transactions of the registrant Cimpres N.V., since September 14, 2014. Specifically, you listed six types of records for which you were interested, as well as information regarding confidential treatment requests.

Based on the information you provided in your letter, we conducted a thorough search of the SEC's various systems of records, but did not locate or identify any information responsive to your request.

If you still have reason to believe that the SEC maintains the type of information you seek, please provide us with additional information, which could prompt another search. Otherwise, we conclude that no responsive information exists and we consider this request to be closed.

You have the right to appeal the adequacy of our search or finding of no responsive information to the SEC's General Counsel under 5 U.S.C. § 552(a)(6), 17 CFR § 200.80(d)(5)(iv). The appeal must be received within ninety (90) calendar days of the date of this adverse decision. Your appeal must be in writing, clearly marked "Freedom of Information Act Appeal," and should identify the requested records. The appeal may include facts and authorities you consider appropriate.

J. [REDACTED]
October 3, 2017
Page 2

17 [REDACTED]-T

You may file your appeal by completing the online Appeal form located at https://www.sec.gov/forms/request_appeal, or mail your appeal to the Office of FOIA Services of the Securities and Exchange Commission located at Station Place, 100 F Street NE, Mail Stop 2465, Washington, D.C. 20549, or deliver it to Room 1120 at that address. Also, send a copy to the SEC Office of the General Counsel, Mail Stop 9612, or deliver it to Room 1120 at the Station Place address.

If you have any questions, please contact me at mandicf@sec.gov. You may also contact me at foiapa@sec.gov or (202) 551-7900. You also have the right to seek assistance from Dave Henshall at (202) 551-7900 as a FOIA Public Liaison for this office, or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or Archives.gov or via e-mail at ogis@nara.gov.

Sincerely,



Frank Mandic
FOIA Research Specialist



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

July 11, 2018

[REDACTED]

Re: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. 18-[REDACTED] FOIA

Dear [REDACTED]:

This letter is in reference to your request, dated and received in this office on July 6, 2018, for information concerning Michael Piwowar's end of year disclosures for gifts, honorariums, gratuities, fees paid by non-profits and relationships, dated from his first hire to the Commission to the present.

You asked for expedited processing of your request. Under the SEC's FOIA Rule 17 CFR § 200.80(d)(5)(iii), this Office shall grant a request for expedited processing if the requester demonstrates a compelling need for the records. "Compelling need" means that a failure to obtain the requested records on an expedited basis could reasonably be expected to pose an imminent threat to an individual's life or physical safety or, if the requester is primarily engaged in disseminating information, by demonstrating that an urgency to inform the public of actual or alleged Federal government activity exists. A compelling need shall be demonstrated by a statement, certified to be true and correct to the best of the requester's knowledge and belief. In my view, a compelling need has not been demonstrated. Therefore, we are processing your request under our normal guidelines.

You also requested a fee waiver of all costs associated with your request. We may waive or reduce search, review, and duplication fees if (A) disclosure of the requested information is in the public interest because it is likely to contribute significantly to public understanding of the operations and activities of the government and (B) disclosure is not primarily in the commercial interest of the requester, 5 U.S.C. § 552(a)(4)(iii).

████████████████████
July 11, 2018
Page Two

We will determine whether disclosure is likely to contribute significantly to the public's understanding of the operations or activities of the government based upon four factors:

- Whether the subject matter of the requested records concerns the operations or activities of the Federal government;
- Whether the requested records are meaningfully informative on those operations or activities so that their disclosure would likely contribute to increased understanding of specific operations or activities of the government;
- Whether disclosure will contribute to the understanding of the public at large, rather than the understanding of the requester or a narrow segment of interested persons; and
- Whether disclosure would contribute significantly to public understanding of government operations and activities.

We will determine whether disclosure of the requested records is not primarily in the commercial interest of the requester based on these two factors:

- Whether disclosure would further any commercial interests of the requester; and
- Whether the public interest in disclosure is greater than the requester's commercial interest under 17 CFR § 200.80 (e)(4)(ii).

While SEC grants waivers of FOIA fees where appropriate, we are also obligated to safeguard the public treasury by not granting waivers except as provided by the FOIA. As a requester, you bear the burden under the FOIA of showing that the fee waiver requirements have been met. Based on my review of your request, I determined that your fee waiver request is deficient because it does not provide substantive information relating to any of the six factors. Therefore, I am denying your request for a fee waiver.

Based on the information you provided, we classified you in the "All Other" fee category. As such you are entitled to review time, the first two hours of search time, and duplication of the first 100 pages of releasable material, at no cost. However, you are required to pay for any additional search time and duplication charges at the rate of \$.15 for each page after the first 100 pages, in accordance with our fee schedule.

[REDACTED]
July 11, 2018
Page Three

I am the deciding official with regard to this adverse determination. You have the right to appeal my decision to the SEC's General Counsel under 5 U.S.C. § 552(a)(6), 17 CFR § 200.80(d)(5)(iv). The appeal must be received within ninety (90) calendar days of the date of this adverse decision. Your appeal must be in writing, clearly marked "Freedom of Information Act Appeal," and should identify the requested records. The appeal may include facts and authorities you consider appropriate.

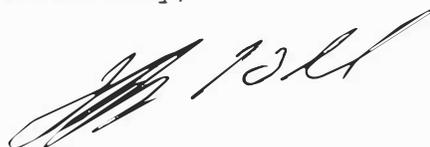
You may file your appeal by completing the online Appeal form located at https://www.sec.gov/forms/request_appeal, or mail your appeal to the Office of FOIA Services of the Securities and Exchange Commission located at Station Place, 100 F Street NE, Mail Stop 2465, Washington, D.C. 20549, or deliver it to Room 1120 at that address. Also, send a copy to the SEC Office of the General Counsel, Mail Stop 9612, or deliver it to Room 1120 at the Station Place address.

Because of the large time frame covered in your FOIA request, we estimate that it will entail up to 2 hours chargeable search time, totaling \$122. Therefore, before processing your request, we require your agreement to pay up to \$122 in processing fees. We will place your request in a Hold status until July 23, 2018. If we do not receive your response by that date, we will close your request without further notice.

You also have the right to seek assistance from me as a FOIA Public Liaison or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or Archives.gov or via e-mail at ogis@nara.gov.

In the interim, if you have any questions, please contact Amy Gbenou of my staff at Gbenoua@sec.gov or (202) 551-5327. You may also contact me at foiapa@sec.gov or (202) 551-7900.

Sincerely,



Jeffery Ovall
FOIA Branch Chief



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

July 9, 2018

[REDACTED]

Re: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. 18-[REDACTED]-FOIA

Dear [REDACTED]:

This letter is our final response to your request, dated and received in this office on July 2, 2018, for a list of gifts Commissioner Michael Piowar declared receiving in years 2001-2002, 2006-2007 and 2009-2018, including but not limited to hard items, cash, perks, etc. (i.e., paid for airfare, drives to and from, lodging, food, etc.).

Based on the information you provided in your letter, we conducted a thorough search of the SEC's various systems of records, but did not locate or identify any information responsive to your request.

If you still have reason to believe that the SEC maintains the type of information you seek, please provide us with additional information, which could prompt another search. Otherwise, we conclude that no responsive information exists and we consider this request to be closed.

You have the right to appeal the adequacy of our search or finding of no responsive information to the SEC's General Counsel under 5 U.S.C. § 552(a)(6), 17 CFR § 200.80(d)(5)(iv). The appeal must be received within ninety (90) calendar days of the date of this adverse decision. Your appeal must be in writing, clearly marked "Freedom of Information Act Appeal," and should identify the requested records. The appeal may include facts and authorities you consider appropriate.

You may file your appeal by completing the online Appeal form located at https://www.sec.gov/forms/request_appeal, or mail your appeal to the Office of FOIA Services of the Securities and Exchange Commission located at Station Place, 100 F Street NE, Mail Stop 2465, Washington, D.C. 20549, or deliver it to Room 1120 at that address. Also, send a copy to the SEC Office of the General Counsel, Mail Stop 9612, or deliver it to Room 1120 at the Station Place address.

[REDACTED]

July 9, 2018
Page 2

[REDACTED]

Please be advised that gifts are required to be reported on the Public Financial Disclosure forms annually. In order to obtain information that may be responsive to your request you may wish to contact U.S. Office of Government Ethics (OGE). The website for OGE is www.oge.gov. You may contact OGE directly by telephone at 202-482-9300 or by mail at:

U.S. Office of Government Ethics
1201 New York Avenue, N.W., Suite 500
Washington, DC 20005

If you have any questions, please contact me at osbornes@sec.gov or (202) 551-8371. You may also contact me at foiapa@sec.gov or (202) 551-7900. You also have the right to seek assistance from Ray J. McInerney at (202) 551-7900 as a FOIA Public Liaison for this office, or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or Archives.gov or via e-mail at ogis@nara.gov.

Sincerely,

Sonja Osborne

Sonja Osborne
FOIA Lead Research Specialist

AFFIDAVIT FOR EVIDENTIARY SEARCH WARRANT

**THE STATE OF TEXAS §
 §
COUNTY OF COLLIN §**

THE UNDERSIGNED AFFIANT, BEING DULY SWORN, ON OATH MAKES THE FOLLOWING STATEMENTS AND ACCUSATIONS:

- 1. THERE IS IN COLLIN COUNTY, TEXAS, A SUSPECTED PLACE AND PREMISES DESCRIBED AND LOCATED AS FOLLOWS:**

The office of Texas First Financial, L.L.C., located at 5300 Town and Country Blvd., Ste. 190, Frisco, Texas 75034. The office is located on the ground of what appears to be a three story office complex. Suite 190 is located on the Northeast corner of the office complex adjacent to the Westin Stonebriar Hotel and Golf Club, The Agape Center for Spiritual Living, and the Legacy Grill. There is a reception seating area as one enters the office of Texas First Financial, L.L.C. The office contains a conference room and as many as six interior offices.

- 2. THERE IS AT SAID SUSPECTED PLACE AND PREMISES PROPERTY CONCEALED AND KEPT IN VIOLATION OF THE LAWS OF TEXAS THAT CONSTITUTES EVIDENCE OF AN OFFENSE AND EVIDENCE THAT PARTICULAR PERSONS COMMITTED OFFENSES AS HEREIN BELOW SET FORTH, AND SAID PROPERTY AND EVIDENCE ARE DESCRIBED AS FOLLOWS:**

The business records of Texas First Financial, L.L.C., its agents and employees, in whatever form and by whatever means they may have been created and/or stored, including any handmade, photographic, mechanical, electrical, electronic and/or magnetic forms, which evidence the commission of fraud in connection with the sale or offer for sale of securities in violation of Section 29C of the Texas Securities Act in an amount of \$10,000.00 or more, a third degree felony offense under the laws of the State of Texas; the sale or offer for sale or delivery of securities without being a registered dealer or agent in violation of Section 29A of the Texas Securities Act, a third degree felony under the laws of the State of Texas; and the sale or offer for sale or delivery of unregistered securities in violation of Section 29B of the Texas Securities Act, a third degree felony under the laws of the State of Texas:

- (1) Records which identify and provide the location of people who have purchased investments in Credit Nation Capital, L.L.C.; Credit Nation Acceptance, L.L.C.; Credit Nation Auto Sales, L.L.C.; American Motor Credit, L.L.C.; Spaghetti Junction, L.L.C.; Texas First Financial, L.L.C.; Primary Urgent Care, L.L.C.; Premier Immediate Care, L.L.C.; Premier One Emergency Care, L.L.C.; Mechanical Motion Solutions, L.L.C.; BNR Real Estate Holdings, L.L.C.; TenList, Inc.; Stamedia, Inc. (a/k/a Stamedia, L.L.C.); Growth Hackers, L.L.C.; Meteora; North-Forty Development, L.L.C.; Texas Cash Cow Investments, Inc.; Christian Custom Homes, L.L.C.; Oklahoma Cash Cow Investments, L.L.C.; Texas Cash Cow of Houston, Inc.; Cash Flow Kings, Inc.; CCMG Real Estate, Inc.; Double Droptine Ranch, L.L.C.; PMC Contractors, Inc.; Texaplex Leasing, L.L.C.; Accelerated Employment Agency, L.L.C.; Prosper Flex Development Partners, L.L.C.; Frisco Wade Crossing Development Partners, L.L.C.; McKinney Executive Suites at Crescent Parc Development Partners, L.L.C.; Right Wing Aviation, L.L.C.; West Main Station, L.L.C.; Shops at West Main Station, L.L.C.; and Cantera Homes, L.L.C.

- (2) Records documenting the receipt and disbursement of monies paid by purchasers of investments in Credit Nation Capital, L.L.C.; Credit Nation Acceptance, L.L.C.; Credit Nation Auto Sales, L.L.C.; American Motor Credit, L.L.C.; Spaghetti Junction, L.L.C.; Texas First Financial, L.L.C.; Primary Urgent Care, L.L.C.; Premier Immediate Care, L.L.C.; Premier One Emergency Care, L.L.C.; Mechanical Motion Solutions, L.L.C.; BNR Real Estate Holdings, L.L.C.; TenList, Inc.; Stamedia, Inc. (a/k/a Stamedia, L.L.C.); Growth Hackers, L.L.C.; Meteora; North-Forty Development, L.L.C.; Texas Cash Cow Investments, Inc.; Christian Custom Homes, L.L.C.; Oklahoma Cash Cow Investments, L.L.C.; Texas Cash Cow of Houston, Inc.; Cash Flow Kings, Inc.; CCMG Real Estate, Inc.; Double Droptine Ranch, L.L.C.; PMC Contractors, Inc.; Texaplex Leasing, L.L.C.; Accelerated Employment Agency, L.L.C.; Prosper Flex Development Partners, L.L.C.; Frisco Wade Crossing Development Partners, L.L.C.; McKinney Executive Suites at Crescent Parc Development Partners, L.L.C.; Right Wing Aviation, L.L.C.; West Main Station, L.L.C.; Shops at West Main Station, L.L.C.; and Cantera Homes, L.L.C.; including bank records, cancelled checks, monthly or periodic statements, deposit slips, and detail documents for those deposits, memoranda of incoming and outgoing wire transfers, any debit and credit memoranda, cashier's check records, any correspondence with banks or financial institutions, and financial books,

ledgers and journals, records documenting the payment or receipt of commissions for sales of securities, interest statements, tax preparation work papers and forms, including IRS tax forms, and evidence identifying the location of any safety deposit boxes.

- (3) Offering memoranda, prospectuses, advertising materials, brochures, subscription agreements, qualification questionnaires, and pamphlets used to solicit securities purchasers in investments in Credit Nation Capital, L.L.C.; Credit Nation Acceptance, L.L.C.; Credit Nation Auto Sales, L.L.C.; American Motor Credit, L.L.C.; Spaghetti Junction, L.L.C.; Texas First Financial, L.L.C.; Primary Urgent Care, L.L.C.; Premier Immediate Care, L.L.C.; Premier One Emergency Care, L.L.C.; Mechanical Motion Solutions, L.L.C.; BNR Real Estate Holdings, L.L.C.; TenList, Inc.; Stamedia, Inc. (a/k/a Stamedia, L.L.C.); Growth Hackers, L.L.C.; Meteora; North-Forty Development, L.L.C.; Texas Cash Cow Investments, Inc.; Christian Custom Homes, L.L.C.; Oklahoma Cash Cow Investments, L.L.C.; Texas Cash Cow of Houston, Inc.; Cash Flow Kings, Inc.; CCMG Real Estate, Inc.; Double Droptine Ranch, L.L.C.; PMC Contractors, Inc.; Texaplex Leasing, L.L.C.; Accelerated Employment Agency, L.L.C.; Prosper Flex Development Partners, L.L.C.; Frisco Wade Crossing Development Partners, L.L.C.; McKinney Executive Suites at Crescent Parc Development Partners, L.L.C.; Right Wing Aviation, L.L.C.; West Main Station, L.L.C.; Shops at West Main Station, L.L.C.; and Cantera Homes, L.L.C.
- (4) Evidence of the purchase of investments in Credit Nation Capital, L.L.C.; Credit Nation Acceptance, L.L.C.; Credit Nation Auto Sales, L.L.C.; American Motor Credit, L.L.C.; Spaghetti Junction, L.L.C.; Texas First Financial, L.L.C.; Primary Urgent Care, L.L.C.; Premier Immediate Care, L.L.C.; Premier One Emergency Care, L.L.C.; Mechanical Motion Solutions, L.L.C.; BNR Real Estate Holdings, L.L.C.; TenList, Inc.; Stamedia, Inc. (a/k/a Stamedia, L.L.C.); Growth Hackers, L.L.C.; Meteora; North-Forty Development, L.L.C.; Texas Cash Cow Investments, Inc.; Christian Custom Homes, L.L.C.; Oklahoma Cash Cow Investments, L.L.C.; Texas Cash Cow of Houston, Inc.; Cash Flow Kings, Inc.; CCMG Real Estate, Inc.; Double Droptine Ranch, L.L.C.; PMC Contractors, Inc.; Texaplex Leasing, L.L.C.; Accelerated Employment Agency, L.L.C.; Prosper Flex Development Partners, L.L.C.; Frisco Wade Crossing Development Partners, L.L.C.; McKinney Executive Suites at Crescent Parc Development Partners, L.L.C.; Right Wing Aviation, L.L.C.; West Main Station, L.L.C.; Shops at West

Main Station, L.L.C.; and Cantera Homes, L.L.C.; including, but not limited to subscription agreements, investment checks, qualification questionnaires, and promissory notes.

- (5) Records which reveal the names and addresses of all persons, employees, officers, agents, affiliates and associates who have engaged in sales of and offers for sale of investments in promissory notes.
- (6) Agency agreements, sales agreements, marketing agreements, commission schedules, and memoranda pertaining to selling of investments in promissory notes.
- (7) Documents evidencing transactions with document delivery services including, but not limited to Federal Express, United Parcel Services, United States Post Office and UPS.
- (8) Corporate records, including memoranda, minutes of meetings, resolutions, books, journals, ledgers, financial statements, tax returns, bank records, escrow agreements, escrow agent communications, trust agreements, insurance policies, leases, invoices, employment contracts, indemnification agreements, releases, disclosure documents, sales contracts, loans, and security agreements.
- (9) Documents, invoices, and any other evidence identifying the location of storage facilities.
- (10) Computers, central processing units (CPU), computer motherboards, printed circuit boards, processor chips, all data drives and/or storage drives, either internal or external, including, but not limited to drives and disks, compact storage disks, optical drives, tape drives, digital video storage disks, Zip drives and Zip drive disks, hard drives, USB drives, and magnetic tape.
- (11) Terminals, video display units, receiving devices, keyboards, mouse, digital scanning equipment, digital cameras, automatic dialers, modems, acoustic couplers and/or direct line couplers, peripheral interface boards, and connecting cables and/or ribbons and/or other peripheral devices not specifically mentioned.

- (12) Computer software, programs, and source documentation, computer logs, diaries, magnetic audio tapes and recorders, digital audio disks and/or recorders, any memory devices such as, but not limited to memory modules, memory chips, and any other form of memory device utilized by the computer or its peripheral devices.
- (13) Records or data produced in various forms, manuals, documents, or instructional material relating to such devices and peripherals, and any and all documentation, written or stored in electronic form relating to Internet service providers, email addresses, passwords, encryption codes, web-sites, and/or other documentation pertaining to the Internet, and any other computer related accessories and/or documentation not specifically mentioned herein.
- (14) Documentation and/or notations referring to the computer, the contents of the computer, the use of the computer or any computer software and/or communications, including, but not limited to machine readable data, all previously erased data, and any communications including but not limited to email, chat capture, captured files, correspondence stored in electronic form, and/or correspondence exchanged in electronic form.
- (15) Financial records, monies, and/or receipts kept as part of obtaining, and/or maintaining said computer; financial and licensing information with respect to the computer software and hardware; other evidence concerning occupancy and control of said premises, including utility and/or company bills, cancelled mail envelopes, photographs, personal identification papers, rent receipts, and keys.
- (16) Communications in electronic or written form, including, but not limited to email residing on any media, including electronic communications held or maintained in electronic storage by an electronic communications service or remote computing service as those services are defined within 18 U.S.C. 2510 and 18 U.S.C. 2711. These communications are referred to as "stored communications." These communications related to this case stored in the suspects' computers or other electronic devices as email. That federal law, which is part of the Electronic Communications Privacy Act, allows interception of such electronic communication pursuant to a search warrant.

(17) Other communications in electronic or written form, including, but not limited to chat capture, capture files, correspondence stored in electronic or written form, and/or correspondence exchanged in electronic or written form as indicative of use in obtaining, maintenance and/or evidence of said offense; all of the above records, whether stored on paper, on magnetic media such as tape, cassette, cartridge, disk, diskette, or on memory storage devices such as optical disks, programmable instruments such as telephones, "electronic address books," or any other storage media, together with indicia of use, ownership, possession, or control of such records.

3. SAID SUSPECTED PLACE AND PREMISES ARE IN CHARGE OF AND CONTROLLED BY THE FOLLOWING PERSON:

Bobby Eugene Guess, a white male whose date of birth is 09/12/1951, and whose Texas driver's license number is 0006008606, and who is listed with the Texas Secretary of State as the registered agent and president of Texas First Financial, L.L.C.

4. IT IS THE BELIEF OF AFFIANT, AND HE HEREBY CHARGES AND ACCUSES, THAT:

Bobby Eugene Guess, doing business as Texas First Financial, L.L.C., has engaged and is engaging in the offer for sale and sale of securities in violation of Section 29 of The Securities Act of Texas, article 581, Tex. Rev. Civ. Stat. Ann. (Vernon 1964 & Supp. 2004), including Section 29.A, 29.B, and 29.C of the Act. Section 29.A makes it a felony for any person to sell or offer for sale a security without being registered with the Securities Commissioner as a securities dealer, salesman or agent. Section 29.B makes it a felony to sell unregistered securities. Section 29.C makes it a felony for any person, in connection with the offer for sale and sale of securities, to engage in fraud or fraudulent practices, or to engage in any act, practice or course of business which operates as a fraud or deceit upon any person, which includes the failure to disclose, in connection with the sale or offer for sale of any security, any material fact; said sales being in an amount of \$10,000.00 or less.

5. AFFIANT HAS PROBABLE CAUSE FOR SAID BELIEF BY REASON OF THE FOLLOWING FACTS:

(1) My name is Letha Louise Sparks. The facts stated in this affidavit are within my personal knowledge and are true and correct. I am employed as an Investigator/Financial Analyst with the Enforcement Division of the Texas State

Securities Board (hereafter the "TSSB"), and I am assigned to the Austin office located at 208 East 10th Street, Fifth Floor, Austin, Texas 78701. I have been continuously employed as such since May, 1998. My job duties include conducting investigations that will prevent or detect violations of the Texas Securities Act, TEX. REV. STAT. ANN. Art 581-1 *et seq.* (West 2010 & Supp. 2011). In that regard, I investigate allegations of securities fraud; analyze financial transactions as reflected in bank records and other supporting documents; interview investors and company principals; review public securities filings and company offering documents; review investor files and materials, and perform other related duties to determine whether the Texas securities laws have been violated.

(2) I have testified as an expert in financial matters and securities investigatory matters at civil and criminal trials concerning the sources of funds and uses of funds by securities' promoters, sales agents, and/or brokers and the companies they control, and other related securities topics. I am a Certified Public Accountant in the State of Texas and have been since February, 1981. I am also Certified in Financial Forensics by the American Institute of Certified Public Accountants, effective January 31, 2009. I have provided investigative accounting services to the Federal Deposit Insurance Corporation, the Resolution Trust Corporation and various companies and attorneys in civil actions filed or brought in state courts both in Pennsylvania and Texas, and in federal courts in Texas, Pennsylvania and New Jersey. I have also been employed as an Assistant Professor of Accounting at St. Edward's University in Austin, Texas; Southwestern University in Georgetown, Texas; and Temple University in Philadelphia, Pennsylvania. I have further served as an Adjunct Professor of Accounting at Tarleton State University in Stephenville, Texas, and the University of Central Texas in Killeen, Texas.

(3) On or about November 17, 2015, William Mitchell (hereafter "Mitchell"), a financial examiner employed by the TSSB informed me that he was contacted by James Torchia (hereafter "Torchia"). Mitchell stated that he learned that at that time Torchia was the CEO of Credit Nation Capital, LLC (hereafter "Credit Nation"). I learned that Credit Nation, which is located in Woodstock, GA, was sued by the Securities and Exchange Commission (hereafter the "SEC") in the United States District Court, Northern District of Georgia, Atlanta Division, in 2015 in Case Number 1:15-cv-3904-WSD. I have reviewed the pleadings in this lawsuit. The lawsuit alleges that Torchia and Credit Nation raised tens of millions of dollars since 2013 through the sale of unregistered securities, and

accuses Torchia and Credit Nation of operating a massive Ponzi scheme. On April 25, 2016 the company along with related entities was placed into receivership by order of the judge of the U.S. District Court for the Northern Division of Georgia, Atlanta Division.

(4) According to Mitchell, Torchia's purpose in contacting our agency was to provide information regarding a former Director of Credit Nation, Bobby Eugene Guess (hereafter "Guess"). Guess is currently listed as President of Texas First Financial, L.L.C., (hereafter "Texas First Financial"), according to the office of the Texas Secretary of State. Per the Texas First Financial website, www.texas1stfinancial.com, Guess's office is located at 5300 Town and Country Blvd., #190, Frisco, TX 75034. According to the Financial Industry Regulatory Authority, this location is also listed for Superior Retirement Strategies, L.L.C., a Texas registered investment adviser of which Guess' daughter, Melissa Guess Fortenberry (hereafter "Fortenberry"). is the Managing Member and Chief Compliance Officer. The website touts Texas First Financial as a "full-service firm with advisers having over 70 years of combined experience in the financial services industry," with experience in "diversified portfolio," "one-on-one consultations," and "9% [r]eturn on investment." (See Exhibit 1 attached hereto this affidavit and is incorporated herein for all purposes.)

(5) The TSSB subpoenaed invoices and copies of radio spots from various radio outlets including Cumulous Radio which owns the referenced stations listed below. In reviewing this material, it was learned that in addition to the Texas First Financial web site touting investments with a 9% return, Guess is also touting such investments in advertising spots on various radio stations broadcasting in the Dallas-Fort Worth area including WBAP News Talk 820 AM, KLIF News/Information 570 AM, and KESN (ESPN Dallas) 103.3 FM.

(6) Additionally, Guess is holding "Investment Forum & Dinner" seminars in which he is touting investment opportunities offering 9% returns. On June 3, 2016, the TSSB was contacted by a Texas resident (the "reporting party") who informed the agency that he had received an invitation from Texas First Financial to attend a "9% Investment Forum & Dinner" held on Tuesday, April 26, 2016, from 6:30 P.M. to 8:30 P.M., at the office of Texas First Financial located in Frisco, Texas. (See Exhibit 2 attached hereto this affidavit and is incorporated herein for all purposes.)

(7) The reporting party told Mitchell that he attended the seminar on April 26, 2016, which according to the reporting party lasted roughly two and one-half hours and was held at the office of Texas First Financial. According to the reporting party, the seminar was led by Guess and that an individual named Phillip Carter was also present. According to the reporting party there were 20-25 people in attendance and that approximately 90% of the attendees appeared to be of retirement age. The reporting party received a Texas First Financial brochure and a flyer that provided information regarding living trusts. (See Exhibit 3 attached hereto this affidavit and is incorporated herein for all purposes.) The Texas First Financial brochure touts three investments offered by Guess. They include North-Forty Development (hereafter "North-Forty"), Mechanical Motion Solutions and Primary Urgent Care.

(8) A search of North-Forty on the Texas Secretary of State's web site reveals that this company was formed on May 9, 2014. The address listed for this entity is P.O Box 2049, Frisco, TX 75034. Nicholas Nuspl (hereafter "Nuspl") is listed as the registered agent, and Stillwater Trust is listed as a Managing Member. The address for Stillwater Trust is listed as 7002 Lebanon Road, Suite 101, Frisco, Texas 75034. It was later determined that the Lebanon Road address is the office for Phillip Carter (hereafter "Carter") and North-Forty. According to Central Registration Depository (hereafter "CRD"), there appeared to be no current registrations for North-Forty. A recent search in the SEC Edgar database indicated no filings for exemption have been submitted associated with North-Forty.

(9) North-Forty has a website at www.northfortydevelopment.com. The company is described as a real estate development company with three current projects under construction. (See Exhibit 4 attached hereto this affidavit and is incorporated herein for all purposes.) Other entities owned, controlled or associated with Carter include BNR Real Estate Holdings, L.L.C.; Texas Cash Cow Investments, L.L.C.; Oklahoma Cash Cow Investments, L.L.C., Texas Cash Cow of Houston, Inc., Cash Flow Kings, Inc., CCMG Real Estate, Inc., Double Droptine Ranch, L.L.C., PMC Contractors, Inc., Texaplex Leasing, L.L.C., Accelerated Employment Agency, L.L.C., Prosper Flex Development Partners, L.L.C., Frisco Wade Crossing Development Partners, L.L.C., McKinney Executive Suites at Crescent Parc Development Partners, L.L.C., Right Wing Aviation, L.L.C., West Main Station, L.L.C., Shops at West Main Station, L.L.C., and Cantera Homes, L.L.C..

(10) According to Mitchell, the information received from Torchia, suggested Guess was using Texas First Financial to offer and sell similar investment products of Credit Nation, through companies such as Stamedia, Inc. (hereafter "Stamedia"). These investment offerings, which appeared to be in the form of a promissory note, were offered to current Credit Nation investors and to potential new investors. Per the Stamedia website www.stamediagroup.com, Stamedia is an "advertising company that utilizes patented ad technology to respond to online marketing." (See Exhibit 5 attached hereto this affidavit and is incorporated herein for all purposes.)

(11) The TSSB obtained advertising material for Stamedia. The material seemingly appealed to potential investors, with the opportunity to "receive quarterly interest payments equaling 9%," and receive "10% of the loan capital in actual shares of Stamedia." It described the capital investment as "secured by a US Patent" (#8,719,101). The material indicated the notes would be "repaid at the end of three years."

(12) Per the website www.stamediagroup.com, Timothy Booth ("Booth") is listed as a founder and Chairman of the Board of Stamedia. Shawn Sandifer (hereafter "Sandifer") is listed as a co-founder and President of Stamedia. The Stamedia web site describes the company as follows: "Sta is an innovative company that utilizes patented ad technology that is changing the way consumers, advertisers, and publishers view & respond to online marketing across all digital platforms."

(13) There appear to be no current registrations filed under CRD for Booth, Sandifer or Stamedia. A search through the SEC Edgar database suggested no filings for exemption have been executed. Stamedia is currently in existence with the Texas Secretary of State Office, listing Booth as the Chief Executive Officer and Sandifer as the registered agent for Stamedia. Stamedia has shared an address with a second office for Texas First Financial at 5148 Village Creek Drive, Plano, TX 75093.

(14) On January 5, 2016, in my undercover capacity, I visited the www.texas1stfinancial.com website. The contact number 972-570-4444, was displayed on the contact page of the website. I dialed the phone number listed. A receptionist answered acknowledging Texas First Financial. I requested to speak with Guess. The receptionist stated Guess was not available at that time. Alternatively, the receptionist offered another representative of Texas First

Financial named Richard, who I later determined through a meeting with Guess to be Richard Tilford. I spoke with Richard regarding investment opportunities offered by Texas First Financial. Records of the U.S. District Court for the Northern District of Texas, Fort Worth Division, show that on October 26, 2012, in Case Number 4:12-CR-058-BJ(01), Richard Tilford entered a plea of guilty to Count One of a two count federal indictment charging him with a violation of 26 U.S.C. 7203, Failure to File a Tax Return, and was sentenced twelve (12) months imprisonment and was ordered to pay \$453,547.00 in restitution.

(15) I told Richard that my sister had heard Mr. Guess on the radio talking about earning 9% on one's investments and I was interested in learning more about this opportunity. When asked how much I was interested in investing, I told Richard that I had \$50,000 to invest. After I told him this amount, he said that \$50,000 was the minimum investment for the program they had. Richard said that Guess was out of the office at that time due to the fact that his mother-in-law had died just a day or so previously. Richard said that Guess could see me at the Frisco office at 11 a.m. on January 8, 2016. Additionally, I gave Richard my personal email address in order for him to send me some of the documentation describing the type of investment I would be meeting with Guess about.

(16) Following the conversation, later that day I received information along with documents via e-mail from Richard@texas1stfinancial.com. One document seemingly provided from Richard, appeared to be an "agreement" addressing options for repayment. One option addressed the following:

- "Principal shall become due 24 months from the funding date;"
- "Eight simple interest-only payments will be issued on the outstanding Principal amount;"
- "Interest earnings shall be paid on a quarterly basis;" and
- "rate equals nine percent (9%) per annum"

The second option stated the "principal shall become due 12 months from the funding date. No interest is to be paid until principal is due." This option also suggested a rate of 9% per annum.

(17) The entity named on the agreement was North-Forty, with an address of 5300 Town & Country Blvd. #190, Frisco, TX 75034, the same address listed for Guess and Texas First Financial under the records of the office of the Texas Secretary of State. The agreement shows Guess's name as the signatory of North-Forty. According to another document received from Richard, North-Forty is a "diversified real estate company," that currently has "\$200 million worth of development in process."

(18) The articles of formation for North-Forty show Stillwater Trust at 7002 Lebanon Road, Suite 101, Frisco Texas 75034 as the managing member. Based on other sources, that address is listed for Texas Cash Cow Investments, Inc., (hereafter "Texas Cash Cow"). Per the Texas Cash Cow website, www.texascashcowinvestments.com, Texas Cash Cow is listed as a "real estate investment company which ha[s] been providing investors with turn-key wholesale "cash flow" deals for the last 13 years." Phillip Carter ("Carter") is listed as President of Texas Cash Cow. The website did list the same address as North-Forty. According to other sources, Guess offered investments on behalf of Texas Cash Cow to Credit Nation investors and possibly new potential investors.

(19) On Friday, January 8, 2016, I drove to Guess' office located at Texas First Financial, L.L.C., (hereafter "Texas First Financial"), 5300 Town and Country Boulevard, Suite 190, Frisco, Collin County, Texas 75034, for an 11:00 a.m. appointment I had made in an undercover capacity. Guess is listed on the Texas Secretary of State's website as the president of Texas First Financial. I had previously set up the appointment to meet with Mr. Guess through an individual named Richard by way of a phone call to the Texas First Financial office telephone number 972-570-4444.

(20) The purpose of the meeting was to determine what type of investment products Mr. Guess was offering to prospective investors. The agency had received information that indicated Guess was actively offering promissory note investments on behalf of several companies operating in the Frisco area. I had already reviewed some of these offerings through the review of documentation provided by investors who had conducted business with Guess which was received by the TSSB.

(21) I arrived at Guess' office shortly before 11:00 A.M. Initially upon entering Suite 190, I was greeted by a receptionist. I noticed a computer sitting on the

receptionist's desk. The receptionist walked me into Guess's office, which was at the end of the right-hand side of a hallway that appears to run the entire length of the office suite. There are several individual offices and one large conference room that I saw as I was led to Guess's office. Guess indicated that we would sit and talk in his office. I noticed a computer and a large credenza with file cabinet type drawers in the office. I placed a small purse that held the recorder (which I had already turned to record before entering the office suite) beside me on the seat of the sofa.

(22) Guess had a file folder with my undercover name on it that contained several documents. During the meeting Guess produced these documents as he discussed the various investment opportunities that he was offering. There were brochures about the companies he was offering, and a several-page blank promissory note for each of the investments that he was offering.

(23) Guess first presented me with information about North-Forty through the introduction of a glossy-printed brochure about the company. I had received a copy of this brochure from Richard prior to the meeting that was attached to the introduction letter he had sent to my email.

(24) Guess made a number of claims associated with this offering of a promissory note with North-Forty. Guess said that he likes this investment because he (Texas First Financial) holds 49% of the deeds on the property, which he said would protect my investment "dollar for dollar." According to Guess, North-Forty holds the other 51% of the deeds. Guess stated that North-Forty was building light industrial buildings. He discussed several potential development projects that he said were in the beginning stages of development locally in the Frisco area. Guess touted the local area's population growth and potential. Guess said that North-Forty doesn't hold onto the buildings for any significant amount of time. "It's buy, build, and sell" according to Guess and move on to the next project. When I asked how he could be assured that the company could sell it for enough to pay off the notes, Guess stated that the company has 1/3 to 50% of the project pre-sold before ever breaking ground. Guess said that by the time 1/3rd of the project is sold, "we're actually even."

(25) The next investment that Guess touted was an urgent care center in New York, named Primary Urgent Care. According to Guess, the parent company of the urgent care center is Fortus Group. Guess said that Fortus is a big dialysis company. Guess said "we're" building little ER units, family ER units and

where “we’re” building them there’s no competition. Guess said this company’s notes are backed with preferred stock of Fortus. When asked if Fortus was a private company, he admitted that it is, but assured that the company is a large private company, is written up in Forbes and Fortune magazines, etc. They’re one of the 2,000 biggest companies in America, per Guess.

(26) Guess still suggested that North-Forty was a better investment because of the properties being built and that the notes are backed 3-1 and sometimes as high as 9-1 because they don’t hold onto the properties. He said that he gets to go through the books every quarter to make sure the companies are doing well. Guess had a brochure on Texas Cash Cow Investments, L.L.C., and indicated that the Texas Cash Cow name was somewhat problematic in some people’s minds so that’s why the name of Texas Cash Cow was changed to “North Forty Development.” He gave me the Texas Cash Cow brochure and said he liked this brochure about the company and it’s the same company with a different name now.

(27) Mechanical Motion Solutions was the third investment Guess discussed and was described as a company that has a chiropractic tool that it sells and promotes. According to Guess, the company is based out of Pittsburgh and is a \$110 million company and not a startup company.

(28) Guess then discussed Stamedia, which is supposed to have an application available on the I-phone that allows a user to go to one application that allows you to search the internet for a particular product you are interested in, a shoe for example, and with the application you can find every store that carries the same shoe and compare the prices without having to browse individual web sites. According to Guess, Stamedia has a patent for this application, and the company has contracts with AT&T, Home Depot, Channel 8 (WFAA), Ford Motor Company to sell them the application. According to Guess Stamedia’s patent is valued at \$30 million. Guess also stated that Stamedia was buying a new company called Meteora and after the purchase, Stamedia would be worth \$85 million.

(29) Guess gave me a 2-page loan agreement for Stamedia when he was touting the benefits of investing in promissory notes with private companies. This loan agreement provides that the loan is either denominated as being for 36-months, interest at 9% per annum if paid quarterly, or interest at 10% per annum, if the interest is not paid until the end of the term of the loan. In addition to the

promissory note, investors are also promised (by contract, copy provided by Guess) that the investor will receive common stock in Stamedia, calculated as 5% of the loan amount, based upon \$1.00/share as the value of the shares, which will then generate a specific number of shares to be awarded. Guess told me in the undercover visit that TenList, Inc. (hereafter "TenList") is the parent company to Stamedia.

(30) According to Guess, he provided seed money to Stamedia in the amount of \$300,000.00 to help them to develop; he stated that he owns a small percentage of the company, as well. He discussed membership on the Stamedia Advisory Board, including the head of an ad agency that does the Chick-Fil-A ads. Per Guess, Stamedia will pay you a 5% bonus on top of the 9% annually for a 3-year note. Guess stated the minimum investment for Stamedia as well as the other programs we discussed was \$50,000.00.

(31) Guess told me that he indirectly controls each of the companies he touts by looking at their books every quarter, and he can loan them money to bail them out if he needs to if they get themselves in trouble, but at the same time he's going to ask for more ownership if he has to bail them out.

(32) I told Guess that I thought I needed to read over the materials he had given me, digest the information, and then figure out what I'm going to do. I asked Guess if I could have the copies of the documents that he had shown me and he agreed to let me take them with me so I could look them over. In closing, Guess said that if I had any questions I should feel free to call. The visit occurred over about an hour's time and I left at about noon. (See Exhibit 6 attached hereto this affidavit and is incorporated herein for all purposes.)

(33) In addition to interviewing Mr. Guess in an undercover capacity and being solicited by him to invest in promissory notes offered by these companies, I have also analyzed numerous bank and financial documents relating to Mr. Guess, Texas First Financial, Stamedia, Inc., TenList, Inc., Premier Immediate Care, L.L.C., Stamedia principals Booth and Sandifer, and Carter and Carter's various companies, including North-Forty, and Texas Cash Cow. I have prepared statements on the "Sources and Uses of Funds," including the use of investor monies, based upon the aforementioned banking records and documents.

(34) Subsequent to my first meeting with Guess, the TSSB subpoenaed bank

records covering the period of July 1, 2015 through the end of January 2016 with regards to the Stamedia entity and its predecessor company, TenList. On Monday, March 7, 2016, we received a response to our subpoena from Chase Bank related to banking records for the period of July 1, 2015, through January 29, 2016, for Stamedia; TenList; Booth; Sandifer. We received about 1800 pages of documents, including bank statements, transaction documents; car loan documents; and credit card statements. I analyzed these records in their entirety. The following is a summary of some of my findings.

(35) TenList is a company that has been in existence for some time, although at the time of my analysis, it did not seem to be actively engaging in the business that it was initially formed to do. TenList supposedly had a computer program that permitted individuals to sign up to offer their home improvement services in a particular geographic service area. If a homeowner requested someone to install a sprinkler system, the service would provide ten names of individuals and companies who had been pre-checked and that could service the area where the home was located. The individuals whose names were on the list had paid a fee to TenList to be included in the service listing offering. Then the company that provided the listing to the homeowner paid some type of monthly service fee, also to TenList. This is how TenList generated monthly income from the use of this service by the companies offering the listing and from individuals or companies who paid to be listed as offering these types of services in a particular geographic area.

(36) TenList opened a checking account (#6152) and a savings account (#6117) at Chase in May 2007 and opening account documents indicate incorporation documents are dated May 11, 2007. Both Booth and Sandifer are signatories on these accounts. The savings account has been inactive with a balance forward of \$5.16 since before July 1, 2015 and continuing to January 29, 2016. The main TenList checking account was still in use at the time of my analysis.

(37) Account activities by TenList analyzed for this period show the payment of interest and note principal to at least 32 note investors who had previously invested with TenList. Some interest payments are made to IRA administrative companies as a lump sum transfer, with a notation that a listing of the accounts to be credited will be provided in a separate transmittal.

(38) The payments to TenList investors are possible because Stamedia investor dollars are transferred into the TenList Chase account 6152, then TenList remits

ALINAPP

DEFENDANT Timothy Lloyd Booth 2016-13275, ⁴⁶⁶⁸⁷⁷ ~~1704825~~ ^{BR}

CHARGE Securities Fraud >\$10K
Article 581 Sec. 29C Texas
Securities Act

ADDRESS LKA: [REDACTED]

CAUSE# 296-83462-2016

DESCRIPTION W/M; DOB: 12/31/1958; SSN 523-98-5233; TX DL #01727016

AGENCY/# State Securities Board

ARREST INFORMATION GJR

C/C Cammie R. Booth; Cause Numbers 296-82781-2016 and 296-82782-2016

Witness: Letha Sparks

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin

County, State of Texas, duly organized at the July Term, A.D., 2016 of the 219th

District Court of said county, in said court at said term, do present that

TIMOTHY LLOYD BOOTH, hereinafter "defendant"

on or about the dates listed below, and before the presentment of this indictment, in Collin County, Texas, did then and there, directly and through agents, sell and offer for sale interest in notes and stock certificates in StaMedia, Inc., said investments being securities, to wit: notes, investments contracts, stocks and evidences of indebtedness, to each of the persons listed below, and in the following amounts:

DATE	PERSON	AMOUNT
09/09/14	PEARSON FAMILY TRUST - TRUST B	\$500,000.00
11/18/14	DAVID AND JUDITH OLTROGGE	\$50,000.00
01/01/15	KATHLEEN SKINNER	\$257,000.00
01/27/15	DAVID AND JUDITH OLTROGGE	\$25,000.00
07/01/15	MAREN M. CONCHA	\$65,000.00
07/01/15	EILEEN EPSTEIN	\$50,000.00
07/01/15	MICHAEL W. KILLGO	\$78,000.00
07/08/15	MAREN M. CONCHA	\$50,000.00
07/13/15	MARY ANN OR CLINTON E. OWENS	\$100,000.00
07/28/15	TIMOTHY SCHLEPPENBACH	\$50,000.00
08/03/15	PHILLIP S. HOKIT	\$50,000.00
08/20/15	REBA RANEY	\$64,500.00
08/26/15	JOE RASBERRY	\$100,000.00

At FILED 11:52 AM

NOV 17 2016

LYNNE FINLEY
Clerk District Court Collin County Texas
By [Signature]

08/27/15	ROBERT E. HAMMITT	\$50,000.00
08/27/15	RAYMOND CAMPBELL	\$100,000.00
08/31/15	LINDA ADAMS	\$80,000.00
09/02/15	STEPHEN JANICEK	\$34,250.00
09/11/15	RICHARD B. NEILL OR CHRISTI NEILL	\$50,000.00
09/16/15	NINA M. GEHL	\$98,000.00
09/17/15	DAIAN OR DAN H. FLORENCE	\$100,000.00
09/18/15	FAYE DALE	\$20,000.00
09/21/15	BOBBY K. TREDWAY	\$136,500.00
09/22/15	SUSAN G. ALBERTI	\$35,000.00
09/22/15	JUDY MC BRIDE	\$40,500.00
09/22/15	WILLIAM OR NITA CADENHEAD	\$100,000.00
09/29/15	PAULA J. CROSSNOE	\$138,000.00
10/19/15	LAURENCE E. OR KELLY K. SCHIEFFER	\$25,000.00
10/21/15	TINA OR J. ERIC LARSEN	\$100,000.00
10/28/15	JANE FERRIS IRA	\$567,500.00
11/03/15	WILLIAM J. PHILLIPS	\$100,000.00
11/06/15	STEVE MELMAN	\$33,850.00
11/06/15	WILLARD A. LEPLOR	\$150,000.00
11/12/15	LARRY S. MEGNER	\$230,000.00
11/16/15	LONNY SAGER	\$200,000.00
11/17/15	PATRICK EMMONS	\$24,500.00
11/23/15	RICHARD B. & CHRISTI NEILL	\$100,000.00
12/03/15	TROY S. OR ALYSSA L. FRANCIS	\$25,000.00
12/03/15	TROY S. OR ALYSSA L. FRANCIS	\$50,000.00
12/03/15	TROY S. OR ALYSSA L. FRANCIS	\$50,000.00
12/08/15	JOYCE L. WISDOM	\$130,000.00
12/08/15	DR. JOSEPH S. OR LINDA MC CREARY	\$200,000.00
12/10/15	RAMONA L. BURNETT	\$54,000.00
12/15/15	ALFAM LIMITED / VICTOR LEE ALLEN	\$50,000.00
12/21/15	DONALD E. FRISBEE	\$55,500.00
12/29/15	DR. JOSEPH S. MC CREARY	\$200,000.00
01/14/16	PAUL HENDERSON IRA	\$59,000.00
01/19/16	MARY L. THOMPSON	\$100,000.00
01/20/16	MARIA TERESA ORTIZ	\$50,000.00
01/20/16	LARRY W. KLOPFENSTEIN	\$50,000.00
01/22/16	R. J. RANSOPHER	\$72,000.00
01/26/16	CHARLES N. MILLER, JR.	\$247,000.00
01/26/16	KENNETH L. SCHEEPERS	\$50,000.00
01/26/16	CHRISTIE R. THORNTON	\$34,000.00

02/29/16	CHARLES N. MILLER, JR.	\$98,500.00
05/23/16	MARIA TERESA ORTIZ	\$250,000.00
06/13/16	JOE W. OR RACHEL SNAVELY	\$75,000.00
07/01/16	CHARLES E. TEAGUE	\$200,000.00
07/07/16	RACHEL SNAVELY	\$41,319.35
07/20/16	HI OR VICKI L. HARDY	\$65,000.00
07/22/16	JOE W. SNAVELY	\$34,090.00
08/15/16	OGDON LIVING TRUST, ALLENE OGDON	\$60,000.00
08/16/16	DAVID DOTSON	\$75,500.00

and said defendant committed fraud in connection with the sales and offers for sale of said securities by:

PARAGRAPH ONE

intentionally failing to disclose that funds invested by investors in StaMedia, Inc., were being used by the defendant to pay the personal expenses of the defendant, his wife and his family members and said funds were used for personal expenses that included in part the purchase and leasing of luxury automobiles including Ferraris, Mercedes, a Land Rover and a Maserati; said information being material fact; and

PARAGRAPH TWO

intentionally failing to disclose that funds invested by investors in StaMedia, Inc., were being used to pay the personal expenses of Shawn Sandifer, the co-owner of StaMedia, Inc.; said information being material fact; and

PARAGRAPH THREE

intentionally failing to disclose that funds invested by new investors in StaMedia, Inc., were being used to repay previous investors in StaMedia, Inc., their principal investment and/or to pay them a purported return on their investments; said information being material fact; and

PARAGRAPH FOUR

intentionally failing to disclose that funds invested by investors in StaMedia, Inc., were being used to repay previous investors in TenList, Inc., a company owned by the defendant and Shawn Sandifer that also raised funds from investors; said information being material fact; and

PARAGRAPH FIVE

intentionally failing to disclose that StaMedia, Inc., had not earned any significant sales income since its inception in 2013; said information being material fact;

And all of said amounts were obtained pursuant to one scheme and continuing course of conduct, and the aggregate amount that was obtained was \$100,000.00 or more;

Against the peace and dignity of the State.



FOREPERSON OF THE GRAND JURY

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2018 NOV 17 AM 11:37

LYNNE FINLEY
DISTRICT CLERK
COLLIN COUNTY, TEXAS
BY  DEPUTY

☆UNAPP

DEFENDANT Timothy Lloyd Booth ⁴⁶⁶⁸⁷⁷ 2016-13269, 47404825 ^{BR} CHARGE Theft PC 31.03 > 300K F1

ADDRESS LKA: [REDACTED] CAUSE# 296-83459-2016

DESCRIPTION W/M; DOB: 12/31/1958; SSN 523-98-5233; TX DL #01727016 AGENCY# State Securities Board

ARREST INFORMATION GJR

C/C Cammie R. Booth; Cause Numbers 296-82781-2016 and 296-82782-2016 Witness: Letha Sparks

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2016 of the 219th District Court of said county, in said court at said term, do present that

TIMOTHY LLOYD BOOTH, hereinafter "defendant"

on or about the dates listed below, and before the presentment of this indictment, in Collin County, Texas, did then and there unlawfully appropriate, to wit: acquire and exercise control over property, other than real property, to wit: current money of the United States of America, from the following owners, and in the following amounts:

DATE OF APPROPRIATION	PERSON	AMOUNT
09/09/14	PEARSON FAMILY TRUST - TRUST B	\$500,000.00
11/18/14	DAVID AND JUDITH OLTROGGE	\$50,000.00
01/01/15	KATHLEEN SKINNER	\$257,000.00
01/27/15	DAVID AND JUDITH OLTROGGE	\$25,000.00
07/01/15	MAREN M. CONCHA	\$65,000.00
07/01/15	EILEEN EPSTEIN	\$50,000.00
07/01/15	MICHAEL W. KILLGO	\$78,000.00
07/08/15	MAREN M. CONCHA	\$50,000.00
07/13/15	MARY ANN OR CLINTON E. OWENS	\$100,000.00
07/28/15	TIMOTHY SCHLEPPENBACH	\$50,000.00
08/03/15	PHILLIP S. HOKIT	\$50,000.00
08/20/15	REBA RANEY	\$64,500.00

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LYNNE FINLEY
Clerk District Court Collin County Texas
By [Signature]

08/26/15	JOE RASBERRY	\$100,000.00
08/27/15	ROBERT E. HAMMITT	\$50,000.00
08/27/15	RAYMOND CAMPBELL	\$100,000.00
08/31/15	LINDA ADAMS	\$80,000.00
09/02/15	STEPHEN JANICEK	\$34,250.00
09/11/15	RICHARD B. NEILL OR CHRISTI NEILL	\$50,000.00
09/16/15	NINA M. GEHL	\$98,000.00
09/17/15	DAIAN OR DAN H. FLORENCE	\$100,000.00
09/18/15	FAYE DALE	\$20,000.00
09/21/15	BOBBY K. TREDWAY	\$136,500.00
09/22/15	SUSAN G. ALBERTI	\$35,000.00
09/22/15	JUDY MC BRIDE	\$40,500.00
09/22/15	WILLIAM OR NITA CADENHEAD	\$100,000.00
09/29/15	PAULA J. CROSSNOE	\$138,000.00
10/19/15	LAURENCE E. OR KELLY K. SCHIEFFER	\$25,000.00
10/21/15	TINA OR J. ERIC LARSEN	\$100,000.00
10/28/15	JANE FERRIS IRA	\$567,500.00
11/03/15	WILLIAM J. PHILLIPS	\$100,000.00
11/06/15	STEVE MELMAN	\$33,850.00
11/06/15	WILLARD A. LEPLOR	\$150,000.00
11/12/15	LARRY S. MEGNER	\$230,000.00
11/16/15	LONNY SAGER	\$200,000.00
11/17/15	PATRICK EMMONS	\$24,500.00
11/23/15	RICHARD B. & CHRISTI NEILL	\$100,000.00
12/03/15	TROY S. OR ALYSSA L. FRANCIS	\$25,000.00
12/03/15	TROY S. OR ALYSSA L. FRANCIS	\$50,000.00
12/03/15	TROY S. OR ALYSSA L. FRANCIS	\$50,000.00
12/08/15	JOYCE L. WISDOM	\$130,000.00
12/08/15	DR. JOSEPH S. OR LINDA MC CREARY	\$200,000.00
12/10/15	RAMONA L. BURNETT	\$54,000.00
12/15/15	ALFAM LIMITED / VICTOR LEE ALLEN	\$50,000.00
12/21/15	DONALD E. FRISBEE	\$55,500.00
12/29/15	DR. JOSEPH S. MC CREARY	\$200,000.00

01/14/16	PAUL HENDERSON IRA	\$59,000.00
01/19/16	MARY L. THOMPSON	\$100,000.00
01/20/16	MARIA TERESA ORTIZ	\$50,000.00
01/20/16	LARRY W. KLOPFENSTEIN	\$50,000.00
01/22/16	R. J. RANSOPHER	\$72,000.00
01/26/16	CHARLES N. MILLER, JR.	\$247,000.00
01/26/16	KENNETH L. SCHEEPERS	\$50,000.00
01/26/16	CHRISTIE R. THORNTON	\$34,000.00
02/29/16	CHARLES N. MILLER, JR.	\$98,500.00
05/23/16	MARIA TERESA ORTIZ	\$250,000.00
06/13/16	JOE W. OR RACHEL SNAVELY	\$75,000.00
07/01/16	CHARLES E. TEAGUE	\$200,000.00
07/07/16	RACHEL SNAVELY	\$41,319.35
07/20/16	HI OR VICKI L. HARDY	\$65,000.00
07/22/16	JOE W. SNAVELY	\$34,090.00
08/15/16	OGDON LIVING TRUST, ALLENE OGDON	\$60,000.00
08/16/16	DAVID DOTSON	\$75,500.00

And said appropriations were without the effective consent of said owners in that consent was induced by deception, to wit: said defendant created and confirmed by words and conduct false impressions of fact that were likely to affect the judgment of said owners in the transactions and that the defendant did not believe to be true; and said defendant failed to correct false impressions of fact that were likely to affect the judgment of said owners in the transactions, that said defendant previously created and confirmed by words and conduct, and that said defendant did not at the time believe to be true; and said defendant promised performance that affected the judgment of said owners in said transactions that said defendant did not intend to perform and knew would not be performed;

And said defendant acted with the intent to deprive said owners of said property by withholding said property permanently and for so extended a period of time that a major portion of the value and enjoyment of said property was lost to said owners, and by disposing of said property in a manner that made recovery of said property by said owners unlikely;

And all of said amounts were obtained, as alleged, as part of one scheme and continuing course of conduct, and the aggregate value of the property so appropriated was \$300,000.00 or more; Against the peace and dignity of the State.


FOREPERSON OF THE GRAND JURY

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2016 NOV 17 AM 11:38

LYNNE FINLEY
DISTRICT CLERK
COLLIN COUNTY, TEXAS
BY  DEPT

DEFENDANT Timothy Lloyd Booth 2016-13265, ⁴⁶⁶⁸⁷⁷~~1704825~~ *BC* CHARGE Money Laundering > \$300K, ^{★UNAPP} TPC 34.02, F1

ADDRESS LKA: [REDACTED] CAUSE# 296-83457-2016

DESCRIPTION W/M/DOB: 12/31/1958; SSN: 523-98-5233; TX DL #01727016 AGENCY# State Securities Board

ARREST INFORMATION GJR

C/C Cammie R. Booth; Cause Numbers 296-82781-2016 and 296-82782-2016 Witness: Letha Sparks

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2016 of the 219th District Court of said county, in said court at said term, do present that

TIMOTHY LLOYD BOOTH, hereinafter referred to as "defendant"

on or about and between the dates of June 1, 2014, and August 31, 2016, and before the presentment of this indictment, in Collin County, Texas, and elsewhere, did then and there:

knowingly acquire and maintain an interest in, possess, and transfer the proceeds of criminal activity, to wit: current money of the United States of America, in the aggregated amount of three hundred thousand dollars (\$300,000.00) or more, and said proceeds were generated from the commission of the offenses of theft of property of the value of \$300,000.00 or more in violation of Section 31.03 of the Texas Penal Code, a felony of the first degree under the laws of the State of Texas; and the commission of fraud in connection with the sale and offer for sale of securities in an amount of \$100,000.00 or more in violation of Section 29C of the Texas Securities Act, a felony of the first degree under the laws of the State of Texas; and the commission of securing execution of documents by deception with the value of the property and pecuniary interest affected being \$300,000.00 or more in violation Section 32.46 of the Texas Penal Code, a felony of the first degree under the laws of the state of Texas; and the commission of the sale of securities by an unregistered dealer or agent in violation of Section 29A of the Texas Securities Act, a felony of the third degree under the laws of the State of Texas; and the commission of the sale of unregistered securities in violation of Section 29B of the Texas Securities Act, a felony of the third degree under the laws of the State of Texas; and said proceeds of criminal activity are related to one scheme and continuing course of conduct; and the value of said funds in the aggregate is \$300,000.00 or more;

Against the peace and dignity of the State.

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ONLINE FILE
DISTRICT CLERK
COLLIN COUNTY, TX
BY *B. [Signature]* DEPU

[Signature]
FOREPERSON OF THE GRAND JURY

AVINAP

DEFENDANT Timothy Lloyd Booth ⁴⁶⁶⁸⁷⁷ 2016-13266, ~~1704825~~ ^{TSR} CHARGE EOCA PC 71.02(a) (1) & (10) F1

ADDRESS LKA: [REDACTED] CAUSE# 296-83458-2016

DESCRIPTION W/M/DOB: 12/01/1958; SSN: 523-98-5233; TX DL #01727016 AGENCY# State Securities Board

ARREST INFORMATION GJR

C/C Cammie R. Booth; Cause Numbers 296-82781-2016 and 296-82782-2016 Witness: Letha Sparks

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2016 of the 219th District Court of said county, in said court at said term, do present that

TIMOTHY LLOYD BOOTH, hereinafter "defendant"

on or about and between the dates of June 1, 2014, and August 31, 2016, in Collin County, Texas, and elsewhere, with the intent to establish, maintain, and participate in a combination and in the profits of a combination, said combination consisting of the defendant; Shawn Sandifer, Bobby Eugene Guess, and others, who collaborated in carrying on the hereinafter-described criminal activity, did then and there commit the offenses of Theft of Property, pursuant to one scheme and continuing course of conduct, which, in the aggregate, involved criminal proceeds in the amount of \$300,000.00 or more; and Money Laundering, pursuant to one scheme and continuing course of conduct, which, in the aggregate, involved criminal proceeds in the amount of \$300,000.00 or more;

Against the peace and dignity of the State.

[Signature]
FOREPERSON OF THE GRAND JURY

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LYNNE FINLEY
DISTRICT CLERK
COLLIN COUNTY, TX
BY *[Signature]* DEPUTY

ALWAYS

DEFENDANT Timothy Lloyd Booth ⁴⁶⁶⁸⁷⁷ ~~2016-13270, 1704825~~ ^{ISL} CHARGE SEDD > 300K 32.46 TPC
 ADDRESS LKA: [REDACTED] CAUSE# 296-83460-2016
 DESCRIPTION W/M/DOB: 12/31/1958; SSN: 523-98-5233; TX DL #01727016 AGENCY/# State Securities Board
 ARREST INFORMATION GJR
 C/C Cammie R. Booth; Cause Numbers 296-82781-2016 and 296-82782-2016 Witness: Letha Sparks

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2016 of the 219th

District Court of said county, in said court at said term, do present that _____

TIMOTHY LLOYD BOOTH, hereinafter "defendant"

on or about the dates listed below, and before the presentment of this indictment, in Collin County, Texas, did then and there, with the intent to defraud and harm the persons listed below, by deception, to wit:

on or about June 13, 2014, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Mercedes Benz of Plano to sign and execute a document to wit: a motor vehicle retail installment contract in the amount of \$172,528.58, which affected the property and pecuniary interest of Mercedes Benz of Plano; and

on or about July 10, 2014, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Boardwalk Maserati to sign and execute a document to wit: a motor vehicle retail installment contract in the amount of \$145,234.80, which affected the property and pecuniary interest of Boardwalk Maserati; and

on or about May 18, 2015, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Boardwalk Ferrari to sign and execute a document to wit: a motor vehicle retail installment contract in the amount of \$255,598.56, which affected the property and pecuniary interest of Boardwalk Ferrari; and

on or about May 27, 2015, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Mercedes Benz of Plano to sign and execute a document, to wit:

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LYNNE FINLEY
 Clerk District Court Collin County Texas
 By [Signature]

a motor vehicle retail installment contract in the amount of \$187,612.56, which affected the property and pecuniary interest of Mercedes Benz of Plano; and

on or about July 2, 2015, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Boardwalk Ferrari to sign and execute a document to wit: a motor vehicle retail installment contract in the amount of \$279,396.60, which affected the property and pecuniary interest of Boardwalk Ferrari; and

on or about August 5, 2015, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Mercedes Benz of Plano to sign and execute a document to wit: a motor vehicle retail installment contract in the amount of \$268,632.00, which affected the property and pecuniary interest of Mercedes Benz of Plano; and

on or about September 6, 2015, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Land Rover of Dallas to sign and execute a document to wit: a motor vehicle lease agreement in the amount of \$120,275.22, which affected the property and pecuniary interest of Land Rover of Dallas; and

on or about December 14, 2015, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Boardwalk Ferrari to sign and execute a document to wit: a motor vehicle retail installment contract in the amount of \$301,061.04, which affected the property and pecuniary interest of Boardwalk Ferrari; and

on or about August 22, 2016, the defendant created and confirmed by words and conduct a false impression of fact that was likely to affect the judgement of the owner in the transaction and that the defendant did not believe to be true, to wit: the defendant caused an employee of Mercedes Benz of Plano to sign and execute a document to wit: a motor vehicle lease agreement in the amount of \$78,743.73, which affected the property and pecuniary interest of Mercedes Benz of Plano; and

And all of said amounts were obtained, as alleged, as part of one scheme and continuing course of conduct and the aggregate value of the property and pecuniary interest affected was \$300,000.00 or more;

Against the peace and dignity of the State.


FOREPERSON OF THE GRAND JURY

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LYNNE FINLEY
DISTRICT CLERK
COLLIN COUNTY, TEXAS
BY  DEPT.

ALINAPP

DEFENDANT Timothy Lloyd Booth 2016-13273, ⁴⁶⁶⁸⁷⁷~~1704825~~ DR CHARGE FSTOPOC; Counts 1-4
F2; Counts 5,6,&8 F1; Counts
7 & 9 F3; 32.32 TPC

ADDRESS LKA: [REDACTED] CAUSE# 296-83461-2016

DESCRIPTION W/M/DOB: 12/31/1958; SSN: 523-98-5233; TX DL #01727016 AGENCY/# State Securities Board

ARREST INFORMATION GJR

C/C Cammie R. Booth; Cause Numbers 296-82781-2016 and 296-82782-2016 Witness: Letha Sparks

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin
County, State of Texas, duly organized at the July Term, A.D., 2016 of the 219th

District Court of said county, in said court at said term, do present that _____

CAMMIE R. BOOTH, hereinafter "defendant"

COUNT ONE

on or about June 13, 2014, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Mercedes Benz of Plano, to wit: that the defendant was employed by TenList, Inc., as the Chairman of the company at a salary of \$165,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$100,000.00 or more but less than \$200,000.00;

COUNT TWO

on or about July 10, 2014, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Boardwalk Maserati, to wit: that the defendant was employed by TenList, Inc., as the CEO of the company at a salary of \$225,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$100,000.00 or more but less than \$200,000.00;

COUNT THREE

On or about May 18, 2015, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading statement to Boardwalk Ferrari, to wit: that the defendant was employed by TenList, Inc., as the CEO of the company at a salary of \$420,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$100,000.00 or more but less than \$200,000.00;

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LYNNE FINLEY
Clerk District Court Collin County Texas
By [Signature]

COUNT FOUR

on or about May 27, 2015, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Mercedes Benz of Plano, to wit: that the defendant was employed by TenList, Inc., as the CEO of the company at a salary of \$300,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$100,000.00 or more but less than \$200,000.00;

COUNT FIVE

on or about July 2, 2015, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Boardwalk Ferrari, to wit: that the defendant was employed by TenList, Inc., as Chairman of the company at a salary of \$420,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$200,000.00 or more;

COUNT SIX

on or about August 5, 2015, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Mercedes Benz of Plano, to wit: that the defendant was employed by TenList, Inc., as the CEO of the company at a salary of \$300,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$200,000.00 or more;

COUNT SEVEN

on or about September 6, 2015, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Land Rover of Dallas, to wit: that the defendant was employed by; TenList, Inc., as the company's President at a salary of \$250,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$30,000.00 or more but less than \$150,000.00;

COUNT EIGHT

on or about December 14, 2015, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Boardwalk Ferrari, to wit: that the defendant was employed by TenList, Inc., as the Chairman of the company at a salary of \$420,000.00 per year; with the intent to obtain credit for a motor vehicle retail installment contract in the amount of \$300,000.00 or more;

COUNT NINE

on or about August 25, 2016, in Collin County, Texas, did then and there intentionally and knowingly make a materially false and misleading written statement to Mercedes Benz of Plano, to wit: that the defendant was paying \$3,184.00 in rent on his residence located at 5760 Bernay Lane, Plano, Texas, and that the defendant was employed by TenList, Inc., as the CEO of the company at a salary of \$300,000.00 per year; with the intent to obtain credit for a motor vehicle lease agreement in the amount of \$30,000.00 or more but less than \$150,000.00;

Against the peace and dignity of the State.

FILED

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LYNNE FINLEY
DISTRICT CLERK
COLLIN COUNTY, TX

BY: *[Signature]* DEPUTY

[Signature]
FOREPERSON OF THE GRAND JURY



Print

09-17 FINRA Provides Guidance on its Enforcement Process

[View PDF](#)

Investigations and Formal Disciplinary Actions

Regulatory Notice

Notice Type	Referenced Rules & Notices
Guidance	FINRA Rule 8210
Suggested Routing	Key Topic(s)
Compliance	Enforcement Process
Legal	Investigations
Senior Management	Formal Disciplinary Actions
	Wells Process

Executive Summary

FINRA is providing this guidance to provide transparency into its enforcement process, and to assist firms and their associated persons with their understanding of how the investigative process works and to highlight procedural safeguards in this process, including:

- Enforcement Procedures and Managerial Oversight
- Conducting Investigations
- Sufficiency of Evidence Reviews
- Wells Process
- Disciplinary Advisory Committee Review
- Litigation Group Consultation Process
- Independent Office of Disciplinary Affairs
- Independent Office of Hearing Officers

Questions regarding this *Notice* should be directed to Susan Merrill, Executive Vice President, Enforcement, at (646) 315-7300.

Background & Discussion

One of FINRA's most important functions is the fair and effective enforcement of rules contained within the FINRA Rulebook, the rules of the Municipal Securities Rulemaking Board and the federal securities laws and rules. FINRA's Enforcement and Market Regulation Departments are responsible for investigating and bringing all FINRA formal disciplinary actions against firms and their associated persons. The Enforcement Department handles a broad range of investigations and cases, while the legal section of the Market Regulation Department focuses on trading and quality of market cases. The staff of these departments (also collectively referred to as Enforcement) work closely with other FINRA offices such as Advertising Regulation and Corporate Financing. Similarly, the Enforcement Department works closely with FINRA's Member Regulation Department, which requests information and takes testimony in the course of its examinations of firms and reviews of customer complaints. If another department believes, in consultation with Enforcement staff, that a formal disciplinary action is warranted, the matter will be referred for formal action.

FINRA investigations may be opened from various sources, including but not limited to, automated surveillance reports, examination findings, filings made with FINRA, customer complaints, anonymous tips, referrals from other regulators or other

FINRA departments, and press reports.

Enforcement Procedures and Managerial Oversight

The staff investigates and litigates cases pursuant to comprehensive internal procedures that set forth uniform policies and procedures that govern the investigative and enforcement process.¹ In addition, all cases are also subject to a multilayered managerial review that focuses on, among other things, the substantive evidence developed during the investigation and an analysis of applicable rules and case precedent. Investigations are assessed at various points to ensure that Enforcement resources are being deployed appropriately.

Conducting Investigations

All FINRA investigations are non-public and confidential, and firms and individuals are entitled to be represented by counsel. The staff engages in an objective fact-finding process when conducting an investigation, without bias for or against the parties involved. To conduct its investigations, the staff requests documents and takes sworn testimony from firms and associated persons pursuant to FINRA Rule 8210, which requires firms and associated persons to respond to requests for information; failure to respond may result in a fine, suspension or bar from the industry. The staff may also contact customers and other individuals who are not within FINRA's jurisdiction and who provide information voluntarily.

Rule 8210 requests inform the recipient that FINRA investigations are non-public and confidential. Information acquired during an investigation may be disclosed in connection with an investigation or disciplinary proceeding, in response to requests from the Securities and Exchange Commission or other governmental agencies and pursuant to a lawfully issued subpoena and/or information-sharing agreements entered into between FINRA and other regulators. Rule 8210 requests for testimony also inform the witness that he or she has the right to have an attorney present, the right to review a copy of his or her transcript, and may request, in writing, a copy of the transcript, which shall be released unless the staff has good cause to withhold it.

Sufficiency of Evidence Review

At the conclusion of the investigation, the staff analyzes the evidence and applicable law and makes a preliminary determination of whether or not a violation appears to have occurred. This process is called a Sufficiency of Evidence review and is conducted under the supervision of the senior manager responsible for the investigation. If it appears that rules have been violated, the senior manager will determine whether the conduct merits a recommendation of formal disciplinary action. If the violation is of a minor nature and there is an absence of customer harm or detrimental market impact, the matter may be resolved with an informal disciplinary action, such as the issuance of a Cautionary Action. While Cautionary Actions are considered by the staff in any future disciplinary matter, these actions do not constitute formal discipline and are not reportable on FINRA's Central Registration Depository (CRD) system or Form BD.

Wells Process

If a preliminary determination to proceed with a recommendation of formal discipline is made, the staff will call the potential respondent or counsel and inform the individual or firm that FINRA intends to recommend formal disciplinary action. This is generally referred to as a Wells Call.² During the Wells Call the staff informs the potential respondent of the proposed charges and the primary evidence supporting the charges. The purpose of a Wells Call is to give the potential respondent an opportunity to submit a writing, called a Wells Submission, which discusses the facts and applicable law and explains why formal charges are not appropriate. The Wells Call is followed with a letter confirming that the Wells Call has been made (Wells Notice). An associated person who receives a written Wells Notice is required to report that event on his or her Form U4. Firms also may have disclosure obligations depending upon, for example, whether the firm is a publicly traded company. While the Wells process is used in virtually every case, the process is discretionary and there may be instances where senior Enforcement staff determines that it must move forward without providing this opportunity, such as when customer funds are at risk.

The Enforcement staff, including senior managers, carefully review the Wells Submission in assessing the case and may ask for additional information or obtain additional evidence in the matter. In many cases, after reviewing the charges that the staff is considering, the potential respondent initiates settlement discussions instead of making a Wells Submission. FINRA's independent Office of Disciplinary Affairs, discussed below, also reviews each Wells Submission before approving a settlement or authorizing the staff to issue a formal complaint. All cases where Wells Notices have been issued, particularly those involving individual prospective respondents, are reviewed regularly to ensure timely disposition of those matters. Finally, a closing letter is sent to each individual who has received a Wells Notice if the matter is closed without formal disciplinary action.

Disciplinary Advisory Committee

The Disciplinary Advisory Committee (DAC) reviews all significant cases and those matters where novel legal or factual issues exist. The DAC consists of senior managers from the Enforcement and Market Regulation Departments. The DAC considers the evidence supporting each recommended charge and vets charging decisions and sanction recommendations to ensure consistency and proportionality. The DAC recommends the charges and sanction ranges for each case for purposes of settlement discussions. In addition, the DAC considers the issue of whether credit for extraordinary cooperation is appropriate.

As discussed below, however, no settlement may be finalized nor may any complaint be filed prior to review and approval by the independent Office of Disciplinary Affairs.

Litigation Group Consultation Process

While most cases settle prior to litigation through the issuance of a settlement document called a Letter of Acceptance Waiver and Consent, a Litigation Group consultation takes place for any case in which a complaint will be filed. During this process, experienced FINRA trial lawyers and a litigation manager review the matter to ensure, among other things, that there exists sufficient evidence to support the proposed charges.

Independent Office of Disciplinary Affairs

FINRA's Office of Disciplinary Affairs (ODA) is independent of Enforcement and is not involved in the investigation or litigation of cases. ODA is charged with reviewing each proposed settlement or complaint, including any Wells Submissions, to provide an independent review of the legal and evidentiary sufficiency of the charges proposed by the staff. ODA also reviews settlements for consistency with the Sanction Guidelines as well as applicable precedent. ODA approval is required before the issuance of a settlement or complaint.

Independent Office of Hearing Officers

FINRA's Code of Procedure governs the hearing process. FINRA hearings are administered by a Hearing Officer who is employed by FINRA in the Office of Hearing Officers (OHO). OHO is independent of Enforcement and, like ODA, is not involved in the investigative process. Employment protections exist for Hearing Officers to further ensure their independence; they may not be terminated except by the FINRA Chief Executive Officer, with a right to appeal to the Audit Committee of FINRA's Board of Governors.

Hearings are held before a Hearing Officer and two industry panelists. Panelists are drawn from a pool of current and former securities industry members of FINRA's District Committees, as well as its Market Regulation Committee, former members of FINRA's National Adjudicatory Council (NAC) and former FINRA Governors. Appeals from hearing decisions are made to the NAC, and respondents may further appeal an adverse decision of the NAC to the Securities and Exchange Commission, and further to a United States Court of Appeals.

¹ All employees are also subject to FINRA's Code of Conduct and FINRA policies which ensure appropriate handling of potential and actual conflicts of interest, among other things.

² The term Wells Notice originated in 1972 from a committee (chaired by former Senator John Wells and commonly referred to as the Wells Committee) appointed to review and evaluate the SEC's enforcement policies and practices. The Committee recommended providing notice to prospective respondents of charges that the SEC staff was considering. This notice has subsequently been referred to by securities regulators as a Wells Notice, and is used by FINRA in its disciplinary process.



Carrie Devorah <[REDACTED]>

note from Carrie Devorah RBC Capitol Markets Corp

1 message

carrie devorah <[REDACTED]>

Tue, Dec 14, 2010 at 11:07 AM

To: [REDACTED]

Bcc: [REDACTED]

Dear Mr. Cross

December 10 I received a letter from you stating you have not received my letter and papers on RBC. My papers were delivered. I sent you proof of service in a letter dated 11/23.

USPS tracking showed you received the letter 11/26, certified return receipt requested. I sent you a second set of papers yesterday. Return Receipt 7010 0290 0001 7941 7932. Please be on the lookout for the papers.

Sincerely
Carrie Devorah
[REDACTED]

—
CONFIDENTIALITY: This communication, including attachments, is for exclusive use of the addressee(s) and may contain proprietary, confidential or privileged information. If you are not the intended recipient, any use, copying, disclosure, or distribution or the taking of any action in reliance upon this information is strictly prohibited. If you are not the intended recipient, please notify the sender immediately and delete this communication and destroy all copies.



Carrie Devorah [REDACTED]

RE: note from Carrie Devorah

1 message

Cross, Theodore V. (DISB) <[REDACTED]>
To: carrie devorah <[REDACTED]>
Cc: "Meaza, Senayet (DISB)" <[REDACTED]>

Mon, May 9, 2011 at 10:11 AM

Dear Ms. Devorah:

Our investigation file is not public information. As previously cited in our April 29, 2011 email, you can get the information directly from RBC. Thank you.

Theodore Cross

Securities Financial Examiner

Department of Insurance, Securities & Banking

810 First Street NE

Suite 701

Washington, D.C. 20002

email: [REDACTED]

ph: [REDACTED]

fax: [REDACTED]

From: carrie devorah [mailto:[REDACTED]]

Sent: Wednesday, May 04, 2011 11:16 AM

To: Cross, Theodore V. (DISB)

Subject: note from Carrie Devorah

Dear Mr Cross

I hope you are doing well.

Before you made your decision we spoke about the opportunity for me to review some of the documents regarding this matter. Some of the documents in you letter, I have no knowledge of. I hope your office would extend me the courtesy to review the documents. If you like you can mail me a copy or I can come down to review them in your office, which ever is easier for you.



Carrie Devorah <carriedev@gmail.com>

Complaint Against RBC

1 message

Cross, Theodore V. (DISB) <[REDACTED]>
To: "[REDACTED]" <[REDACTED]>

Thu, Mar 10, 2011 at 11:11 AM

Ms. Devorah:

In reviewing some of the trade confirmations we received from RBC we noticed that trades (mostly purchases of securities) from your accounts between October 7, 2008 and December 2, 2008 were made. We want to verify whether or not Scott Sangerman had your authorized approval to make such trades during this period and if so, please provide supporting documentation such as an email or other written correspondence highlighting your approval. This information is needed to properly review your complaint against RBC and Scott Sangerman.

Your cooperation is very much appreciated. Thank you.

Preventing terrorism is everybody's business.

If you SEE something, SAY something.

Call the Metropolitan Police Department at **(202) 727-9099** or email at SAR@DC.GOV to report suspicious activity or behavior that has already occurred.

Call **911** to report in-progress threats or emergencies.

To learn more, visit <http://www.mpdc.dc.gov/operationtipp>.



Carrie Devorah <carriedev@gmail.com>

RE: Complaint Against RBC

1 message

Cross, Theodore V. (DISB) <[REDACTED]>
To: "[REDACTED]" <[REDACTED]>

Thu, Mar 10, 2011 at 11:29 AM

I am still waiting for requested information from RBC.

From: [REDACTED] [mailto:[REDACTED]]
Sent: Thursday, March 10, 2011 11:18 AM
To: Cross, Theodore V. (DISB)
Subject: Re: Complaint Against RBC

Dear Mr cross

I will answer when I return to my PC. Did RBC send you statements from 2002 to 2010 or just 2008?
Also did they send you the Advisors agreement too?

Carrie

Sent on the Sprint® Now Network from my BlackBerry®

From: "Cross, Theodore V. (DISB)" <[REDACTED]>
Date: Thu, 10 Mar 2011 11:11:22 -0500
To: [REDACTED] <[REDACTED]>
Subject: Complaint Against RBC

Ms. Devorah:

In reviewing some of the trade confirmations we received from RBC we noticed that trades (mostly purchases of securities) from your accounts between October 7, 2008 and December 2, 2008 were made. We want to verify whether or not Scott Sangerman had your authorized approval to make such trades during this period and if so, please provide supporting documentation such as an email or other written correspondence highlighting your approval. This information is needed to properly review your complaint against RBC and Scott Sangerman.

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If you SEE something, SAY something.

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Call 911 to report in-progress threats or emergencies.



Carrie Devorah <carriedev@gmail.com>

RE: follow up - RBC/ BGFS

1 message

Suh, Kevin <[REDACTED]>
To: Carrie Devorah <[REDACTED]>

Fri, Sep 5, 2014 at 11:42 AM

Ms. Devorah,

Your allegations against RBC and Ms. Bennett were reviewed under STAR # 20110302479 and 20130395573, respectively. Both exams have been closed without action. Should you have any questions/concerns, please feel free to contact me.

Regards,

Kevin Suh
[REDACTED]

From: Carrie Devorah [mailto:[REDACTED]]
Sent: Wednesday, September 03, 2014 8:34 AM
To: Suh, Kevin
Subject: follow up - RBC/ BGFS

Kevin, hi

Hoping all is well. You were to get back to me on

- 1- the status of your investigation in to RBC
- 2- the status of the original business card I was given by BGFS in 2009 that did not have WIS on its back. The card back is clear.

Please update me.

Sincerely

CARRIE Devorah
[REDACTED]

Confidentiality Notice: This email, including attachments, may include non-public, proprietary, confidential or legally privileged information. If you are not an intended recipient or an authorized agent of an intended recipient, you are hereby notified that any dissemination, distribution or copying of the information contained in or transmitted with this e-mail is unauthorized and strictly prohibited. If you have received this email in error, please notify the



Carrie Devorah <[REDACTED]>

RE: follow up - RBC/ BGFS

1 message

Suh, Kevin <[REDACTED]>
To: Carrie Devorah <[REDACTED]>

Fri, Sep 5, 2014 at 12:36 PM

Ms. Devorah,

STAR is our database system. I was simply giving you the exam numbers under which your allegations were reviewed.

Our records indicate that WIS became registered with NASD (n/k/a FINRA) and SEC in November 1995 and in DC in July 2000. Ms. Bennett was registered with Royal Alliance until October 2009 at which time she became registered with WIS. Moreover, BGFS was an investment adviser and not under FINRA jurisdiction. To the extent Ms. Bennett gave you incorrect business cards during this time of transition, we will not be pursuing an enforcement action.

Finally, the individual who you claimed to have hacked into your account was one of the architect of RBC's IT system hence his name appears as a creator of the files you received from RBC.

We consider your case to be closed at this time unless new and relevant facts come to light. Thank you for your patience.

Regards,

Kevin Suh

From: Carrie Devorah [mailto:[REDACTED]]
Sent: Friday, September 05, 2014 8:50 AM
To: Suh, Kevin
Subject: Re: follow up - RBC/ BGFS

I am contacting you, Kevin

- 1- what is Star
- 2- Dawn Bennett gave me 7 business cards without WIS on its back in 2009, with Royal Alliance Associates on all card fronts, months after 7/29/2009 the date Dawn Bennett was under contract with Western International Securities. WIS was not licensed in DC until 4-5-2010 and you are saying there is no wrong doing?
- 3- RBC knew for ten years my accounts were being hacked by an individual at another firm, never told me, until two years after the 1st matter was



Carrie Devorah <[REDACTED]>

RE: Devorah v RBC et al Update- 6/1/2015 Filing

1 message

Faye, Jon D. (MPD-CVC) <[REDACTED]>
To: Carrie <[REDACTED]>
Cc: "Rosato, Angeline (MPD)" <[REDACTED]>

Wed, Jun 3, 2015 at 12:17 PM

Carrie,

I'll send you a summary of the findings once Ms. Rosato provides the result to me and I get clearance for comments from a supervisor, in a day or two. Additionally, I can tell you now my comments would only id if your information is/is not sufficient for a case filing at this time. Per our prior discussion, your task is to make a showing of criminality under DC law and to road map this for us per the standards I provided to you. This review today is just a second level review, to ensure we have done our jobs to date.

Sincerely,

Jon D. Faye

Mr. JON D. FAYE

Case Analyst

CVC

Metropolitan Police Department

Investigative Services Bureau

Criminal Investigations Division

300 Indiana Ave. N.W.

3rd Floor, Room 3143

Washington, DC 20001

Office Phone: [REDACTED]

Desk Phone: [REDACTED]

eMail address: [REDACTED]



Carrie Devorah <carriedev@gmail.com>

RE: Devorah v RBC et al Update- 6/1/2015 Filing

1 message

Faye, Jon D. (MPD-CVC) [REDACTED]
To: Carrie Devorah [REDACTED] >
Cc: "Rosato, Angeline (MPD)" <a [REDACTED]>

Wed, Jun 3, 2015 at 11:44 AM

Ms. Devorah,

One of our legal intern-case analysts is going over your filing and attachments today: She will ensure, as we discussed earlier, that you don't already have sufficient evidence to support a criminal case filing here in DC.

Her analysis will compare DC C.C. Sec 22-3221(a) ex. rel. documentation requirements, necessary elements, evidence standard, and indictment requirements against your current document set. We would be remiss not having you file a case in DC now if your documents were sufficient.

Note: Please be aware that standards of proof for fraud at a Federal Regulatory Level differ from DC Criminal Fraud.

Sincerely,

Jon D. Faye
Mr. JON D. FAYE
Case Analyst
CVC
Metropolitan Police Department
Investigative Services Bureau
Criminal Investigations Division
300 Indiana Ave. N.W.
3rd Floor, Room 3143
Washington, DC 20001

Office Phone: [REDACTED]

Desk Phone: [REDACTED]



From: Alula, Claudine (DISB)
Sent: Friday, July 26, 2013 8:50 AM
To: Miles, Theodore (DISB); Goff, Maurice (DISB)
Cc: Reed, Dena C. (DISB); Martin, Lucinda (DISB); Sherard, Gregory (DISB)
Subject: FW: FOIA Request # 77&78/Completed---MORE and MORE and MORE

Good morning Mr. Miles and Mr. Goff,

Here comes again....! Below please find Ms. Devorah's email where she is mentioning about "Search for Michele Morris was searched under Michelle Morris. The search request was one "L"...."

Once again, thank you for giving this matter your prompt attention.

Claudine Alula, MLS

Paralegal Specialist/FOIA Officer

Office of the Attorney General for D.C.

Office of the General Counsel

Department of Insurance, Securities and Banking

810 First Street, NE, Suite 701
Washington, DC 20002

Phone: [REDACTED]

Fax: [REDACTED]

Small text line

Web: [REDACTED]

offensive, demeaning tone



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

CERTIFIED MAIL # 7012-3050-0000-2880-0941 WITH RETURN RECEIPT

December 20, 2012

Carrie Devorah



Re: Freedom of Information Act (FOIA) Request-Tracking # 39

Dear Ms. Devorah:

This letter acknowledges your December 19, 2012 Freedom of Information Act (FOIA) request to the DC Department of Insurance, Securities and Banking (DISB), for:

Information on WESTERN INTERNATIONAL SECURITIES (and employees) and BENNETT GROUP FINANCIAL SERVICES (and employees), requesting both in District and out of District information or records including all previously released on these companies.

The companies and their respective are:

1) BENNETT GROUP FINANCIAL SERVICES

Including but not limited to the following address(s):

1400 K Street NW

5335 Wisconsin Avenue Washington DC

Including but not limited to the named people: Dawn Bennett, Tim Augustin, Stuart Rogers Bradley Mascho, Bradley Carl Mascho, Michelle Morris, John Koorey, Kathleen Pruess, Matthew Okalita

2) WESTERN INTERNATIONAL SECURITIES also referred to as WISDIRECT.com

Including but not limited to the named people: Donald Bizub, Brad Kaiser, Karen Chang

Including but not limited to the following address(s):

1400 K Street NW

5335 Wisconsin Avenue Washington DC

The current registration status of WIS, BGFS and Dawn Bennett in the District of Columbia is as follows:

- WIS is registered in DC as a broker-dealer and an SEC-registered investment adviser.
- BGFS's registration as an SEC-registered investment adviser was withdrawn by BGFS on September 6, 2013. Currently, WIS uses "BGFS" as its "doing business as" name at WIS's branch office located at 5335 Wisconsin Avenue NW, Suite 500, Washington, DC.
- Dawn Bennett is registered in DC as a broker-dealer agent of WIS and an investment adviser representative of WIS.

no
DCG
Filed
DBA
ref

DISB is considering the information you have provided regarding WIS, BGFS and Dawn Bennett to determine if any violations of the District of Columbia Securities Act of 2000 ("Act"), and the regulations thereunder appear to have taken place.

DISB is authorized to investigate possible violations of the Act, and the regulations thereunder. DISB's investigations are non-public. In the instance that it appears, after investigation, that there may have been violations of the applicable laws, DISB may initiate proceedings to determine if violations have taken place. If, after a hearing, there is a finding that one or more violations have taken place, DISB may order the respondents to pay restitution to customers. Restitution may or may not be appropriate, depending on the facts as found in the hearing. DISB cannot, and does not, act as an attorney on behalf of any complainant.

There are no provisions in the Act which would authorize whistleblower awards.

Sincerely,

Senayet Meaza, CFE, CPM
Director of Market Examinations

By: Brad L. Kunzweiler
Brad L. Kunzweiler
Securities Financial Examiner



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

August 5, 2014

Carrie Devorah
[REDACTED]

Re: Consumer Complaint

Dear Ms. Devorah:

This letter is to acknowledge receipt of your complaint letter dated June 25, 2014 to the Office of the Inspector General. The Office of the Inspector General referred your complaint to the Department of Insurance, Securities and Banking ("Department"). The Department will review your complaint involving Dawn Bennett and Bennett Group Financial Services, LLC.

Please be aware that the Department may only investigate whether there has been a violation of the District of Columbia Securities Act of 2000, as amended (the "Act"). In the instance that there has been a violation of the Act, the Department is further limited only to those remedies that are allowed under the Act, which may not result in a payment to the complainant. The Department cannot act as an attorney on behalf of a complainant.

Sincerely,

Senayet Meaza, CFE, CPM
Director of Market Examinations

By:

Brad L. Kunzweiler
Securities Financial Examiner



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

September 22, 2014

Carrie Devorah
[REDACTED]
[REDACTED]

Re: Case Number SB-2014-08-004

Dear Ms. Devorah:

This letter serves to address the issues discussed in your letter dated August 8, 2014 to the Department of Insurance, Securities and Banking ("DISB") concerning Western International Securities Inc. ("WIS"), Dawn Bennett and Bennett Group Financial Services LLC ("BGFS").

Broker-dealers, investment advisers, and their agents and representatives, who are licensed in the District of Columbia, make filings through the Central Registration Depository ("CRD"). The Financial Industry Regulatory Authority ("FINRA") operates CRD, the central licensing and registration system for the U.S. securities industry and its regulators.

With regards to your question regarding on-site visits, please refer to <http://disb.dc.gov/node/317242> for information on on-site examinations of DC-registered broker-dealers and investment advisers.

With regards to your inquiry into arbitrations and mediations, DISB does not have a program for arbitrations or mediations. DISB does not license arbitrators or mediators, nor does it make any recommendations on the use of arbitrators or mediators.

DISB is the securities regulator for the District of Columbia. Information about the North American Securities Administrators Association ("NASAA") and about the Financial Industry Regulatory Authority ("FINRA") is available on their respective websites. NASAA provides investors with information, including how to contact your local regulator to file a complaint at <http://www.nasaa.org/investor-education/how-to-report-a-scam-or-file-a-complaint/>. NASAA's member representative list is available at <http://www.nasaa.org/about-us/contact-us/contact-your-regulator/>.

The current registration status of WIS, BGFS and Dawn Bennett in the District of Columbia is as follows:

- WIS is registered in DC as a broker-dealer and an SEC-registered investment adviser.
- BGFS's registration as an SEC-registered investment adviser was withdrawn by BGFS on September 6, 2013. Currently, WIS uses "BGFS" as its "doing business as" name at WIS's branch office located at 5335 Wisconsin Avenue NW, Suite 500, Washington, DC.
- Dawn Bennett is registered in DC as a broker-dealer agent of WIS and an investment adviser representative of WIS.

DISB is considering the information you have provided regarding WIS, BGFS and Dawn Bennett to determine if any violations of the District of Columbia Securities Act of 2000 ("Act"), and the regulations thereunder appear to have taken place.

DISB is authorized to investigate possible violations of the Act, and the regulations thereunder. DISB's investigations are non-public. In the instance that it appears, after investigation, that there may have been violations of the applicable laws, DISB may initiate proceedings to determine if violations have taken place. If, after a hearing, there is a finding that one or more violations have taken place, DISB may order the respondents to pay restitution to customers. Restitution may or may not be appropriate, depending on the facts as found in the hearing. DISB cannot, and does not, act as an attorney on behalf of any complainant.

There are no provisions in the Act which would authorize whistleblower awards.

Sincerely,

Scnayet Meaza, CFE, CPM
Director of Market Examinations

By: 
Brad L. Kunzweier
Securities Financial Examiner



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

September 25, 2014

Carrie Devorah
[REDACTED]
[REDACTED]

Re: Case Number SB-2014-08-004
Western International Securities Inc.
Bennett Group Financial Services LLC
Dawn Bennett

Dear Ms. Devorah:

This letter is to advise you that the Department of Insurance, Securities and Banking ("Department") has completed its review of the above referenced matter.

Based upon our review of your allegations and information developed in connection with our investigation, as well as the information you provided and all the additional information we obtained from other sources, we have concluded that the evidence does not support a recommendation for enforcement action. Therefore, we have closed this matter.

As indicated in our initial acknowledgment of this matter, the Department's role is strictly limited to a staff investigation and review solely for determining whether there are any apparent violations of the securities laws and the implementing regulations.

Although this complaint did not result in disciplinary action, please be assured that assistance from financial services customers such as you is important to us in regulating the securities industry and uncovering patterns or practices which may warrant broader regulatory review.

Sincerely,

Senayet Meaza, CFE, CPM
Director of Market Examinations

By: Brad Lee Kunzweiler
Brad L. Kunzweiler
Securities Financial Examiner



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Interim Commissioner

In the matter of)	
)	
RBC Capital Markets, LLC,)	ADMINISTRATIVE CONSENT ORDER
)	ORDER NO. SB-CO-12-13
Respondent.)	
)	
)	
)	

WHEREAS, RBC Capital Markets, LLC (“RBC”) is a broker-dealer registered with the Department of Insurance, Securities and Banking (“Department”) in the District of Columbia (“District”), with a Central Registration Depository (“CRD”) number of 31194; and

WHEREAS, state securities regulators have conducted coordinated investigations into the registration of RBC Client Associates (“CAs”) and RBC’s supervisory system with respect to the registration of CAs; and

WHEREAS, RBC has cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

WHEREAS, RBC has advised regulators of its agreement to resolve the investigations pursuant to the terms specified in this Consent Order (the “Order”); and

WHEREAS, RBC agrees to make certain changes in its supervisory system with respect to the registration of CAs, and to make certain payments in accordance with the terms of this Order; and

WHEREAS, RBC elects to waive permanently any right to a hearing and appeal under the District of Columbia Administrative Procedure Act, DC Official §§ 2-509(a) and 2-510(a)

(2001); the Rules of Practice and Procedures for Hearings in the District of Columbia, 26 DCMR §§B300 *et seq.*, Securities Act of 2000, effective September 29, 2000 (D.C. Law 13-203; D.C. Official Code §§ 31-5601.01 *et seq.* (2001)) (“Act”), with respect to this Order ; and

Solely for the purpose of terminating the multi-state investigations, in settlement of the issues contained in this Order, RBC, without admitting or denying the findings of fact or conclusions of law contained in this Order, consents to the entry of this Order.

NOW, THEREFORE, the Commissioner of the Department (“Commissioner”), as administrator of the Act, hereby enters this Order:

I.

FINDINGS OF FACT

1. RBC admits the jurisdiction of the Department in this matter.

Background on Client Associates

2. The CAs function as sales assistants and typically provide administrative and sales support to one or more of RBC’s registered representatives (“RRs”). There are different CA positions, including Registered Client Associate and Registered Senior Client Associate.

3. The primary job duties vary depending on the specific CA position. In varying degrees, the “Major Job Accountabilities” of a CA include:

- a) Handling client requests;
- b) Resolving client inquiries;
- c) Determining if client issues require escalation to the RR or the branch management team; and
- d) Processing of operational documents such as letters of authorization and client check requests.

4. In addition to the responsibilities described above, and of particular significance to this Order, some CAs are permitted to accept unsolicited orders from clients; others are permitted, with the assistance of a RR, to prospect for new clients, open new accounts, gather assets and select investments to recommend to clients. As discussed below, RBC’s written

policies and procedures require that any CAs accepting client orders must first obtain the necessary licenses and registrations.

5. RRs might have a “primary CA” and a “secondary CA”, or a “primary CA team” and a “secondary CA team”. As suggested by the designation, the customary practice is that the primary CA or team would handle the RR’s administrative matters and client orders. However, if the primary CA or team was unavailable, the secondary CA or team would step in to handle the RR’s administrative matters and client orders.

6. During the period from 2005 to 2009, RBC employed an average of approximately 672 CAs per year.

Registration Required

7. D.C. Official Code § 31-5602.01 (a) provides that no person shall transact business in the District as a broker-dealer or agent unless the person is licensed or exempt from licensure under the Act.

8. Pursuant to the general prohibition under § 36.5602.01(a), a person cannot accept unsolicited orders in the District without being registered in the District.

9. D.C. Official Code § 31-5602.01(b) provides that no broker-dealer shall employ an agent to represent the broker-dealer unless the agent is licensed or exempt from licensure under the Act.

10. Pursuant to D.C. Official Code § 31-5606.02 (b) of the Act, a broker-dealer may be fined for selling securities in the District through agents other than registered agents.

RBC Requires Registration of Client Associates

11. In order for a CA to accept client orders, RBC generally required each CA to pass the series 7 and 63 qualification exams and to register in the appropriate jurisdictions.

12. At all times relevant to this Order, RBC’s policies and procedures specified that each CA maintain registrations in the same jurisdictions as his or her FA, or broadly required that each CA maintain registrations in all necessary jurisdictions.

Regulatory Investigations and Findings

13. During late 2009, RBC received regulatory inquiries regarding CA registrations.

14. The multi-state investigation focused on systemic issues with RBC CA registrations and related supervisory structure. Specifically:

- a) After accepting an order from a client, CAs accessed the electronic order entry system to place the order;
- b) The order entry system automatically recorded the identity of the person entering the order using the user's login information. If the order was received from the client by someone other than the person entering the order, the person entering the order was required to identify the person who accepted the order from the client by typing the name or initials in a text box;
- c) RBC's trading system checked the registration of the RR assigned to the account, but did not check the registration status of the person accepting the order, if different from the RR, (the "who accepted field") to ensure that the person was registered in the appropriate jurisdiction.

15. The multi-state investigation identified instances in which CAs supported RRs registered in the District when the CAs were not registered in the District as agents of RBC. This difference in registration status increased the possibility that CAs would accept orders which they did not solicit from customers without proper registration.

16. The multi-state investigation determined that it was highly likely that certain RBC CAs accepted orders which they did not solicit in the District at times when the CAs were not appropriately registered in the District.

17. As a result of the inquiries by state regulators, RBC conducted a review of its CA registration practices.

18. RBC's review found that as of November 2008, the firm had 692 registered CAs. While CAs were registered in approximately 7 states, at that time RRs were registered, on

average, in 17 states. Approximately 454, almost 66%, of those registered CAs were only registered in their home state or their home state and one additional state.

19. Many RBC CAs were not registered in the same jurisdictions as their respective RRs. RBC's review identified incidences where CAs who were not properly state registered accepted orders they had not solicited.

20. Beginning in 2010, RBC took steps to enhance its policies and procedures regarding CAs' state registrations, and added a substantial number of CA state registrations.

21. In January 2010, RBC amended its registration policy to require that each CA register in the same states as the RRs whom they support. RBC alerted the field to this policy.

22. In November 2010, Supervisors in RBC's branches and complexes reviewed the current CA registrations to ensure the CAs were properly registered prior to the annual renewals.

23. RBC updated its training to include additional information on registration requirements and on the firm's policies on CA registration. RBC also, as part of the annual registration renewal process, added to the annual renewal notice information regarding the CA registration policy.

24. RBC modified its procedures regarding the manner in which it grants electronic order entry access to client accounts. The required forms were revised to identify supporting CAs and the forms are provided to the Licensing and Registration department to verify that proper registrations are in place for RRs and CAs when access is granted.

25. RBC conducted Compliance Training sessions for CAs covering information on order entry procedures and registration requirements.

26. RBC revised its registration forms to identify assigned CAs on RRs' registration forms and assigned RRs on CAs' registration forms. This allows the registration and licensing group to submit registrations for the CAs that mirror those held by the RRs whom they support.

27. RBC has also undertaken to implement enhancements to its order entry systems and to its supervision of the order entry procedures. The order entry systems will require the individual entering an order either to attest that he or she also accepted the order or to identify

the person who accepted the order by entering that person's system ID. RBC policies and procedures prohibit RBC personnel from using any credentials but their own to log on to the order entry systems. RBC is developing an exception report to identify any trades entered in an account for which the person who accepted the order did not hold the necessary state registration.

28. RBC provided timely responses and substantial cooperation in connection with the regulatory investigations into this issue.

II.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to D.C. Official Code § 31-5606.01(a)(1).

2. RBC's failure to establish an adequate system to monitor the registration status of persons accepting client orders constitutes a failure to reasonably supervise its sales representatives and as such is grounds for discipline pursuant to § 31-5602.07(12).

3. RBC's failure to ensure its CAs were registered in the appropriate jurisdictions constitutes a failure to enforce its established written procedures constitutes a failure to reasonably supervise its sales representatives and as such is grounds for discipline pursuant to § 31-5602.07(12).

4. RBC's acceptance of orders in the District through CAs who were not properly registered constitutes a violation of D.C. Official Code § 31-5602.01(a).

5. Pursuant to D.C. Official Code § 31-5606.02(b)(4), the violations described above constitute bases for the assessment of an administrative fine against RBC.

6. The Department finds the following relief appropriate and in the public interest.

III.

UNDERTAKINGS

RBC hereby undertakes and agrees to establish and maintain policies, procedures and systems that reasonably supervise the trade process so that a person can only accept client orders that originate from jurisdictions where the person accepting the order is appropriately registered.

IV. ORDER

On the basis of the Findings of Facts, Conclusions of Law, and RBC's consent to the entry of this Order.

IT IS HEREBY ORDERED:

1. This Order concludes the investigation by the Department and any other action that the Department could commence against RBC under applicable the District law as it relates to unregistered activity in the District by RBC's CAs and RBC's supervision of CA registrations during the period from January 1, 2005 through the date of this Order.

2. This Order is entered into solely for the purpose of resolving the referenced multi-state investigation, and is not intended to be used for any other purpose. For any person or entity not a party to the Order, this Order does not limit or create any private rights or remedies against RBC, limit or create liability of RBC, or limit or create defenses of RBC, to any claims. RBC is hereby ordered to pay the sum of thirty-eight thousand nine hundred twenty five dollars and seventeen cents (\$38,925.17) to the Department within ten days of the date of this Order. The monies received by Department pursuant to this paragraph may be used, in accordance with the District law, to reimburse the Department for costs incurred during the investigation of this matter, for securities and investor education, and/or for other securities and investor protection purposes, at the sole discretion of the Administrator.

3. RBC is hereby ordered to comply with the Undertakings contained herein.

4. This order is not intended by the Department to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands including, without limitation, any disqualification from relying

upon the state or federal registration exemptions or safe harbor provisions. "Covered Person," means RBC or any of its affiliates and their current or former officers or former officers, directors, employees, or other persons that would otherwise be disqualified as a result of the Orders (as defined below).

5. This Order and the order of any other State in related proceedings against RBC (collectively, the "Orders") shall not disqualify any Covered Person from any business that they otherwise are qualified, licensed or permitted to perform under applicable securities laws of the District and any disqualifications from relying upon this state's registration exemptions or safe harbor provisions that arise from the Orders are hereby waived.

6. This Order shall be binding upon RBC and its successors and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

**DEPARTMENT OF INSURANCE,
SECURITIES AND BANKING**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of this Department in the District of Columbia, this 10th day of January, 2014. *CM*


Chester A. McPherson, Interim Commissioner

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY RBC

RBC hereby acknowledges that it has been served with a copy of this Consent Order ("Order"), has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

RBC admits the jurisdiction of the Department neither admits nor denies the Findings of Facts and Conclusions of Law contained in this Order, and consents to entry of this Order by the Department as settlement of the issues contained in this Order.

RBC agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative monetary penalty that RBC shall pay pursuant to this Order.

RBC states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

Joe Fleming represents that s/he is Sr. V.P., Compliance Director of RBC and that, as such, has been authorized by RBC to enter into this Order for and on behalf of RBC.

Dated this 6th day of January, ~~2013~~. 2014.

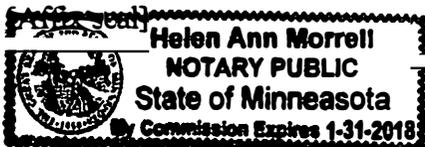
RBC Capital Markets, LLC

By: [Signature]

Title:

Sr. V.P., Compliance Director

SUBSCRIBED AND SWORN TO before me this 6th day of January, ~~2013~~. 2014.



Helen Ann Morrell
Notary Public in and for the
State of Minnesota

My Commission expires:

1-31-2018



Carrie Devorah <[REDACTED]>

Fwd: FOIA Request-Tracking # 77 and # 78/Status

1 message

 Carrie Devorah <[REDACTED]>
 To: [REDACTED]

Tue, Jul 14, 2015 at 12:28 PM

Hi Bennett

I thought I would send this to you as a next step.

In 2010, I advised the DISB that I had problems with RBC and Scott Sangerman. It appears from correspondences that I received from the DISB they got information from RBC. The DISB never sent me the information. They basically (emails available) blew me off.

In and around the Bennett Group matter, I was back in touch with the DISB on both matters, Bennett and RBC. I was seeing patterns. I did get a FOIA from them. Later, looking back at letters I realized that RBC most likely sent the DISB the faked statements that I received from RBC in 2012.

A couple of email exchanges back and forth, the sentiment from the DISB is they will not give me those papers.

I thought this would interest you in seeing what these entities put DC residents through. I did get a confirmation from the DISB that they rely on the FINRA papers, that the Department does no independent research on their own into the industry person or entity complained about.

Sincerely
 Carrie Devorah

----- Forwarded message -----
 From: Alula, Claudine (DISB) <[REDACTED]>
 Date: Tue, Jul 14, 2015 at 11:30 AM
 Subject: RE: FOIA Request-Tracking # 77 and # 78/Status
 To: Carrie Devorah <[REDACTED]>
 Cc: "Parker, Charlotte (DISB)" <[REDACTED]>

The Department of Insurance, Securities and Banking ("Department") **will not grant any further communication as related to FOIA Requests #77 and #78.** This communication will serve as a final discussion between you and the Department regarding to FOIA Requests # 77 and # 78. Thank you.

Sincerely,

M. Claudine Alula, MLS

Paralegal Specialist/FOIA Coordinator

Office of the General Counsel

Department of Insurance, Securities and Banking

 810 First Street, NE, Suite 701
 Washington, DC 20002

(P) [REDACTED]

Claudine.alula@dc.gov

Confidentiality Notice: This message is being sent by or on behalf of a lawyer. It is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged or confidential or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately by e-mail and delete all copies of the message.

Remember, DISB protects your financial interests. Call us to report fraud, to verify a financial institution, a speaker



Carrie Devorah [redacted]

(A DISB email from Brad Kunzeiler) to Carrie Devorah

1 message

Carrie Devorah <[redacted]>
To: [redacted]

Mon, Jan 11, 2016 at 9:34 PM

----- Forwarded message -----

From: Kunzweiler, Brad (DISB) <[redacted]>
Date: Mon, Aug 18, 2014 at 4:20 PM
Subject: RE: Follow up to Letter 8-5-2014
To: Carrie Devorah <[redacted]>
Cc: "Meaza, Senayet (DISB)" <[redacted]>

Dear Ms. Devorah:

The Department of Insurance, Securities and Banking (DISB) is continuing to review your correspondence and will address the questions raised within your complaint when that review is complete.

With regard to your question regarding DISB's relationship with the North American Securities Administrators Association (NASAA), DISB is a member of NASAA. DISB operates independently from NASAA as an agency of the Government of the District of Columbia. DISB regulates financial-service businesses in the District of Columbia by administering its insurance, securities and banking laws, rules and regulations.

Thank you for your continued interest in DISB.

Sincerely,

Brad L. Kunzweiler
Securities Financial Examiner

Department of Insurance, Securities & Banking
810 First Street NE, Suite 701
Washington DC 20002

ph: [redacted]

fax: [redacted]

[redacted]

From: Carrie Devorah [mailto:]
Sent: Tuesday, August 12, 2014 8:22 PM
To: Meaza, Senayet (DISB); Kunzweiler, Brad (DISB)
Subject: Re: Follow up to Letter 8-5-2014

Dear Senayet and Brad

The NASAA states the DCISB is a member of their non profit. The DCISB is a DC government agency.

Is the DC government agency a member of the NASAA?

In anticipation of my earlier request for information and questions answered.
Sincerely
Carrie Devorah

On Fri, Aug 8, 2014 at 11:16 AM, Carrie Devorah <carriedev@gmail.com> wrote:

Dear Senayet and Brad
I have attached a letter with additional questions. Please answer them in a timely fashion. I am an investor.

Sincerely
Carrie Devorah

On Fri, Aug 8, 2014 at 2:39 AM, Carrie Devorah <carriedev@gmail.com> wrote:

Dear Senayet and Brad

Thank you for your letter. There are three parties that were brought to attention of the DC OIG- Western International Securities, Bennett Group Financial Services, Dawn Bennett.

The jurisdiction and licensing of firms/IA's under \$100 Million is
the responsibility of local jurisdiction. You are local jurisdiction for K Street and Wisconsin Avenue in DC.

I had requested a complete file on Bennett/WIS and BGFS. I received FINRA and SEC papers. I did not receive any documents created by DC ISB in its background or other checks on the aforementioned. I want the papers DC created that were not given to me. To assure, I want the papers the DC ISB aggregated/created.

--

Sincerely
CARRIE Devorah

Founder
THE CENTER FOR COPYRIGHT INTEGRITY
www.centerforcopyrightintegrity.com @godingovt

Where ARTS, IP, ID, IT and ENFORCEMENT Come Together In One Voice Against Online Theft Of Content and Commerce

CCIA : Profiler : trained MPI : LACBA-DRS : CA-BSIS Actively built the 1st discrete site crime analysis lab on a campus in North America

DISCLAIMER :

With the continuing crossing and interfacing of platforms both on & off line both with & without our knowledge nor approval to note nothing sent over the Internet anymore is ever private nor should be presumed to be so. If it is that much of a secret, say nothing. If you must? Take a lesson from our military- hand write the note, chew then swallow



Carrie Devorah <[redacted]>

Fwd: Question of ownership of my generated emails +anything w my signature on it

1 message

Michael Marsalese <[redacted]>
To: Carrie Devorah <[redacted]>

Mon, Jan 5, 2015 at 2:25 PM

Begin forwarded message:

Reply-To: [redacted]
Subject: Question of ownership of my generated emails +anything w my signature on it
To: "Michael Marsalese" <[redacted]>
From: [redacted]
Date: May 3, 2011 at 5:20:30 PM EDT

The thought struck me, in response to the DC Dept of Securities decision not to release papers RBC sent to the investigators. Theodore Cross confirmed the Dept was sent the 'sell' email I sent Scott. It comes from my PC so technically does it not belong to me along with all other emails I sent Scott I don't have possession of? And can that thought be extended to anything bearing my signature that RBC sent the investigators ie advisory Agreement or no advisory agreement which we would know if it was not produced to the investigators by RBC. Bottom line. IF it comes from me, a letter or email, then how could the General Counsel tell me I cannot have a copy of it. It isn't an RBC internal document. It is my email...

What do you think?

Carrie

Sent on the Sprint® Now Network from my BlackBerry®

From: Michael Marsalese <mm@marsalese.com>
Date: Tue, 03 May 2011 07:35:31 -0400
To: <carriedev@gmail.com>; [redacted]
Subject: Re: Status of Response

Brad,

Please insert the Cross correspondence in the Amended Statement of Claim and let me know where you inserted it.

Thanks,

MM

From: <[redacted]>
Reply-To: [redacted]
Date: Mon, 2 May 2011 22:38:18 +0000
To: Marsalese Law Group <[redacted]>
Subject: Re: Status of Response

I don't think so. A gift. In those three weeks we received from DC Dept papers confirming what I told you- they have an email in which scott was told to sell me out of everything but GM. DC investigator also stated other info which we have paperwork to compare dates to. Update the Response to include Theodore Cross' email to me. And then in Discoverget get the papers from the DC



Carrie Devorah <[redacted]>



RE: note from Carrie Devorah

1 message

Cross, Theodore V. (DISB) <[redacted] gov>
To: carrie devorah <[redacted]>
Cc: "Meaza, Senayet (DISB)" <[redacted]>

Mon, May 9, 2011 at 10:11 AM

Dear Ms. Devorah,

Our investigation file is not public information. As previously cited in our April 29, 2011 email, you can get the information directly from RBC. Thank you.

Theodore Cross

Securities Financial Examiner

Department of Insurance, Securities & Banking

810 First Street NE

Suite 701

Washington, D.C. 20002

email: theodore.cross@dc.gov

ph: (202) 442-7643

fax: (202) 370-0710

From: carrie devorah [mailto:[redacted]]
Sent: Wednesday, May 04, 2011 11:16 AM
To: Cross, Theodore V. (DISB)
Subject: note from Carrie Devorah

Dear Mr Cross



Carrie Devorah [redacted] >

Re: Complaint Against RBC

1 message

carrie devorah [redacted] >

Thu, Mar 10, 2011 at 11:46 AM

To: "Cross, Theodore V. (DISB)" <[redacted]>

So the statements you are looking at are mine then?

On Thu, Mar 10, 2011 at 11:29 AM, Cross, Theodore V. (DISB) [redacted] wrote:

I am still waiting for requested information from RBC.

From: [redacted], [mailto:[redacted]]
Sent: Thursday, March 10, 2011 11:18 AM
To: Cross, Theodore V. (DISB)
Subject: Re: Complaint Against RBC

Dear Mr cross

I will answer when I return to my PC. Did RBC send you statements from 2002 to 2010 or just 2008? Also did they send you the Advisors agreement too?

Carrie

Sent on the Sprint® Now Network from my BlackBerry®

From: "Cross, Theodore V. (DISB)" <[redacted]>

Date: Thu, 10 Mar 2011 11:11:22 -0500

To: [redacted] <[redacted]>

Subject: Complaint Against RBC

Ms. Devorah:



In reviewing some of the trade confirmations we received from RBC we noticed that trades (mostly purchases of securities) from your accounts between October 7, 2008 and December 2, 2008 were made. We want to verify whether or not Scott Sangerman had your authorized approval to make such trades during this period and if so, please provide supporting documentation such as an email or other written correspondence highlighting your approval. This information is needed to properly review your complaint against RBC and Scott Sangerman.

Your cooperation is very much appreciated. Thank you.

Theodore A. Miles
Associate Commissioner, Securities
Department of Insurance, Securities and Finan...
202-442-7300
810 First Street, NE
Washington, DC 20002

DCPS starts up again on August 26th! Enroll your student today by submitting completed forms to your child's school.

Need an enrollment form? Visit [dcps.org/enroll](#). **Have questions?** E-mail [enroll@dcps.gov](#).

----- Forwarded message -----

From: "Miles, Theodore (DISB)" <[redacted]>
To: "Reed, Dena C. (DISB)" <[redacted]>, "Alula, Claudine (DISB)" <[redacted]>, "Goff, Maurice (DISB)" <[redacted]>, "Sherard, Gregory (DISB)" <[redacted]>, "Martin, Lucinda (DISB)" <[redacted]>
Cc: "Meaza, Senayet (DISB)" <[redacted]>
Date: Wed, 24 Jul 2013 18:03:33 -0400
Subject: FW: FOIA Request-Tracking # 77 and # 78



email shows concern of DISB. email shared but not to me

Fyi

To:

DCPS starts up again on August 26th! Enroll your student today by submitting completed forms to your child's school.

Need an enrollment form? Visit [dcps.org/enroll](#). **Have questions?** E-mail [enroll@dcps.gov](#).

From: Miles, Theodore (DISB)
Sent: Wednesday, July 24, 2013 6:03 PM
To: [redacted]
Subject: FOIA Request-Tracking # 77 and # 78

Dear Ms. Devorah.



Carrie Devorah [redacted] >

Re: Complaint Against RBC

1 message

carrie devorah <[redacted]>

Thu, Mar 10, 2011 at 11:46 AM

To: "Cross, Theodore V. (DISB)" <theodore.cross@dc.gov>

So the statements you are looking at are mine then?

On Thu, Mar 10, 2011 at 11:29 AM, Cross, Theodore V. (DISB) <theodore.cross@dc.gov> wrote:

I am still waiting for requested information from RBC.

From: [redacted] [mailto:[redacted]]
Sent: Thursday, March 10, 2011 11:18 AM
To: Cross, Theodore V. (DISB)
Subject: Re: Complaint Against RBC

Dear Mr cross

I will answer when I return to my PC. Did RBC send you statements from 2002 to 2010 or just 2008? Also did they send you the Advisors agreement too?

Carrie

Sent on the Sprint® Now Network from my BlackBerry®

From: "Cross, Theodore V. (DISB)" [redacted] >

Date: Thu, 10 Mar 2011 11:11:22 -0500

To: [redacted] <[redacted]>

Subject: Complaint Against RBC

Ms. Devorah:



In reviewing some of the trade confirmations we received from RBC we noticed that trades (mostly purchases of securities) from your accounts between October 7, 2008 and December 2, 2008 were made. We want to verify whether or not Scott Sangerman had your authorized approval to make such trades during this period and if so, please provide supporting documentation such as an email or other written correspondence highlighting your approval. This information is needed to properly review your complaint against RBC and Scott Sangerman.

Your cooperation is very much appreciated. Thank you.

Theodore A. Miles
Associate Commissioner, Securities
Department of Insurance, Securities and Ban...
202, 442-7300
810 First Street, NE
Washington, DC 20002

DCPS starts up again on August 26th! Enroll your student today by submitting completed forms to your child's school.

Need an enrollment form? Visit [dps.dc.gov/forms](#). **Have questions?** E-mail [enroll@dps.dc.gov](#)

----- Forwarded message -----

From: "Miles, Theodore (DISB)" <[redacted]>
To: "Reed, Dena C. (DISB)" <[redacted]>, "Alula, Claudine (DISB)" <[redacted]>, "Goff, Maurice (DISB)" <[redacted]>, "Sherard, Gregory (DISB)" <[redacted]>, "Martin, Lucinda (DISB)" <[redacted]>
Cc: "Meaza, Senayet (DISB)" <[redacted]>
Date: Wed, 24 Jul 2013 18:03:33 -0400
Subject: FW: FOIA Request-Tracking # 77 and # 78



email shows contact of DISB - email shared but not to me

DCPS starts up again on August 26th! Enroll your student today by submitting completed forms to your child's school.

Need an enrollment form? Visit [dps.dc.gov/forms](#). **Have questions?** E-mail [enroll@dps.dc.gov](#)

From: Miles, Theodore (DISB)
Sent: Wednesday, July 24, 2013 6:03 PM
To: [redacted]
Subject: FOIA Request-Tracking # 77 and # 78

Dear Ms. Devorah,

Re your question 4, securities complaints that DISB has received against the named firms and individuals, DISB has received one complaint.

This completes the DISB response to your requests no. 77 and 78.

Theodore A. Miles

Theodore A. Miles
Associate Commissioner, Securities
Department of Insurance, Securities and Ban...
(202) 442-7800
810 First Street, NE
Washington, DC 20002

----- Forwarded message -----
From: "Alula, Claudine (DISB)" <[redacted]>
To: "Reed, Dena C. (DISB)" <[redacted]>
Cc:
Date: Thu, 25 Jul 2013 13:27:02 -0400
Subject: FW: FW: FOIA Request-Tracking # 77 and # 78/Status

FYI

Claudine Alula, MLS
Paralegal Specialist/FOIA Officer
Office of the Attorney General for D.C.
Office of the General Counsel
Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, DC 20002
Phone: 202-442-7808
Fax: 202-576-8000
Web:

↙ Email showing DISB alert about my asking questions not rec'd to me



Carrie Devorah <[REDACTED]>

COM-9412 - Carrie Devorah vs. RBC - Response of email of March 15, 2015 to Sandra Ramayla

1 message

Behrens, Phillip@DBO <[REDACTED]@gov>
To: "[REDACTED]" <[REDACTED]>

Mon, Jun 29, 2015 at 8:46 PM

Hello Carrie, thank you for forwarding the details of your case against RBC and your comments and insight into the working of the various regulatory bodies. Here is what I have to report on the points you have raised:

Case against RBC : As I discussed with you our Department does not join lawsuits or arbitration proceedings but I will let you know if we should file any further orders or actions against RBC .

Link to FINRA on California Dept. of Business Oversight website : You have expressed an objection to state regulatory bodies having providing links to FINRA. Our website does provide a link to FINRA's broker check for the convenience of investors. As FINRA's broker check does provide investors disclosure information on the brokers that can help the investor make a better decision in selecting a broker, and as no alternative source of this information exists that I know of , I am not sure that removing the link would assist the investor. What I can do , though, is review for adequate disclosure so that consumers using our website are clearly informed when they are moving to another website.

Department of Business Oversight Orders and Actions - I have looked into the posting of our orders on our website and have found that the procedures and process of posting as changed over the years as our systems and procedures have changed. My investigation indicates that the current process results in the timely posting of orders . Thank you for bringing up this this issue.

Please note that your conversations with me and your email of March 15, 2015 to Supervising Corporate Examiner Sandra Ramayla, assisted us in our task of regulating the securities industry, including investment advisers, within this state to determine patterns or practices that would warrant broader regulatory oversight .

Philip A. Behrens
Corporation Examiner
Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, CA 94104
T: [REDACTED]

Effective July 1, 2013, the Department of Corporations and the Department of Financial Institutions merged to form the Department of Business Oversight in accordance with the Governor's reorganization of state departments to provide services more efficiently and effectively.

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Carrie Devorah <[REDACTED]>

RE: Here you go Philip

1 message

Behrens, Philip@DBO <Philip.Behrens@dbo.ca.gov>

Fri, May 6, 2016 at 1:28 PM

To: Carrie Devorah <carriedev@gmail.com>, "kamala.harris@doj.ca.gov" <kamala.harris@doj.ca.gov>, "david.blake@usdoj.gov" <david.blake@usdoj.gov>, "jlacey@da.lacounty.gov" <jlacey@da.lacounty.gov>

Hello Carrie, Western International (CRD # 39262) has \$900M in AUM so is under the SEC.

Philip A. Behrens

Corporation Examiner

Department of Business Oversight

One Sansome Street, Suite 600

San Francisco, CA 94104

T: [REDACTED]



From: Carrie Devorah [mailto:[REDACTED]]

Sent: Monday, May 02, 2016 4:36 PM

To: Behrens, Philip@DBO; [REDACTED]; [REDACTED]; [REDACTED]

Subject: Here you go Philip

She and her employees and co-owners are "employed" by Western International, your oversight, Phil.

2016 4 7 SEC RINALDI BGFS 3-2 post hearing brie...

As you know by now, FINRA does not turn crimes over to Law enforcement nor does the SEC.
<http://www.finra.org/industry/disciplinary-actions>

They "discipline." Congress did not state they have authority to not report crimes to law enforcement. For the IAs, Congress states, Act of 1940, lawyers that aid and abett are fined \$10K and go to jail.

Sincerely



Carrie Devorah [REDACTED]

RE: You are seeming to be withholding information from me Philip

1 message

Behrens, Phillip@DBO [REDACTED] gov>
To: Carrie Devorah <[REDACTED] m>

Mon, Dec 4, 2017 at 12:28 PM

You're welcome.

Philip Behrens
Corporations Examiner IV, Specialist
Department of Business Oversight



From: Carrie Devorah [mailto:[REDACTED]]
Sent: Monday, December 04, 2017 9:27 AM
To: Behrens, Phillip@DBO <[REDACTED]>
Cc: Dyer, Mark@DBO <[REDACTED] v>; [REDACTED] <[REDACTED]>; [REDACTED] Keith A. Custer
Subject: Re: You are seeming to be withholding information from me Philip

Thank you
Sincerely
Carrie Devorah
Sent from my iPhone

On Dec 4, 2017, at 12:17 PM, Behrens, Phillip@DBO <[REDACTED]> wrote:

Hello Carrie, I had a great Thanksgiving, I hope yours was great too. I am forwarding your request to Bret Ladine.

Regards,

Philip Behrens
Corporations Examiner IV, Specialist
Department of Business Oversight

[REDACTED]
[REDACTED]
<image001.png>

From: Carrie Devorah [mailto:[REDACTED]]
Sent: Monday, December 04, 2017 8:26 AM
To: [REDACTED] <[REDACTED]>; [REDACTED] Keith A. Custer
<[REDACTED]>
Subject: You are seeming to be withholding information from me Philip

Philip

I hope your Thanksgiving went well.

I have asked multiple times for the information on who the tipster was on the RBC matter that set off the multi state settlement with RBC in the matter of the CAs and RRs.

Provide to me the nexus of that complaint that ended in settlement. Where did the tip come from?

I have asked for an undeducted copy of Drake's victim. The SEC has no oversight of Investment Advisors. FINRA confirms the private business 501(c)(6) SEC allowed SRO states on its website that Investment Advisor and Investment Client complaints belong in the courts that make public the names of Claimants and Respondents.

Continuing to withhold this information makes you and the DBO look complicit in harming the Investing public.

The Drake & similar matters, the Bennett/WIS/BGFS matter and all similar SEC/FINRA/NASD matters belong in the public record, reported to cops so law enforcement could have protected the public they are sworn to serve. Your job is to protect the citizens of California and to protect other states and nations citizens from criminal operating out of California.

Do your job.

While maybe you do not know the correct information, this is no excuse for not doing diligence.

I ask again, Philip. My goal is to make the difference for Investment Clients so these crimes on innocent victims stop, so all accessories to these crimes, knowing or unknowing are held accountable.

"...Currently, such disputes are resolved in court or in non-FINRA dispute resolution forums. In response to these inquiries, FINRA offers the following guidance..."

https://www.finra.org/arbitration-and-mediation/investment_advisers

In the matter of Bennett, BGFS, and Pasadena located WIS, Western International Securities et al, this is your backyard, Philip.

The FBI is filling in the information gaps the SEC, FINRA, NASAA, securities lawyers, FINRA/NASD covered up as you can see.

Sincerely

CARRIE Devorah, DTM (Distinguished Toastmaster)

The SEC Requested Whistleblower Public Investor 12-03894 Found In Bad Faith For Telling The Truth
Wall Street Wanted Covered Up



[@godingovt](https://www.linkedin.com/today/author/carriedevorah)

DISCLAIMER :

With the continuing crossing and interfacing of platforms both on & off line both with & without our knowledge nor approval to note nothing sent over the Internet anymore is ever private nor should be presumed to be so. If it is that much of a secret, say nothing. If you must? Take a lesson from our military- hand write the note, chew then swallow

STATE OF CALIFORNIA

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

DEPARTMENT OF BUSINESS OVERSIGHT

In the Matter of :

RBC Capital Markets, LLC,

Respondent.

) ENF Case No. 12366
) ADMINISTRATIVE CONSENT ORDER
)
)
)
)

The Commissioner of Business Oversight ("Commissioner") finds that:

WHEREAS, RBC Capital Markets, LLC ("RBC") is a broker-dealer registered in the State of California, with a Central Registration Depository ("CRD") number of 31194; and

State securities regulators have conducted coordinated investigations into the registration of RBC Client Associates ("CAs") and RBC's supervisory system with respect to the registration of CAs; and

RBC has cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

RBC has advised regulators of its agreement to resolve the investigations pursuant to the terms specified in this consent order (the "Order"); and

RBC agrees to make certain changes in its supervisory system with respect to the registration of CAs, and to make certain payments in accordance with the terms of this Order; and

RBC elects to waive permanently any right to a hearing and appeal under The California Securities Law of 1968 ("CSL") found at Corporations Code section 25000 *et seq.* with respect to this order; and

Solely for the purpose of terminating the multi-state investigation, and in settlement of the issues contained in this Order, RBC, without admitting or denying the findings of fact or conclusions of law contained in this Order, consents to the entry of this Order.

1 NOW, THEREFORE, the Commissioner, as administrator of the CSL, hereby enters this Order:

2 I.

3 FINDINGS OF FACTS

4 1. RBC admits the jurisdiction of the California Department of Business Oversight in this matter.

5 Background on Client Associates

6 2. The CAs function as sales assistants and typically provide administrative and sales support to
7 one or more of RBC's registered representatives ("RRs"). There are different CA positions, including
8 Registered Client Associate and Registered Senior Client Associate.

9 3. The primary job duties vary depending on the specific CA position. In varying degrees, the
10 "Major Job Accountabilities" of a CA include:

- 11 a. Handling client requests;
- 12 b. Resolving client inquiries;
- 13 c. Determining if client issues require escalation to the RR or the branch management
14 team; and
- 15 d. Processing of operational documents such as letters of authorization and client check
16 requests.

17 4. In addition to the responsibilities described above, and of particular significance to this Order,
18 some CAs are permitted to accept unsolicited orders from clients, others are permitted, with the
19 assistance of a RR, to prospect for new clients, open new accounts, gather assets and select investments
20 to recommend to clients. As discussed below, RBC's written policies and procedures require that any
21 CAs accepting client orders first obtain the necessary licenses and registrations.

22 5. Notably, RRs might have a "primary CA" and a "secondary CA", or a "primary CA team" and
23 a "secondary CA team". As suggested by the designation, the customary practice is that the primary
24 CA team would handle the RR's administrative matters and client orders. However, if the primary CA
25 or team was unavailable, the secondary CA or team would step in to handle the RR's administrative
26 matters and client orders.

27 6. During the period from 2005 to 2009, RBC employed an average of approximately 672 CAs per
28 year.

1 “who accepted field”) to ensure that the person was registered in the appropriate jurisdiction.

2 14. The multi-state investigation identified instances in which CAs supported RRs registered in
3 California when the CAs were not registered in California as agents of RBC. This difference in
4 registration status increased the possibility that CAs would accept orders which they did not solicit
5 from customers without proper registration.

6 15. The multi-state investigation determined that it was highly likely that certain RBC CAs
7 accepted orders, which they did not solicit, in California at times when the CAs were not appropriately
8 registered in California.

9 16. As a result of the inquiries by state regulators, RBC conducted a review of its CA registration
10 practices.

11 17. RBC’s review found that as of November 2008, the firm had 692 registered CAs. While CAs
12 were registered in approximately 7 states, at that time RRs were registered, on average, in 17 states.
13 Approximately 454, almost 66% of those registered CAs, were only registered in their home state and
14 one additional state.

15 18. Many RBC CAs were not registered in the same jurisdictions as their respective RRs. RBC’s
16 review identified incidences where CAs who were not properly state registered accepted orders they
17 had not solicited.

18 19. Beginning in 2010, RBC took steps to enhance its policies and procedures regarding CAs’ state
19 registrations, and added a substantial number of CA state registrations.

20 a. In January 2010, RBC amended its registration policy to require that each CA register in
21 the same states as the RRs whom they support. RBC alerted the field to this policy.

22 b. In November 2010, Supervisors in RBC’s branches and complexes reviewed the current
23 CA registrations to ensure the CAs were properly registered prior to the annual renewals.

24 c. RBC updated its training to include additional information on registration requirements
25 and on the firm’s policies on CA registration. RBC also, as part of the annual registration renewal
26 process, added to the annual renewal notice information regarding the CA registration policy.

27 d. RBC modified its procedures regarding the manner in which it grants electronic order
28 entry access to client accounts. The required forms were revised to identify supporting CAs and the

1 forms are provided to the Licensing and Registration department to verify that proper registrations are
2 in place for RRs and CAs when access is granted.

3 e. RBC conducted Compliance Training sessions for CAs covering information on order
4 entry procedures and registration requirements.

5 f. RBC revised its registration forms to identify assigned CAs on RRs' registration forms
6 and assigned RRs on CAs' registration forms. This allows the registration and licensing group to
7 submit registrations for the CAs that mirror those held by the RRs whom they support.

8 20. RBC has also undertaken to implement enhancements to its order entry systems and to its
9 supervision of the order entry procedures. The order entry systems will require the individual entering
10 an order either to attest that he or she also accepted the order or to identify the person who accepted the
11 order by entering that person's system ID. RBC policies and procedures prohibit RBC personnel from
12 using any credentials but their own to log on to the order entry systems. RBC is developing an
13 exception report to identify any trades entered in an account for which the person who accepted the
14 order did not hold the necessary state registration.

15 21. RBC provided timely responses and substantial cooperation in connection with the regulatory
16 investigations into this issue.

17 **II.**

18 **CONCLUSIONS OF LAW**

19 1. The California Department of Business Oversight has jurisdiction of this matter pursuant to the
20 CSL.

21 2. RBC's failure to establish an adequate system to monitor the registration status of persons
22 accepting client orders constitutes a violation of Corporations Code section 25217(a) and California
23 Code of Regulations, Title 10, section 260.218.4, for a failure to establish a reasonably designed
24 supervisory system.

25 3. RBC's failure to ensure its CAs were registered in the appropriate jurisdiction constitutes a
26 failure to enforce its established written procedures in violation of California Code of Regulations,
27 Title 10, section 260.218.4(c).

28 4. Pursuant to the CSL, RBC's acceptance of orders in California through CAs who were not

1 properly registered in California constitutes a violation of Corporations Code section 25210(b) and
2 25217(a) for use and employment of unregistered agents, and / or sales representatives.

3 5. Pursuant to Corporations Code section 25252(d), the violations described above constitute a
4 basis for the assessment of an administrative penalty against RBC.

5 6. The California Department of Business Oversight finds the following relief appropriate and in
6 the public interest.

7 **III.**

8 **UNDERTAKINGS**

9 RBC hereby undertakes and agrees to establish and maintain policies, procedures and systems
10 that reasonably supervise the trade process so that a person can only accept client orders that originate
11 from jurisdictions where the person accepting the order is appropriately registered.

12 **IV.**

13 **ORDER**

14 On the basis of the Findings of Facts, Conclusions of Law, and RBC's consent to the entry of
15 this Order,

16 **THE COMMISSIONER HEREBY ORDERS:**

17 1. This Order concludes the current action of the California Department of Business Oversight and
18 any other action that the Department could commence under the CSL as it relates to unregistered
19 activity in California by RBC's CAs and RBC's supervision of CA registration during the period from
20 January 1, 2005 through the date of this Order.

21 2. This Order is entered into solely for the purpose of resolving the referenced multi-state
22 investigation, and is not intended to be used for any other purpose. For any person or entity not a party
23 to the Order, this Order does not limit or create any private rights or remedies against RBC, limit or
24 create liability of RBC, or limit or create defenses for RBC, to any claims.

25 3. RBC is hereby ordered to pay the sum of \$33,520.17 to the California Department of Business
26 Oversight within 10 days of this order (payable to the California Department of Business Oversight c/o
27 Erik Brunkal, Senior Corporations Counsel, 1515 K St., Suite 200, Sacramento, CA 95814.)

28 4. RBC is hereby ordered to comply with the Undertakings contained herein.

1 5. This Order is not intended by the California Department of Business Oversight to subject a
2 Covered Person to any disqualifications under the laws of the United States, any state, the District of
3 Columbia, Puerto Rico, or the U.S. Virgin Islands including, without limitation, and disqualification
4 from relying upon the state or federal registration exemptions or safe harbor provisions. "Covered
5 Person," means RBC or any of its affiliates and their current or former officers or former officers,
6 directors, employees, or other persons that would otherwise be disqualified as a result of the Orders (as
7 defined below).

8 6. This Order and the order of any other State in related proceedings against RBC (collectively, the
9 "Orders") shall not disqualify any Covered Person from any business that they otherwise are qualified,
10 licensed or permitted to perform under applicable securities laws of the State of California, and any
11 disqualifications from relying upon this state's registration exemptions or safe harbor provisions that
12 arise from the Orders are hereby waived.

13 7. This Order shall be binding upon RBC and its successors and assigns as well as to successors
14 and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all
15 future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and
16 conditions.

17
18 Dated: October 31, 2013
19 Sacramento, California

JAN LYNN OWEN
California Commissioner of Business Oversight

20
21
22 By _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
26
27
28



Carrie Devorah <[REDACTED]>

Fwd: Devorah v. RBC

1 message

Michael Marsalese <[REDACTED]>
To: Carrie Devorah <[REDACTED]>

Mon, Jan 5, 2015 at 2:21 PM

Begin forwarded message:

Subject: Devorah v. RBC**Date: March 15, 2011 at 4:29:07 PM EDT****From: "Guy, Carolyn (RBC Wealth Mgmt)" <[REDACTED]>****To: <[REDACTED]>**

Thank you, Mr. Marsalese, for your response to my January 4 e-mail. As I made clear, my e-mail was an effort for the parties to come to an agreement as to the measurable damages that may be available to your client even if she was able to prevail on her claims. RBC has not, to date, made an overture in the form of a settlement offer, to date. I appreciate that your demand is 50% of the demand from the Statement of Claim, however, it is still a high figure based upon the theories of your case under the law.

Taking your "list" below as identification of the alleged harms done to your client. I am still in the same position that I was in January: Your client's total damages are not likely to be proven beyond approximately \$50,000. Specifically, your time frame for the complaint is clear: November 30, 2007 through October 31, 2008. The net-out-of-pocket losses ("NOPs") for that period are as I articulated previously. As to your "hit list" items:

+ Scott Sangerman's breach of his fiduciary duty owed to Ms. Devorah: First, RBC does not agree that Mr. Sangerman owed your client a fiduciary duty, nor that any duty he owed was breached. Nevertheless, the damages that could ensue from any such successful allegation are the NOP's articulated to you in January.

+ Ken Sullivan's inappropriate E-mail to Bennet Financial Services Group regarding her issues with RBC: First, Mr. Sullivan's e-mail was a reply to one sent by Ms. Devorah. Nevertheless, the only reasonable causal damages that could have ensued from the communications are the NOP's articulated.

+ the failure of RBC and/or Mr. Sangerman's to disclose the fees related to Ms. Devorah's accounts: First, RBC properly disclosed its fees to your client. Further, the time for complaint with regard to the fees has passed and the matters have been ratified. Nevertheless, the total amount of such fees are {}, which only slightly increases your client's possible opportunity for damages in this matter.

+ Mr. Sangerman's acting as our client's Broker for her accounts that were based in Washington D.C. without a brokers license (which he obtained after the fact; If true, the technical violation is a regulatory issue, not a matter for which your client has standing. Nevertheless, the only arguable damages flowing from such a claim would be the related losses from transactions that occurred in the account during the time in question. There were no such damages, based upon my initial review of this matter.

+ RBC's continued purchasing of stocks on behalf of Ms. Devorah without her authorization (10/08/2008, 12/2/2008, 12/2/2008, 5/5/2009, 2/23/2009, and 1/23/2009). Again, RBC does not agree that the unauthorized trading took place, but assuming, for the sake of argument, that this claim is successful, the damages are a subset of the NOPs calculation forwarded to you in January.

In other words, taking your client's claims on their face, her damages are not calculable to the amount that you seek in your e-mail below. Rather, the damages are much more in line with those articulated in my January e-mail below. Further, the claims you raise do not allow for double counting of net out-of-pocket losses or some other measure of damages. If you have legal authority to the contrary, or factual support for different damages, I am interested in seeing it. My client is hesitant to place a significant settlement offer on the table at this juncture. Nevertheless, I am hopeful that, based upon your professional courtesies in the past, you and your client will carefully consider what RBC's position is and return with another, more reasonable demand. At this point, I am authorized to offer \$20,000 to settle all claims, including an agreement of confidentiality and a full release. I look forward to your prompt reply.

FOR SETTLEMENT PURPOSES ONLY. NOT ADMISSIBLE FOR ANY OTHER PURPOSE.

RBC Wealth Management does not accept buy, sell, or cancel orders by e-mail, or any instructions by e-mail that would require your signature. Information contained in this communication is not considered an official record of your account and does not supersede normal trade confirmations or statements. Any information provided has been prepared from sources believed to be reliable but is not guaranteed, does not represent all available data necessary for making investment decisions and is for informational purposes only. This message is intended only for residents of the states in which the sender is registered as applicable to the content.

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Please consider the environment before printing this e-mail. Thank you.

From: Linda Brosche [mailto: [REDACTED]]
Sent: Wednesday, November 25, 2009 3:21 PM
To: Kathleen Pruess
Subject: FW: A/C 168-83094 - ACAT REJECT - SS# MISMATCH

See the below reject of ACAT for Catherine Devorah

Linda Brosche
Associate Director
WESTERN International Securities, Inc.

[REDACTED] direct
[REDACTED] fax

Member FINRA / SIPC

This message contains confidential information and is intended for the recipient; if you are not the intended recipient, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. If you have received this email in error, please notify the sender by replying to this message and delete this email immediately.

From: Melvin Johnson [mailto: [REDACTED]@ [REDACTED].com]
Sent: Wednesday, November 25, 2009 10:43 AM
To: Linda Brosche
Subject: A/C 168-83094 - ACAT REJECT - SS# MISMATCH

Hi Linda,

Acat rejection; I spoke to Tanya at RBC Dain. There is ss# mismatch, the contra broker IN# starts with [REDACTED].

Thanks
Mel

↑ NOT MY SS#

Melvin Johnson
JP Morgan Clearing Corp.
ACAT Dept., 4th floor
One Metrotech Center North
Brooklyn, NY 11201
phn 347 643 2944
fax 347 750 1780

This email is confidential and subject to important disclaimers and conditions including on offers for the purchase or sale of securities, accuracy and completeness of information, viruses, confidentiality, legal privilege, and legal entity disclaimers, available at http://www.jpmorgan.com/pages/disclosures_email.



Carrie Devorah [redacted]

JP Morgan Chase Executive Office

1 message

Compton, Brandon <brandon.compton@chase.com>

To: "[redacted]" <[redacted]>

Fri, Jan 10, 2014 at 10:14 AM

Executive Office



We are unable to locate accounts ending in [redacted] and [redacted]

Dear Ms. Devorah:

This is in response to your email to us about viewing your checking account activity online and your request to receive the complete history of accounts ending in 7049 and 1326. We regret to hear you have contacted us multiple times to receive this information and apologize for any inconvenience experienced.

We researched our banking system

I can confirm our banking system and records were reviewed and we are unable to locate the referenced accounts in your name based on your social security number and the account numbers provided to us. We regret that we are unable to provide statements or other documentation reflecting the history of the accounts. Additionally, we were unable to locate an online banking profile in your name to determine information concerning viewing your checking account activity online.

Banks must abide by federal and applicable state record retention laws and may dispose of any records that have been retained or preserved for the period set forth in those laws. The record retention period governing an account is seven years. You may wish to visit www.unclaimed.org (searchable by owner name) or www.missingmoney.com to search for the accounts as they may have been escheated. You can search by "All States" and include your name. If a listing is found, you would submit the request through that state. Our records do not reflect we maintained or escheated these accounts.

We located a checking account in your name

We located information on checking account ending in [redacted], of which you were a joint owner. The

funds in the account were escheated on November 10, 2010. We are required to report inactive or dormant accounts to the state of the account holder's last known address of record as abandoned or unclaimed property. Each state has specific years of inactivity to qualify as abandoned property. The state of California requires Bank's to escheat, remit or transfer account balances and property to the State after a three-year period of inactivity. Should you wish to pursue collection of the funds, please contact the California Office of State Controller at 1-800-992-4647 or by email at www.sco.ca.gov/scocontactus/otherinquiries.aspx. You may also contact them at the address below:

California Office of State Controller

Unclaimed Property Division

P.O. Box 942850

Sacramento, CA 94250-5873

For your privacy, we are unable to send bank statements via email but we're happy to mail the final statement generated for the account to the address on your letter sent to my attention dated December 22, 2013.

Ms. Devorah, we hope this information is helpful. While we understand this matter is important to you, we regret we are unable to be of further assistance. Thank you for the past business you placed with us. I can be reached at 1-877-658-5560, extension 129-1038 should you have cause to contact me.

Sincerely,

Brandon Compton

Brandon Compton

Chase Executive Office

This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you.

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Please consider the environment before printing this e-mail.

From: carrie devorah [mailto:carrie@centerforcopyrightintegrity.com]
Sent: Thursday, August 12, 2010 5:29 AM
To: Karen Chung
Subject: CONFIDENTIAL: note from Carrie Devorah

Dear Karen

I looked again at the paper you said indicates my agreement to pay either commission or fee. I dont see the paper as agreeing to either mode of agreement. Are clients papers/agreements filed by your independent contractors with you? Is this a paper you would have in your records. Let us try this, will you please email to me the paper you want me to look for in my papers. Please send that paper to me today. Again this correspondence, our communication(s) are in absolute confidence not to be discussed outside of you and your boss until notice is given by me.

Sincerely

Carrie Devorah

--
Sincerely
CARRIE Devorah
[REDACTED]

Founder
THE CENTER FOR COPYRIGHT INTEGRITY
www.centerforcopyrightintegrity.com @godingovt
Where ARTS, IP, ID, IT and ENFORCEMENT Come Together In One Voice Against Online Theft Of Content and Commerce

CCIA : Profiler : trained MPI : LACBA-DRS : CA-BISIS Actively built the 1st discrete site crime analysis lab on a campus in North America

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With the continuing crossing and interfacing of platforms both on & off line both with & without our knowledge nor approval to note nothing sent over the Internet anymore is ever private nor should be presumed to be so. If it is that much of a secret, say nothing. If you must? Take a lesson from our military- hand write the note, chew then swallow

2 attachments



IRA signed agreement.JPG
2046K

 **IRA Retirement Account Application.pdf**
318K



Carrie Devorah [REDACTED]

Fwd: Procedural questions addressing Accounts Cleared Through JP Morgan

1 message

Carrie Devorah <[REDACTED]>

Wed, Mar 26, 2014 at 9:46 AM

To: [REDACTED], "Suh, Kevin" <[REDACTED]>

Ms. Feigelman

I have two questions I want answered today if you will:

1- does JP Morgan time stamp, to the hour/minute/second new accounts being cleared in? If JP Morgan has another process by which the accounts exact moment of arrival is, please advise.

2- what is JP Morgan's process for providing numbers, ie. a total of an accounts commissions and/or fees to a Firm client, for the purpose of use in a legal proceeding of any kind or/in response to a written query

(i) does JP Morgan create charts that are sent to the person requesting

(ii) does JP Morgan send the charts/calculations of on paperwork

(iii) is that paperwork stamped/identified as from JP Morgan

(iv) Is that paperwork not stamped/identified as from JP Morgan

(v) are there specific guidances to the person making a request for a history of commissions/fees on how that information can be used

Because of the pushback in our call, I am cc'ing this email to FINRA. I want these general procedural questions answered today. The call fielded by Ms Julie Moy, has not been responded to. The email to Nick Davis was not responded to.

Sincerely

CARRIE Devorah

[REDACTED]



Carrie Devorah <[REDACTED]>

RE: Procedural questions addressing Accounts Cleared Through JP Morgan

1 message

Feigelman, Barbara <[REDACTED]>
To: Carrie Devorah <[REDACTED]>
Cc: "Moy, Julie" <[REDACTED]>

Thu, Mar 27, 2014 at 9:42 AM

Ms. Devorah:

As discussed today and as indicated previously, you are a client of Western International Securities Inc., a broker dealer firm for which we provide clearance services on a fully disclosed basis.

Regarding the points you listed in your below email and your similar recent telephone requests, please note the following:

- Regarding the receipt of your account assets from another firm during December 2009 for each of your accounts, these asset transfers can be found as "Received" entries in the Transaction Detail section of your December 2009 statement.
- Regarding trade information, JPMCC provides a monthly clearing statement to all its fully disclosed broker dealer firms. The clearing statement reflects all trades cleared by JPMCC for the Broker Dealer. Among other information, the monthly report includes trade details and commissions / fees charged by the broker dealer.
- Regarding Certificates of Deposit transactions, they are not traded on an exchange, as such, are not time stamped.

Western International Securities, Inc., is responsible for the overall conduct of your account, which includes the responsibility of reviewing and responding to complaints and inquiries regarding your account. Please be advised that J.P. Morgan Clearing Corp. will provide no further information or documentation regarding these matters.

Barbara Feigelman | Vice President | Investment Bank | Client Services | **J.P. Morgan** | 3 Chase Metrotech Center, NY1-H051, Brooklyn, NY 11245 | T: 347 643 2575 | F: 973 463 5300 | [REDACTED] | jpmorgan.com

From: Carrie Devorah [mailto:[REDACTED]]

Sent: Wednesday, March 26, 2014 9:46 AM

To: Feigelman, Barbara; Suh, Kevin

Subject: Fwd: Procedural questions adressing Accounts Cleared Through JP Morgan

Ms. Feigelman

I have two questions I want answered today if you will:

1- does JP Morgan time stamp, to the hour/minute/second new accounts being cleared in? If JP Morgan has another process by which the accounts exact moment of arrival is, please advise.

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(v) are there specific guidances to the person making a request for a history of commissions/fees on how that information can be used

Because of the pushback in our call, I am cc'ing this email to FINRA. I want these general procedural questions answered today. The call fielded by Ms Julie Moy, has not been responded to. The email to Nick Davis was not responded to.

Sincerely

CARRIE Devorah

██████████

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that this will put this issue to bed once and for all. What is the status of the settlement check? Please advise.

Thank you.

Michael Marsalese

From: "Guy, Carolyn (RBC Wealth Mgmt)" <[REDACTED]>
Date: Thu, 16 Jun 2011 12:21:25 -0400
To: Marsalese Law Group <[REDACTED]>
Cc: <[REDACTED]>
Subject: 20110279663_devorah_06142011.pdf - Adobe Reader

Mr. Marsales: RBC received the attached document from FINRA that was initiated by your client. It appears as though it is a rehashing of the claims brought in the action that was just settled. In addition, the Electronic funds transfer form is simply that: an ACH for that would allow her to transfer funds to or from her RBC and JP Morgan accounts; it is not an opening of an account by RBC with JP Morgan. In addition, we clearly show that Ms. Devorah received the March 2008 IRA monthly statement. The account summary that she attaches is simply that: a summary of accounts. RBC went through a systems conversion in March 2008 and it is likely that all her accounts were joined for purposes of the summary document at that time. She always received her monthly accounts for each account she held with RBC. Further, as you know she released her claims in the settlement papers that she signed within weeks of submitting the attached to RBC. Specifically, paragraph 3(b) of the settlement agreement reads that "[Devorah] ... releases and forever discharges Respondents, RBC ... including but not limited to Scott Sangerman, of and from any and all disputes, claims, demands, causes of action, controversies, costs, expenses, liabilities and losses of any and every nature whatsoever, known or unknown, relating to the Claims, or arising out of or related to the Accounts, including, without limitation those that have been asserted, directly or indirectly, or those that could have been asserted but were not." In sum, it is RBC's understanding that the attached matter is closed and resolved pursuant to the Settlement Agreement that your client executed. Please advise if you believe this to be incorrect. Thank you.

Carolyn Guy
Vice President
Senior Associate General Counsel
60 South Sixth Street P-18
Minneapolis, Minnesota 55402

ph) [REDACTED]
fax) [REDACTED] (direct)
fax) 612-371-7766 (general)

alternate contact: Beth Johnson [REDACTED]

attorney client privileged communication
attorney work product

NEW YORK RULES OF PROFESSIONAL CONDUCT

**Effective April 1, 2009
As amended through January 1, 2017
With Commentary as amended through January 1, 2017**

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Annual Report on Whistleblower Program

As Required by Section 21F(g)(5) of
the Securities Exchange Act of 1934



This is a Report of the Staff of the
U.S. Securities and Exchange Commission

October 2010

ANNUAL REPORT ON WHISTLEBLOWER PROGRAM

As Required by Section 21F(g)(5) of the Securities Exchange Act of 1934

I. INTRODUCTION

The staff of the U.S. Securities and Exchange Commission (“Commission”) is providing this report pursuant to Section 21F(g)(5) of the Securities Exchange Act of 1934, 15 U.S.C. 78a et seq. (“Exchange Act”). Section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Dodd-Frank Act”) amended the Exchange Act by adding Section 21F, entitled “Securities Whistleblower Incentives and Protection.” Among other things, Section 21F establishes a whistleblower program that requires the Commission to pay an award, under regulations prescribed by the Commission and subject to certain limitations, to eligible whistleblowers who voluntarily provide the Commission with original information about a violation of the federal securities laws that leads to the successful enforcement of a covered judicial or administrative action, or a related action.

Section 21F(g)(5) requires the Commission to submit an annual report to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the whistleblower award program, including:

- A description of the number of awards granted and the types of cases in which the awards were granted during the preceding fiscal year;
- The balance of the Securities and Exchange Commission Investor Protection Fund (“Fund”) at the beginning of the preceding fiscal year;
- The amounts deposited into or credited to the Fund during the preceding fiscal year;
- The amount of earnings on investments made under Section 21F(g)(4) during the preceding fiscal year;

- The amount paid from the Fund during the preceding fiscal year to whistleblowers pursuant to Section 21F(b);
- The balance of the Fund at the end of the preceding fiscal year; and
- A complete set of audited financial statements, including a balance sheet, income statement and cash flow analysis.

This report covers the period July 22, 2010 (the effective date of The Dodd-Frank Act) through September 30, 2010.¹

As part of the Dodd-Frank Act, Congress substantially expanded the Commission's authority to pay whistleblower awards and enhanced the anti-retaliation protections available to whistleblowers. Section 922 of the Dodd-Frank Act added new Section 21F to the Exchange Act.”² Under new Section 21F, the Commission must pay awards, in the aggregate amount of at least 10 but not more than 30 percent to eligible whistleblowers who voluntarily provide the Commission with original information about a violation of the securities laws that leads to successful enforcement of an action brought by the Commission that results in monetary sanctions exceeding \$1,000,000, and of certain related actions. The awards amounts are based on the monetary sanctions actually collected in the Commission action or related action. The legislative history states that the purpose of this provision was to elicit high-quality tips by motivating persons with inside knowledge “to come forward and assist the Government to identify and prosecute persons who have violated the securities laws”³

¹ Section 924(d) of the Dodd-Frank Act separately requires the Commission's Whistleblower Office to report annually to Congress on its activities, whistleblower complaints and the response of the Commission to such complaints. As described below, the Commission is still in the process of establishing and staffing the Whistleblower Office. Accordingly, no separate report from that Office will be provided for fiscal year 2010. The first annual report by the Whistleblower Office will be provided following fiscal year 2011.

² Pub. L. No. 111-203, § 922(a), 124 Stat 1841 (2010).

³ See S. Rep. No. 111-176 at 110 (2010).

II. IMPLEMENTATION OF THE WHISTLEBLOWER AWARD PROGRAM

A. Commission Regulations

Section 21F(b) of the Exchange Act provides that whistleblower awards shall be paid under regulations prescribed by the Commission. Thus, an important prerequisite to implementation of the whistleblower award program is the issuance of rules and regulations describing its scope and procedures. Section 924(a) of the Dodd-Frank Act requires the final implementing regulations to be issued within 270 days of the Act's enactment (i.e., by April 21, 2011).

The Commission has formed a cross-disciplinary working group that is in the process of drafting proposed rules to implement the whistleblower provisions of the Dodd-Frank Act. During this process, even before beginning notice-and-comment rulemaking regarding the implementing rules, the Commission has been soliciting comments from the public about the whistleblower award program on its website and through staff meetings.⁴

B. Establishment of Whistleblower Office

Section 924(a) of the Dodd-Frank Act directs the Commission to establish a separate office within the Commission to administer and enforce the provisions of Section 21F of the Exchange Act. The Commission's Division of Enforcement is in the process of establishing a Whistleblower Office. The Commission posted a vacancy announcement for a Senior Officer to serve as head of the office and is in the process of evaluating applicants, with a selection expected in the near future. Staffing of the Office will proceed after the Office head is selected.

C. Complaints and Awards

Sections 21F(g)(5)(A)(i) and (ii) of the Exchange Act provide that the report to Congress shall include a description of the number of whistleblower awards granted and the types of cases

⁴ See <http://www.sec.gov/spotlight/regreformcomments.shtml>.

in which the awards were granted during the preceding fiscal year. Although the Commission has received tips and complaints from potential whistleblowers following the effective date of the Dodd-Frank Act, the predicate for an award to any whistleblower (in addition to compliance with the Commission's implementing regulations) is that the information provided by the whistleblower led to the successful enforcement by the Commission of an action resulting in the imposition of more than \$1 million in monetary sanctions. See Exchange Act §21F(b)(1). As of September 30, 2010, the Commission had not completed any actions based on information provided by a whistleblower after enactment of the Dodd-Frank Act resulting in the imposition of monetary sanctions exceeding \$1 million. Accordingly, the Commission did not pay any whistleblower awards pursuant to Section 21F of the Exchange Act during the two months of fiscal year 2010 in which the statute was in effect.

III. SECURITIES AND EXCHANGE COMMISSION INVESTOR PROTECTION FUND

Section 922 of the Dodd-Frank Act established the Securities and Exchange Commission Investor Protection Fund ("Fund") to provide funding for the Commission's whistleblower award program, including the payment of awards in related actions. See Exchange Act §21F(g)(2)(A). In addition, the Fund will be used to finance the operations of the SEC Office of the Inspector General's suggestion program. See Exchange Act §21F(g)(2)(B).⁵ The suggestion program is intended for the receipt of suggestions by SEC employees for improvements in the work efficiency, effectiveness, and productivity, and the use of the resources at the SEC as well as allegations by SEC employees of waste, abuse, misconduct, or mismanagement within the SEC. See Exchange Act §4D(a).

⁵ Section 21F(g)(2)(B) provides that the Fund shall be available to the Commission for "funding the activities of the Inspector General of the Commission under section 4(i)." The Office of the General Counsel has interpreted section 21F(g)(2)(B) to refer to Section 4D of the Exchange Act, which establishes the Inspector General's suggestion program. Subsection (e) of that section provides that the "activities of the Inspector General under this subsection shall be funded by the Securities and Exchange Commission Investor Protection Fund established under section 21F."

As of September 30, 2010, the Fund was fully funded, with an ending balance of \$451,909,854.07:

	FY 2010	FY 2009
Balance of Fund at beginning of preceding fiscal year	\$0.00	\$0.00
Amounts deposited into or credited to Fund during preceding fiscal year	\$451,909,854.07	\$0.00
Amount of earnings on investments during preceding fiscal year	\$0.00	\$0.00
Amount paid from Fund during preceding fiscal year to whistleblowers	\$0.00	\$0.00
Balance of Fund at end of the preceding fiscal year	\$451,909,854.07	\$0.00

Attached as an Appendix to this report are the audited financial statements for the Fund, including a balance sheet, income statement and cash flow analysis.

U.S. Securities and Exchange Commission

Investor Protection Fund



Fiscal Year 2010

Report to Congress: Financials

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies

A. Reporting Structure

The United States Securities and Exchange Commission (“SEC”) is an independent agency of the United States Government established pursuant to the Securities Exchange Act of 1934 (“Exchange Act”), charged with regulating this country’s capital markets. The SEC’s mission is to protect investors; maintain fair, orderly, and efficient securities markets; and facilitate capital formation. The agency’s programs protect investors and promote the public interest by fostering and enforcing compliance with the federal securities laws, establishing an effective regulatory environment, and facilitating access to the information investors need to make informed investment decisions.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Dodd-Frank Act”), signed into law on July 21, 2010, established the Securities and Exchange Commission Investor Protection Fund (“Investor Protection Fund”). Among other things, the Dodd-Frank Act amended the Exchange Act by adding Section 21F, entitled “Securities Whistleblower Incentives and Protections” and Section 4D, entitled “Additional Duties of the Inspector General.” The Investor Protection Fund provides funding for a whistleblower award program pursuant to which eligible persons can receive award payments, under regulations prescribed by the Commission and subject to certain limitations, if they voluntarily provide original information to the SEC that leads to successful enforcement by the SEC of a judicial or administrative action in which monetary sanctions exceeding \$1 million are imposed. The Investor Protection Fund will also be used to pay awards in related actions that are based upon the original information provided by the whistleblower that leads to the successful enforcement of the SEC action. Whistleblowers will receive between 10 and 30 percent of the actual monetary sanctions collected in the covered action or related action. In addition, the Investor Protection Fund will be used to finance the operations of the SEC Office of the Inspector General’s suggestion program. The suggestion program is intended for the receipt of suggestions by SEC employees for improvements in the work efficiency, effectiveness, and productivity, and the use of the resources at the SEC as well as allegations by SEC employees of waste, abuse, misconduct, or mismanagement within the SEC.

B. Basis of Presentation and Accounting

The accompanying financial statements present the financial position of the Investor Protection Fund as required by Exchange Act Section 21F(g)(5). The Act requires a complete set of financial statements that includes a Balance Sheet, Income Statement, and Cash Flow Analysis. The SEC’s books and records serve as the source of the information presented in the accompanying financial statements. The agency classified assets, liabilities, revenues, and costs in these financial statements according to the type of entity associated with the transactions. Intragovernmental assets and liabilities are those due from or to other federal entities, including those activities within the SEC.

The Investor Protection Fund financial statements have been prepared on the accrual basis of accounting, in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for the Federal Government.

Accordingly, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. The Investor Protection Fund was established in July 2010 and funded by transfers from SEC's Disgorgement and Penalty Amounts Held for Investors (Treasury Account Fund Symbol 50X6563) deposit account. These transfers do not meet the criteria of reportable revenue on the Income Statement as defined in the Statement of Financial Accounting Concepts Number 5 "Recognition and Measurement in Financial Statements of Business Enterprises," or Statement of Federal Financial Accounting Standards (SFFAS) Number 7, "Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting." Additionally, from the date the Investor Protection Fund was established through September 30, 2010, no fund-related revenue or expense transactions occurred, and there were no balances to report for the Income Statement for the Investor Protection Fund. Accordingly, an Income Statement was not prepared. Since this is the first reporting year of the Investor Protection Fund, no prior year information was available to produce comparative financial statements.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates and assumptions include the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

D. Intra- and Inter-Agency Relationships

The SEC is comprised of a single federal bureau. The Investor Protection Fund is a fund within the SEC, and these financial statements present a segment of the SEC financial activity. These financial statements include activity with other SEC components. When the SEC prepares its annual consolidated financial statements, the financial events of the Investor Protection Fund will be consolidated into the overall SEC financial statements. Whistleblower payments may be made from the Investor Protection Fund as a result of monetary sanctions paid to other agencies in related actions. In those instances, the SEC remains liable for paying the whistleblower.

E. Earmarked Funds

Earmarked funds are financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. The SEC collects such funds which the SEC is required to use for designated activities, benefits or purposes, and to account for separately from the Government's general revenues. All funds maintained by the Investor Protection Fund are considered earmarked funds.

F. Entity Assets

Assets that an agency is authorized to use in its operations are entity assets. The SEC is authorized to use all funds in the Investor Protection Fund for its operations. Accordingly, all assets are recorded as entity assets.

records. The statements should be read with the understanding that they are for the Investor Protection Fund (TAFS 50X5567), a single fund within the SEC.

NOTE 2. Fund Balance with Treasury

FBWT by type of fund as of September 30, are as follows:

<u>(DOLLARS IN THOUSANDS)</u>	<u>FY 2010</u>
Fund Balances:	
Special Fund	\$ 451,910
Total Fund Balance with Treasury	<u>451,910</u>
Status of Fund Balance with Treasury:	
Unobligated Balance	
Unavailable	451,910
Total Fund Balance with Treasury	<u>\$ 451,910</u>

NOTE 3. Commitments and Contingencies

A. Commitments

As mentioned in Note 1.A. Reporting Structure, the Investor Protection Fund will be used to pay awards to whistleblowers if they voluntarily provide original information to the SEC that leads to the successful enforcement by the SEC of a covered judicial or administrative action in which monetary sanctions exceeding \$1 million are imposed. The legislation allows whistleblowers to receive between 10 and 30 percent of the monetary sanctions collected in the covered action or in a related action, with the actual percentage being determined at the discretion of the SEC using criteria provided in the legislation. The statutory criteria require the SEC to consider the significance of the information to the success of the covered judicial or administrative action, the degree of assistance provided by the whistleblower and any legal representative of the whistleblower in a covered judicial or administrative action, the programmatic interest of the SEC in deterring violations of the securities laws by making awards to whistleblowers who provide information that lead to the successful enforcement of such laws, and such additional relevant factors as the Commission may establish by rule or regulation. Section 924(a) of the Dodd-Frank Act requires the SEC to issue regulations to implement the program by April 2011. Among other things, these regulations will delineate eligibility for a whistleblower award and the procedures for applying for an award in SEC actions and related actions. All potential whistleblowers, including those submitting information before adoption of the SEC regulation, will be required to comply with the procedures specified in the regulation in order to be eligible for an award. The SEC will not pay whistleblower claims until the final regulations are adopted by the Commission.



OFFICE OF
INSPECTOR GENERAL

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

October 26, 2010

Opinion on the Investor Protection Fund's Financial Statements

The Honorable Mary Schapiro
Chairman
U.S. Securities and Exchange Commission

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act) was signed into law on July 21, 2010 and established the U.S. Securities and Exchange Commission's (SEC or Commission) Investor Protection Fund. The Act added Section 21F, entitled "Securities Whistleblower Incentives and Protections" to the Securities Exchange Act of 1934. Section 21F requires the SEC to establish a whistleblower award program pursuant to which eligible persons may receive award payments, under regulations prescribed by the Commission and subject to certain limitations, if they voluntarily provide original information to the SEC that led to successful enforcement by the SEC, of a covered judicial or administrative action or a related action.

We have audited the accompanying balance sheet of the Investor Protection Fund as of September 30, 2010, and the related statement of changes in net position, budgetary resources and cash flow analysis for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on the Investor Protection Fund's financial statements based on our audit.

We conducted our audit in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. The U.S. Government Accountability Office (GAO) is performing an audit of the Commission's consolidated financial statements as of and for the year ended September 30, 2010 which will include an opinion on the Commission's internal control over financial reporting. We relied on the GAO's work on the Commission's internal control over financial reporting as the Investor Protection Fund's financial reporting is part of the Commission's overall financial reporting and the Investor Protection Fund will be included in the Commission's consolidated financial statements. We also relied on a contractor's audit of internal controls of the Investor Protection Fund's financial reporting process, covering the period from July 22, 2010 to September 30, 2010. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Investor Protection Fund's financial statements, assets, liabilities, net position, the changes in net position, budgetary resources and cash flow analysis, and the accompanying notes for the year ended September 30, 2010, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'H. David Kotz', with a stylized flourish at the end.

H. David Kotz
Inspector General
Office of Inspector General
U.S. Securities and Exchange Commission

- Charges against a professional sports gambler who allegedly made \$40 million based on illegal stock tips, as well as the corporate board member who owed the gambler money and supplied the illegal tips. In that same action, the SEC named a professional golfer as a relief defendant for the purpose of recovering alleged ill-gotten gains from the insider-trading scheme. The golfer agreed to pay over \$1 million to settle the matter; and
- Charges against two hedge fund managers for allegedly reaping unlawful profits of nearly \$32 million by insider trading on tips received from a former government official accused of deceptively obtaining confidential information from the U.S. Food and Drug Administration.

FINANCIAL REPORTING/ACCOUNTING AND DISCLOSURE FRAUD

Comprehensive, accurate, and reliable financial reporting is the bedrock upon which our markets are based. Because of this, rooting out financial and disclosure fraud thus must be a priority for Enforcement—and FY 2016 was no exception. The SEC's notable financial fraud actions in FY 2016 include the following:

- Weatherford International Ltd., a large, multinational provider of oil and natural gas equipment and services, agreed to pay a \$140 million civil penalty to settle charges that it inflated earnings by using deceptive income tax accounting. Two of the company's senior accounting executives at the time also agreed to settle charges that they were behind the scheme and paid monetary sanctions totaling more than \$360,000 and agreed to other ancillary relief; and
- Agribusiness Monsanto Company paid an \$80 million penalty to settle charges that it violated accounting rules and misstated company earnings related to its flagship product Roundup. Three Monsanto accounting and sales

executives also agreed to pay penalties to settle charges against them.

GATEKEEPERS

Gatekeepers are integral to protecting investors in the U.S. financial system because they are best positioned to detect and prevent the compliance breakdowns and fraudulent schemes that cause investor harm. During FY 2016, Enforcement continued to prioritize cases against gatekeepers, examples of which follow below.

- Grant Thornton LLP agreed to admit wrongdoing, disgorge approximately \$1.5 million, pay a \$3 million penalty, and improve its quality controls as the result of deficient audits of two publicly traded companies that separately faced SEC enforcement actions for improper accounting and other violations. Two audit partners also agreed to collectively pay \$12,500 in penalties, and to be suspended from auditing public companies for a number of years.
- Ernst & Young LLP agreed to pay over \$9.3 million in monetary sanctions to settle auditor independence violations arising from close personal relationships between senior management at audit clients and senior engagement personnel. Three firm partners agreed to pay penalties totaling \$95,000, and all four partners who were charged agreed to be suspended from auditing public companies for periods ranging from one to three years. These are the first SEC enforcement actions for auditor independence failures predicated on close personal relationships.

ABUSES IN PUBLIC FINANCE

In FY 2016, the SEC brought innovative and path breaking actions in the municipal securities market. Examples of Enforcement's efforts in the public finance area include:

- Enforcement actions against 14 municipal underwriting firms and 71 municipal issuers and other obligated persons for violations in municipal bond offerings as part of the Municipalities Continuing Disclosure Cooperation Initiative, a voluntary self-reporting program targeting material misstatements and omissions in municipal bond offering documents;
- In the first case to enforce the fiduciary duty for municipal advisors created by the 2010 Dodd-Frank Act, which requires these advisors to put their municipal clients' interests ahead of their own, a municipal advisor, its CEO, and two employees agreed to pay more than \$435,000 to settle charges that they breached their fiduciary duty by failing to disclose a conflict of interest to a municipal client. The individuals also agreed to suspensions and bars of varying length; and
- In the first enforcement action under the municipal advisor antifraud provisions of the Dodd-Frank Act, two municipal advisory firms agreed to settle charges that they used deceptive practices when soliciting the business of five California school districts.

In FY 2016, the agency brought 160 cases involving investment advisers or investment companies.

INVESTMENT ADVISERS AND COMPANIES

Investment advisers and the funds they manage—which touch the lives of the investing public every day as they invest in funds and seek advice about investing in our markets to reach their financial goals—remained a key focus of Enforcement during FY 2016, during which the agency brought

the most ever cases involving investment advisers or investment companies (160). Examples of Enforcement's efforts in this area include:

- Two J.P. Morgan wealth management subsidiaries agreed to pay \$267 million and admit wrongdoing to settle the SEC's charges that they failed to disclose conflicts of interest to their clients;
- Four private equity fund advisers affiliated with Apollo Global Management agreed to pay \$52.7 million—the largest monetary sanctions ever assessed against a private equity firm—to settle the SEC's charges that they had misled fund investors about fees the advisers collected. This case resulted from a referral from OCIE; and
- A \$39 million settlement with three private equity fund advisers within The Blackstone Group to resolve charges that they failed to fully inform investors about benefits the advisers obtained from various fees and discounts.

FOREIGN CORRUPT PRACTICES ACT (FCPA)

Enforcement reached new highs in enforcement of the anti-bribery and anticorruption laws in FY 2016 by bringing the most-ever FCPA-related enforcement actions (21). Examples of Enforcement's impactful work in this priority area included:

- The SEC joined the Department of Justice (DOJ) and Dutch regulators in a \$795 million global settlement with telecommunications provider VimpelCom Ltd. to resolve charges that the company paid at least \$114 million in bribes to government officials in Uzbekistan;
- In the first FCPA action against a hedge fund and a registered investment adviser, Och-Ziff Capital Management Group LLP and Och-Ziff Management LLP agreed to pay more than \$200 million in disgorgement to the SEC and \$213 million to the DOJ to resolve anti-bribery and other violations. The SEC separately charged Och-Ziff's CEO and CFO with FCPA violations; and

- Fraud charges against 10 individuals allegedly involved in providing cash bribes and other kickbacks to registered representatives and unregistered brokers who solicited investors to buy shares of a company's stock.

SECURITIES OFFERING-RELATED VIOLATIONS AND PONZI AND PYRAMID SCHEMES

During FY 2016, the SEC continued its effort to protect investors by filing a number of actions targeting securities offerings, including registration violations, offering frauds, and by thwarting Pyramid and Ponzi schemes, examples of which include:

- Charges against Steve Chen and 13 entities he controlled for allegedly operating a worldwide pyramid scheme that raised more than \$32 million from investors by falsely promising that investors would profit from a venture backed by amber deposits worth billions of dollars;
- Charges against the owners of ski resort Jay Peak Inc. and related businesses with fraud for allegedly misusing more than \$200 million raised through investments solicited under the EB-5 Immigrant Investor Program; and
- Ethiopia's electric utility agreed to pay nearly \$6.5 million to settle charges that it violated the federal securities laws by failing to register bonds it offered and sold to U.S. residents of Ethiopian descent.

WHISTLEBLOWERS

The SEC's whistleblower program awarded over \$57 million to 13 whistleblowers in FY 2016, which is more than in all previous years combined. Enforcement also took action to stand up for whistleblowers, including:

- The first stand-alone action for retaliation against a whistleblower; and
- Charges against Anheuser-Busch, Merrill Lynch, Pierce, Fenner & Smith Inc., BlueLinx Holdings

Inc., and Health Net Inc. for violating the SEC's rule prohibiting actions to impede someone from communicating with the SEC about a possible securities law violation.

JURY TRIAL VICTORIES

Enforcement's jury trial victories in FY 2016 included the following:

- Following a two week trial, a jury found former stock brokers Daryl Payton and Benjamin Durant liable for insider trading ahead of a \$1.2 billion acquisition of SPSS Inc. by IBM Corporation;
- Following a two week trial, a jury found that Stephen Ferrone, the former CEO of biopharmaceutical company Immunosyn Corp., was liable for fraudulently misleading investors about regulatory approval of the company's sole product, and for signing and filing false certifications included with Immunosyn annual and quarterly reports; and
- Following a two and one-half week trial, a jury found the City of Miami and its former Budget Director, Michael Boudreaux, liable for multiple counts of antifraud violations of the federal securities laws in connection with the City's disclosures concerning the deteriorating financial condition of the city during 2007 and 2008 and in three separate offerings of municipal securities in 2009. This was the first federal jury trial by the SEC against a municipality or one of its officers for violations of the federal securities laws.

ENFORCEMENT'S CENTER FOR RISK AND QUANTITATIVE ANALYSIS

Enforcement's harnessing of data through innovative analytical tools continued in FY 2016. Enforcement's Center for Risk and Quantitative Analytics supported, coordinated, and enhanced the Enforcement Division's risk-identification, risk

assessment, and data analytic activities in over 75 matters in FY 2016, including actions against 67 entities. The matters involved, among other things, insider trading, hedge funds, municipal issuers, and complex financial instruments.

Continued Excellence in the Examination Program

OCIE plays a critical role in protecting investors and the integrity of our capital markets. Every year, OCIE examiners conduct risk-based examinations of many regulated entities, including broker-dealers, investment advisers, investment companies, transfer agents, national securities exchanges, and SROs (including clearing agencies) to evaluate their compliance with applicable regulatory requirements. OCIE uses the findings from these examinations to improve industry compliance, detect and prevent fraud, inform policy, and identify risks.

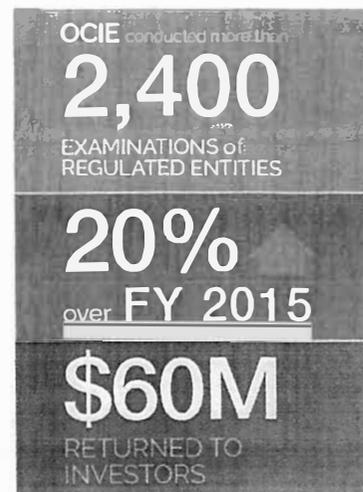
OCIE conducted more than 2,400 examinations of regulated entities, which is an increase of more than 20 percent over FY 2015 and the highest number of examinations in the preceding seven fiscal years. Notably, the Investment Adviser/Investment Company examination program (IA/IC) completed more than 1,600 exams in FY 2016, an increase of 20 percent over FY 2015. OCIE's examinations resulted in the voluntary return of more than \$60 million to investors.

This year, OCIE took steps to improve the ability of its IA/IC program to keep pace with the fast-growing investment management industry. The population of investment advisers has grown rapidly in recent years: more than 2,000 new advisers have registered with the SEC over the past two years. In FY 2016, OCIE took steps to

increase staff in the IA/IC examination program by approximately 20 percent through targeted hiring and redeployment of staff from other examination program areas. These changes became effective at the beginning of FY 2017.

OCIE also optimized its resource allocation in other areas. OCIE redeployed staff to a new FINRA and Securities Industry Oversight office, which is focused on assessing FINRA's fulfillment of its core mission to regulate member broker-dealers. This FINRA-focused team increases the number of staff providing oversight of FINRA, allowing them to more fully examine and evaluate FINRA's operations and regulation of broker-dealers. OCIE's staff of examiners that oversee registered broker-dealers, dual registrants, municipal advisors, transfer agents, exchanges, and other SROs (outside of clearing agencies) have been unified under national leadership in OCIE's Broker-Dealer and Exchange (BDX) office. OCIE's BDX examiners will maintain a significant presence nationwide, including in market centers such as New York and Chicago.

In addition, OCIE created the Office of Risk and Strategy (ORS) to consolidate the various teams that perform risk assessment, monitoring, and surveillance of regulated entities. ORS creates synergies from these teams' varying expertise and allows for closer collaboration, including with examiners. ORS will continue to be a growing presence throughout the examination process to strengthen OCIE's understanding of how firms manage those risks and to better inform the development of risk tools and analytics.



In FY 2016, OIA provided assistance to Enforcement with cross-border matters. This assistance included obtaining foreign documents and testimony to advance SEC investigations and advising staff on litigation issues such as serving overseas defendants, conducting international discovery, and enforcing judgments abroad. OIA used its expertise to provide guidance to Enforcement on foreign practice and procedure and to raise enforcement cooperation standards and best practices worldwide. OIA also helped foreign authorities with their investigations by securing information located in the U.S., including obtaining formal orders to compel testimony. During FY 2016, OIA's enforcement cooperation and assistance team handled 1,027 requests from Enforcement for international assistance and 636 requests for assistance from foreign regulatory and law enforcement authorities

In addition, OIA provided technical assistance to the SEC's international regulatory and law enforcement counterparts to promote cross-border enforcement and supervisory assistance to minimize the likelihood of regulatory arbitrage, and to assist countries in developing and maintaining robust protections for investors. In FY 2016, the SEC's international technical assistance program provided training on enforcement, examinations, and market development to approximately 2,145 persons from the SEC's international regulatory and law enforcement counterparts.

Office of the Chief Operating Officer (OCOO)
Collectively, the offices and functions that comprise the OCOO organization continued to provide strategic leadership, oversight, and stewardship of the SEC's human, financial, technological, and administrative resources, thus ensuring that key infrastructure and operational activities

enable the agency to accomplish its mission. Their interdependent efforts and the SEC's diverse divisions and offices allow innovative, flexible, efficient, and cost-effective capabilities to promulgate across the agency.

Interdependent efforts and the SEC's diverse divisions and offices allow innovative, flexible, efficient, and cost-effective capabilities.

OFFICE OF ACQUISITIONS (OA)

OA returned more than \$40 million to the SEC by de-obligating funds from existing and expired contracts, and obligated contracts in excess of \$470 million. OA also awarded enterprise agreements, creating long-term strategic partnerships with vendors and reducing lead time to contract award. OA improved contractor performance reporting for better contract administration. Specialized sourcing techniques including collaboration with vendors, leveraging requirements, market place intelligence, and longer-term contracts, as well as good negotiation outcomes led to reduced prices paid. Extra efforts were made to locate small businesses that could successfully provide products and services to meet the SEC's needs, resulting in one of the highest small-business participation levels across the federal government.

OFFICE OF FINANCIAL MANAGEMENT (OFM)

The SEC advanced several technology initiatives to improve financial operations, internal controls, and service to registrants and internal customers. The agency released a new online calculator tool to help registrants calculate registration fees for



U.S. Securities and Exchange Commission

UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 50859 / December 15, 2004

Securities Act of 1933
Release No. 8513 / December 15, 2004

Admin. Proc. File No. 3-11770

_____	:	ORDER INSTITUTING ADMINISTRATIVE
In the Matter of	:	AND CEASE-AND-DESIST
	:	PROCEEDINGS, MAKING FINDINGS,
FIRST COMMAND FINANCIAL	:	AND IMPOSING REMEDIAL SANCTIONS
PLANNING, INC.,	:	AND A CEASE-AND-DESIST ORDER
Respondent.	:	PURSUANT TO SECTION 8A OF THE
	:	SECURITIES ACT OF 1933 AND
	:	SECTION 15(b) OF THE SECURITIES
_____	:	EXCHANGE ACT OF 1934.

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against First Command Financial Planning, Inc. ("First Command" or "Respondent").

II.

In anticipation of the institution of these proceedings, First Command has submitted an Offer of Settlement (the "Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, First Command consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934 ("Order"), as set forth below.

III.

On the basis of this Order and First Command's Offer, the Commission finds

that:

RESPONDENT

1. First Command is a registered broker-dealer, with its principal offices in Fort Worth, Texas. It employs approximately 1,000 registered representatives/agents ("agents") through approximately 200 branch offices throughout the United States and in Germany, England, the Netherlands, Spain, Italy, Guam, and Japan. First Command claims to be "[t]he #1 independent provider of financial plans to the professional military family," and currently has over 297,000 "military families" as customers, including 40% of the current active-duty general officers, one-third of the commissioned officers, and 16% of the non-commissioned officers in the United States military. The great majority of the firm's agents are former commissioned or non-commissioned military officers.

SUMMARY

2. This matter involves violations of the federal securities laws by First Command in its use of sales materials to offer and sell mutual-fund investments through an installment method known as a "contractual" or "systematic investment plan" ("systematic plan").¹ The systematic plans allow investors to accumulate shares of a specified mutual fund indirectly by contributing fixed monthly payments-typically 180 payments ranging from \$100 to \$500-over a period of at least 15 years. Systematic plans, including the plans offered and sold by First Command, are subject to a sales charge unique to such plans, often referred to as a "sales and creation charge" or "front end load," that equals 50% of the plan's first 12 monthly payments. There is no front-end sales load after the first 12 payments. From January 1999 through March 2004, First Command received approximately \$175 million in front-end sales-load revenue from the sale of systematic plans, which accounted for approximately 70% of its revenue.²

3. Since at least January 1999, First Command, using a structured sales process, has offered and sold systematic plans by, in part, making misleading statements and omissions concerning, among other things: (a) comparisons between the systematic plan and other mutual fund investments; (b) the availability of the Thrift Savings Plan ("TSP"),³ which offers military investors many of the features of a systematic plan at lower costs; and (c) the efficacy of the front-end sales load in ensuring that investors remain committed to the systematic plan. As a result, First Command violated Section 17(a)(2) of the Securities Act.

FACTS

The Family Financial Plan

4. First Command markets a comprehensive package of financial services called a "Family Financial Plan" ("FFP") that includes investment products, banking, and insurance offered through First Command, its affiliated bank, and its affiliated insurance agency. The firm's website states that the FFP is "a personalized road map for your journey in pursuit of financial success, encompassing not only the products you have acquired through your First Command representative, but also assets like 401(k) accounts and military retirement income." The site further states that the company maintains a

News Release

For Release: Wednesday, December 15, 2004

Contact(s): Nancy Condon (202) 728-8379
Herb Perone (202) 728-8464



NASD Orders First Command to Pay \$12 Million for Misleading Statements in Sales of Systematic Investment Plans to Military Personnel

Washington, DC – NASD announced today that it has censured and fined First Command Financial Planning Inc., a Fort Worth, TX broker-dealer, \$12 million for making misleading statements and omitting important information when selling mutual fund investments with up-front sales charges of up to 50 percent through a monthly installment method known as a “Systematic Investment Plan.”

From that \$12 million, First Command is ordered to pay restitution to thousands of customers who purchased a Systematic Investment Plan between Jan. 1, 1999 and the present who terminated the plan and paid an effective sales charge greater than 5 percent. All money remaining will be payable to the NASD Investor Education Foundation, to be used for the investor education needs of members of the military and their families. The Foundation will use the funds to support educational programs, materials and research to help equip members of the military community with the knowledge and skills necessary to make informed investment decisions. It is anticipated that the Foundation will receive approximately \$8 million.

In the action announced today, First Command also settled NASD charges of inappropriately confronting a customer who complained, failing to maintain e-mail, failing to maintain adequate supervisory systems and procedures and filing an inaccurate Form U-5 regulatory report. In a related action, NASD fined a First Command supervisor \$25,000 and suspended him from acting in any supervisory capacity for 30 days.

The Securities and Exchange Commission today instituted settled enforcement proceedings against First Command based on similar allegations relating to the firm’s sales of systematic investment plans.

“Using misleading sales scripts, inappropriate comparisons and omissions of important information, First Command sold hundreds of thousands of complicated and often enormously expensive plans to young members of our armed services, who are frequently inexperienced investors,” said NASD Vice Chairman Mary L. Schapiro. “These investors, like all others, are entitled to balanced and honest information about investment alternatives. And it is inexcusable that a First Command sales supervisor would try to stifle an airman’s complaint by suggesting, among other things, that sending his complaint violated Air Force regulations.”

Under Systematic Investment Plans, an investor makes monthly payments for a fixed term, typically 15 years, which are invested in underlying mutual funds. The purchaser is charged a 50 percent sales load on the first 12 monthly payments. Payments over the remainder of the term are not subject to sales charges so that the effective sales charge decreases so long as the purchaser continues to make additional investments. However, if the investor does not terminate within 18 months, and then fails to complete the term, he or she will pay a sales charge of up to 50 percent of the amount invested. At the conclusion of NASD's investigation of this case, First Command informed NASD that it is eliminating the sale of new Systematic Investment Plans.

NASD found that First Command primarily sold the plans to commissioned and non-commissioned officers. The firm's customer base includes over 297,000 current and former military families. Forty percent of current active duty general officers, one-third of commissioned officers and 16 percent of noncommissioned officers are First Command clients. First Command's sales force consists primarily of former military personnel. Its executive officers, supervisors, managers and its Board of Advisors are primarily retired or separated military personnel.

NASD found that the firm sold the plans through the use of a three-step scripted sales process that contained misleading statements and omissions. For example:

- › First Command emphasized in its sales that the 50% sales load would decrease to 3.3 percent upon completion of the term and that the high up-front sales charges increased the likelihood that an investor would complete the plan. However, the Firm's own data showed that historically, only 43 percent of its customers completed the 15-year term.
- › First Command told its clients that a benefit of the high first-year sales charge was to "instill discipline." However, First Command failed to inform its customers of the lost earnings potential as a result of the sales charges deducted from the customer's first 12 months' investments. For example, an investor who made monthly payments of \$100, totaling \$1,200 in the first year, would be left with an investment in the funds of only \$600 for that year.
- › First Command also made misleading statements when comparing their plan with other mutual fund investments, telling investors that no-load mutual funds were primarily for speculators and that no-load funds frequently have some of the highest long-term costs. In fact, the long-term costs of owning no-load funds are, on average, lower than owning load funds.
- › First Command, in a training manual, cautioned its representatives when looking for prospects:

"Don't ask or suggest to a 'termite' [a person who purchases term insurance, and invests the remainder in mutual funds] or 'no loader' [an individual who advocates the purchase of no-load mutual funds] who refuses to accept our philosophy that he talk with referrals. This is like voluntarily spreading a cancer in your market."

NASD also found that First Command violated NASD rules when a First Command supervisor inappropriately confronted a former customer – an Air Force officer – who complained in an e-mail to an online publication that he had suffered losses and recommended that others not invest with First Command. The e-mail was in response to a negative article about First Command's sales practices.

First Command District Supervisor James Provo contacted the customer, suggested that he might need an attorney, told him that the highest level of Air Force commanders were being contacted regarding the e-mail and told him his previously approved change in assignment might be delayed until the matter was resolved. NASD also found that Provo arranged a meeting with the Air Force's legal assistance office, questioning whether the customer had violated Air Force regulations by using e-mail to send his message criticizing First Command. Provo also contacted the customer's squadron commander and informed her that First Command might have a grievance against a member of her squadron. First Command eventually wrote a letter of apology to the former client, but otherwise took no steps to discipline Provo.

In a separate action, NASD fined Provo \$25,000 and suspended him from serving in a supervisory capacity for 30 days. In settling the matter, Provo neither admitted nor denied the allegations, but consented to the entry of NASD's findings.

In addition to making payments for restitution and investor education of military personnel and their families, First Command is required to hire an independent consultant to oversee the payment of restitution and review its sales practices. First Command must also pre-file its advertising materials with NASD for one year.

First Command agreed to the sanctions while neither admitting nor denying the allegations.

NASD today issued *Systematic Investment Plans—Educate Yourself Before You Enlist*, an Investor Alert aimed at informing military and other investors about the risks of investing in Systematic Investment Plans.

Investors may obtain information the disciplinary record of, any NASD-registered broker or brokerage firm by using NASD's BrokerCheck. NASD makes BrokerCheck available at no charge to the public. In 2003, members of the public used this service to conduct more than 2.8 million searches for existing brokers or firms and requested almost 180,000 reports in cases where disclosable information existed on a broker or firm. Investors can link directly to BrokerCheck at www.nasdbrokercheck.com. Investors can also access this service by calling 1-800-289-9999.

NASD is the leading private-sector provider of financial regulatory services, dedicated to investor protection and market integrity through effective and efficient regulation and complementary compliance and technology-based services. NASD touches virtually every aspect of the securities business - from registering and educating all industry participants, to examining securities firms, enforcing both NASD rules and the federal securities laws, and administering the largest dispute resolution forum for investors and member firms. For more information, please visit our Web Site at www.nasd.com.

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NASD Investor Education Foundation

**Investor Fraud Study
Final Report**

May 12, 2006

**Prepared for WISE Senior Services and
the NASD Investor Education Foundation by
The Consumer Fraud Research Group**

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Overview of the Grant

In 2004, the NASD Investor Education Foundation (hereafter “Foundation”) awarded a research grant to WISE Senior Services in Los Angeles to investigate the issue of consumer fraud that targets older Americans. As part of its mission to “provide investors with high quality, easily accessible information and tools to better understand the markets and the basic principles of financial planning,”¹ the Foundation was interested in exploring how investment fraud among older persons could be prevented by learning more about how it works and how victims of investment fraud might differ from non-victims.

WISE Senior Services has a long history of working in the area of consumer fraud, having created and operated the “Telemarketing Victim Call Center” since 1998. The Telemarketing Victim Call Center (TVCC) was the first call center in the country that specialized in identifying targeted victims of fraud and recruiting volunteer peer counselors (fraud fighters) to call them and deliver prevention messages. The TVCC has been supported by an extensive network of social workers, researchers and law enforcement personnel over the years. The Consumer Fraud Research Group emerged from this early work as a multi-disciplinary research team that focused specifically on expanding the knowledge base in the area of consumer fraud and its prevention. This group, which is responsible for this study, is led by Anthony Pratkanis, a professor of social psychology at the University of California, Santa Cruz; Doug Shadel, State Director for AARP Washington in Seattle; Melodye Kleinman, Executive Director of the National Telemarketing Victim Call Center in Los Angeles; Bridget Small, Director of the Consumer Fraud Prevention Project, AARP Foundation and Karla Pak, Program Coordinator for AARP Washington.

The overall goal of the research was to better understand why older consumers are more frequently victimized by fraud and to develop strategies to reduce the harm it causes in the marketplace. To move in that direction, two primary research questions were pursued:

- 1. What kinds of persuasion tactics do con criminals use in investment and lottery scams to defraud consumers?**
- 2. How do victims of investment and lottery fraud differ from non-victims of fraud?**

The hope in pursuing these questions is that by identifying specific psychological persuasion tactics used by cons to exploit consumers, educational products can be developed to describe such tactics to potential victims. Further, by better understanding how victims differ from non-victims, it is hoped that a scale might be developed that could measure vulnerability to different types of fraud. Such a scale might ultimately provide friends and family members with an early warning mechanism to enable them to protect their loved ones from investment and lottery scams in the future.

Executive Summary

NASD Investor Fraud Study

Abstract: A multifaceted inquiry of consumer fraud analyzed undercover tapes of fraud pitches and surveyed victims and non-victims to determine how they differ. Tape analysis revealed con criminals customize their pitch to match the psychological profile of the victim and use a complex combination of influence tactics within each pitch to persuade. Investment fraud victims demonstrated a better understanding of basic financial literacy than non-victims. Both investment and lottery victims were more likely to have experienced a negative life event unrelated to their fraud experience. Both victim types were more likely to listen to sales pitches from unknown sales persons. Investment and lottery fraud victims both dramatically underreport fraud. It is recommended that 1) Financial literacy and fraud prevention efforts be broadened to incorporate greater emphasis on spotting and resisting con criminals' persuasive tactics; 2) Encourage more reporting of illegal activity to law enforcement and 3) Conduct more research to develop a vulnerability index and test the effects of persuasion education as a deterrent to fraud.

Research Questions and Methodology

The NASD Investor Education Foundation Fraud Study sought to better understand why older consumers fall prey to fraud by asking two broad questions: 1) What kinds of persuasion tactics do con criminals use to defraud consumers and 2) How do victims of fraud differ from non-victims of fraud? In order to answer the first question, the study analyzed hundreds of undercover audiotape recordings of real con men pitching investigators posing as victims of fraud. These tapes were transcribed and coded to determine what kinds of tactics were being used. To answer the second question, focus groups of victims and non-victims were conducted and a telephone survey was administered of victims and non-victims. One hundred fifty general population non-victims and 165 investment and lottery fraud victims provided by the National Telemarketing Victim Call Center were called. All individuals were asked a series of questions about financial literacy, life stress, retirement planning, outlook on life, etc. The general population of non-victims was randomly-selected; the victim population was selected from a combination of victim lists that were not random. Significance tests were performed on all relationships and only those where statistical significance was found are presented here.

Major Topline Findings

1. Financial Literacy and Fraud Victims

a. Investment fraud victims score higher on financial literacy tests than non-victims.

A major hypothesis going into the survey was that investment fraud victims do not know as much about investing concepts as non-victims and would therefore score lower on financial literacy questions. In fact, the study found the exact opposite: investment fraud victims scored higher than non-victims on eight financial literacy questions. Additionally, a subgroup of "likely active investors" was created within the larger group of non-victims to determine if



District of Columbia Court of Appeals
Committee on Unauthorized Practice of Law
500 Indiana Avenue, N.W.
Washington, D. C. 20001
202/879-2777

OPINION 15-05

**OF THE DISTRICT OF COLUMBIA COURT OF APPEALS
COMMITTEE ON UNAUTHORIZED PRACTICE OF LAW**

Issued March 14, 2005

Pursuant to District of Columbia Court of Appeals Rule 49 (the "Rule" or "Rule 49"), and specifically its section 49(d)(3)(G), the District of Columbia Court of Appeals Committee on Unauthorized Practice of Law (the "Committee"), by a majority vote of a quorum of its members then present, approved the following opinion at its meeting on March 11, 2005:

**HOLDING OUT BY FOREIGN LAWYERS
WITH PRINCIPAL OFFICES IN THE DISTRICT OF COLUMBIA**

A number of law firms in the District of Columbia employ for substantial periods individuals who are admitted to practice in a foreign country but who are not members of the D.C. Bar or licensed Special Legal Consultants and who do not qualify for any exception to Rule 49. The Committee has received a number of inquiries about whether these foreign lawyers may call themselves by any title other than "law clerk." Suggested alternative titles include "foreign consultant," "foreign advisor," and "foreign associate," or "international" consultant, advisor, or associate. Foreign lawyers and local law firms making these inquiries have stated that the title "law clerk" does not completely describe the qualifications of these individuals, and that they should be able to identify themselves truthfully and accurately as foreign lawyers.

Phases of the Study

In order to answer these two research questions, the grant was divided into three main phases. Phase One looked at how con criminals persuade victims. To conduct this part of the research, the project was provided access to over 600 undercover audiotapes that had previously been given to AARP by 12 different law enforcement agencies (see Appendix One.) The tapes were made by law enforcement agencies after they identified elderly victims of fraud who were receiving numerous phone calls from con criminals. The law enforcement agencies would take over the line and have all the calls coming into that telephone number forwarded to their offices where they answered the calls posing as the older victim. All such calls were recorded. The first phase of this research project then was to do a content analysis of these tapes to identify specific persuasion tactics used by con criminals.

Phase Two of the study was to do in-depth interviews and focus groups of both victims and non-victims of investment and lottery fraud to better understand the differences between the two and to inform how we might go about conducting a telephone survey in Phase Three of the project. The victims were provided by the Telemarketing Victim Call Center through contacts they had with law enforcement agencies. Two focus groups and twenty-one in-depth interviews were conducted in the summer of 2005 (see Appendix Two.) The reason for interviewing both investment fraud victims and lottery fraud victims was that these are two of the most common types of scams that victimize older consumers. Further, past research has shown that fraud victimization is not a unitary concept. There are different victim types for different scams and if one compares only one type of victim (i.e. investment fraud victims) to a non-victim population, there is a risk of drawing conclusions about that particular victim type and erroneously generalizing those conclusions to all fraud victims. By comparing two different types of victims to non-victims, more can be learned about each type.

Phase Three of the study was to conduct an extensive survey of non-victims and victims of investment and lottery fraud in order to determine how they differ and perhaps develop clues for how to prevent future victimization. A total of 150 randomly-selected non-victims were interviewed and 165 victims of investment and lottery fraud were interviewed (see Appendix Three.) What makes this study unique is that the victims who answered the survey were *verified* victims. That is, the research team was able to confirm that each of the victims had lost at least \$1,000 and some had lost over \$1 million. The verification of victim status makes this research different from studies that rely exclusively on self-reporting. As the findings in this research will show, self-reporting of victim status is wholly unreliable because victims so often either do not realize they were victimized or they were embarrassed about it and refused to admit it in a survey setting.

In Opinion 8-00, the Committee addressed permissible practice by foreign lawyers in the District of Columbia. Foreign lawyers may obtain licenses to practice law as Special Legal Consultants pursuant to Rule 46(c)(4). Under that Rule, an individual who has been admitted to practice in a foreign country, intends to maintain an office for the practice of law in the District of Columbia, and meets other specified requirements may be licensed as a Special Legal Consultant. Special Legal Consultants practice law subject to several limitations, including a prohibition against rendering professional legal advice concerning U.S. law except on the basis of advice from a counsel authorized to practice law in the District. Rule 46(c)(4)(D)(6) and (7) regulate the terms on which a Special Legal Consultant may hold himself or herself out to the public: among other things, a Special Legal Consultant may use the title "Special Legal Consultant" but "only in conjunction with the name of the person's country of admission."

Some foreign lawyers may be authorized to practice from a principal office in the District under one or more exceptions to Rule 49. For example, a foreign lawyer whose practice is limited to certain federal agencies may qualify for the exception in Rule 49(c)(2), provided the lawyer makes the required disclosures. In addition, some foreign lawyers may be eligible to apply for admission to the D.C. Bar and may therefore qualify for the exception in Rule 49(c)(8), which authorizes persons who are admitted to practice in another state to practice in the District of Columbia for a limited period, provided that they submit a timely application for admission and meet other specified requirements, including supervision by a D.C. Bar member and disclosure of certain information.

However, a foreign lawyer may not engage in the practice law in the District if the lawyer (a) maintains his or her principal office in the District of Columbia, (b) is not an active member of

the D.C. Bar or a licensed Special Legal Consultant, and (c) does not qualify for any exception to Rule 49.¹ As the Committee advised in Opinion 8-00, such a lawyer may work in the District as a law clerk under the supervision of a member of the D.C. Bar, and the supervising attorney should make sure that clients understand that the foreign lawyer is not practicing law, and is not authorized to practice law, in the District of Columbia.

Such a foreign lawyer must comply not only with the prohibition against engaging in the practice of law in the District, but also with the prohibition against “holding out as authorized or competent to practice law in the District of Columbia.” See Rule 49(a). It is plainly consistent with the “holding out” provision for such a foreign lawyer to use the title “law clerk.” The question remains whether such foreign lawyers can use any title other than “law clerk” without violating the holding out prohibition.

The Committee concludes that a foreign attorney does not violate the prohibition against holding out if he or she identifies himself or herself as a “foreign” or “international attorney,” “foreign” or “international associate,” “foreign” or “international advisor,” or “foreign” or “international counsel” – subject to two strict conditions. First, the foreign lawyer must identify in all business documents those jurisdictions where the lawyer is authorized to practice law. For example, business documents, including letterhead, business cards, and websites, must identify a foreign lawyer authorized to practice law in Germany as “admitted only in Germany.” If the lawyer

¹ This Opinion addresses activities of foreign lawyers who use the District of Columbia as their base of operations long enough to make their presence here more than incidental or occasional within the meaning of Rule 49(b)(3). Conversely, this Opinion does not address foreign lawyers who do not establish a principal office in the District and who instead practice law here on an incidental or occasional basis. See Opinion 14-04.

is also admitted in a U.S. jurisdiction, business documents may reflect this fact – for example, “admitted only in Germany and New York.”

The second, and independent, condition is that the foreign lawyer must include in all business documents an explicit and unqualified statement that the foreign lawyer is not engaged in the practice of law in the District of Columbia. Engaging in the practice of law from a principal office in the District of Columbia requires a person to be either a member of the D.C. Bar, a licensed Special Legal Consultant, or eligible to practice under a specific exception in Rule 49(c). Unless such a foreign lawyer meets one of these requirements, he or she may not engage in the practice of law in the District of Columbia.² That is true even if such a foreign lawyer advises clients only about the law in the foreign country where the lawyer is authorized to practice. The status of Special Legal Consultant was created for foreign lawyers who wish to maintain an office in the District and to advise clients about foreign law. Any foreign lawyer who wants to advise clients about foreign law from a principal office in the District of Columbia should obtain a license as a Special Legal Consultant.³

² A foreign lawyer based in Washington may not evade the restrictions in Rule 49 by providing legal advice on business trips outside Washington. Rule 49 “is intended to require admission where an attorney is using the District of Columbia as a base from which to practice.” Commentary to Rule 49(b)(3), and a foreign lawyer who uses his or her D.C. office as the base from which to practice is engaged in the practice of law “in” the District of Columbia even if some aspects of a matter may be handled outside the District. That does not mean, however, that a foreign lawyer based in Washington may never provide legal advice in the country where the lawyer is authorized to practice law.

³ A lawyer authorized to practice in another U.S. jurisdiction may also work from a principal office in the District of Columbia as a law clerk under appropriate supervision by a member of the D.C. Bar. Like a foreign lawyer, such a domestic lawyer may inform people that he is admitted to practice in another U.S. jurisdiction, so long as the lawyer states explicitly that he or she is not engaged in the practice of law in the District of Columbia.

The Committee further concludes that a foreign lawyer not admitted to the D.C. Bar or licensed as Special Legal Consultant may *not* identify himself or herself as a “foreign consultant” or “international consultant” because that term may be misunderstood as a shorthand for Special Legal Consultant and may therefore be misleading.

There may be other titles not specified above that are not misleading and that comply with the provision against holding out by a person who is not a D.C. Bar member, provided that the foreign lawyer identifies those jurisdictions in which he or she is authorized to practice law and states expressly that he or she is not engaged in the practice of law in the District of Columbia. This Opinion does not provide an exhaustive catalog of all titles that a foreign lawyer may use in these circumstances.

In reaching these conclusions, the Committee is cognizant of the interest of foreign lawyers working as law clerks in the District of Columbia to inform clients and others of their training. Clients have a significant interest in understanding the qualifications not only of lawyers, but also of people in law firms and other legal organizations who assist lawyers, and authorization to practice law in a foreign country may be relevant to the tasks performed by the foreign lawyer as a law clerk. Foreign lawyers and their employers should be able to inform clients about a foreign lawyer’s qualifications to perform the work, provided they also inform clients that the foreign lawyer is not engaged in the practice of law in the District of Columbia. Moreover, most foreign lawyers employed as law clerks are employed by large law firms and work on matters for corporate clients that tend to be knowledgeable consumers of legal services.

Another factor in the Committee’s conclusion is its understanding that a significant number of foreign lawyers have been employed in the D.C. office of law firms and have been

identified by a number of different titles, including the titles approved above, and the Committee has not received complaints that clients of these firms mistakenly understood that these foreign lawyers held themselves out as authorized to practice in the District of Columbia. The lack of reported problems caused by use of these titles supports that the Committee's conclusion that clients do not necessarily believe that foreign attorneys who use these titles are holding themselves out as qualified to practice law in the District of Columbia.

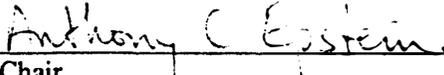
The lack of problems may also reflect the fact that the D.C. Bar members who supervise foreign lawyers acting as law clerks are fully accountable for the foreign lawyers' conduct. Rule 5.3(b) of the D.C. Rules of Professional Conduct requires a lawyer having direct supervisory authority over a non-lawyer to make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer, and those obligations include the obligation under Rule 5.5(b) not to assist a person who is not a member of the Bar in the performance of activity that constitutes the unauthorized practice of law. If a D.C. Bar member fails properly to supervise a foreign lawyer and thereby permits the foreign lawyer to engage in the practice of law, or to hold out as authorized to practice law, the supervisory lawyer would breach his or her ethical obligations.

Finally, the Committee observes that the law firms and other organizations that employ foreign lawyers in the District of Columbia have an obligation to comply with Rule 49. Although the D.C. Rules of Professional Conduct apply only to lawyers, Rule 49 applies to law firms and other organizations as well as individuals. Rule 49 imposes on employers of foreign lawyers a responsibility to ensure that any employee (including any foreign lawyer) is not held out as authorized to practice law when in fact that individual is not. In the Committee's

experience, employees generally rely on their employers to ensure that letterheads, websites, and other materials comply with applicable rules. The Committee therefore takes action against law firms and other organizations that violate Rule 49 by holding out as authorized or competent to practice law individuals who may not engage in the practice of law consistent with Rule 49. That includes organizations that employ foreign lawyers as law clerks and identify these individuals in ways inconsistent with this Opinion or otherwise with Rule 49.

The staff of the Committee shall cause this opinion to be submitted for publication in the same manner as the opinions rendered under the Rules of Professional Conduct.

Done this 14th day of March, 2005.


Chair
District of Columbia Court of Appeals
Committee on Unauthorized Practice of Law

must put into those tasks is the superlative; he or she must give the best in his or her capacity to maintain professional competence, to carefully and zealously represent the client while yet being a peacemaker, to be courteous to and cooperative with fellow lawyers, judges, and court personnel, and to support and improve our laws and government.

II. The Lawyer's Code of Professional Responsibility

The primary standard for measuring attorney misconduct is The Lawyer's Code of Professional Responsibility adopted by the New York State Bar Association. The Code is comprised of three interrelated parts: Canons, defined as general concepts or axiomatic norms; Ethical Considerations (ECs), defined as aspirational in character; and Disciplinary Rules (DRs), that are mandatory in character and state the minimum level of conduct below which no lawyer can fall without being subject to disciplinary action. These DRs have been formally adopted by each of the four Appellate Divisions as court rules (22 NYCRR part 1200). While other codes and published standards may offer guidance (e.g., ABA Model Rules, ABA Standards Relating to the Defense Functions, etc.), they do not supersede the DRs that are binding upon all licensed attorneys who practice in New York.

III. Fees and Agreements

1. Statement of Client's Rights

22 NYCRR 1210.1 requires every attorney with a New York office to post a Statement of Client's Rights in a manner visible to clients.

B. Arrangements that must be memorialized in writing

1. Domestic relations matters

The Uniform Rules of Procedure for Attorneys in Domestic Relations Matters (*see* 22 NYCRR part 1400), require the use of a written retainer agreement signed by the lawyer and client (*see* 22 NYCRR 1400.3). This requirement applies to all claims, actions, or proceedings, in either Supreme or Family Court, or in any appellate court, for divorce, separation, annulment, custody, visitation, maintenance, child or spousal support, or to enforce or modify a judgment or order in connection with any such claims, actions, or proceedings.

The fee agreement must include the 13 mandated provisions set forth in 22 NYCRR 1400.3, one of which provides that the client receive an itemized bill every 60 days (*see also* NY State Bar Assn Comm on Prof Ethics Op 719 [1999]).

Failure to comply with the rules regarding the mandatory written agreement may cause the attorney to forfeit the right to recover unpaid fees (*see McMahan v Evans*, 169 Misc 2d 509 [Sup Ct, Broome County 1996]), or lead to disciplinary sanctions (*see Matter of Hantman*, 236 AD2d 75 [2nd Dept 1997]).

The Uniform Rules also mandate that the attorney provide a prospective client with, and obtain a signed copy of, a Statement of Client's Rights and Responsibilities at the initial conference, prior to the signing of a written retainer agreement. By signing the statement, the client is merely acknowledging receipt of a copy of the statement. If the attorney is not charging a fee, the signed

**UNITED STATES COURT OF APPEALS
DISTRICT OF COLUMBIA CIRCUIT**

333 Constitution Avenue, NW
Washington, DC 20001-2866
Phone: 202-216-7000 | Facsimile: 202-219-8530

FOR COURT USE ONLY

FEE RCVD: _____
Receipt No.: _____
Receipt Date: _____
FEE WAIVED: _____
NO FEE RCVD: _____

**APPLICATION FOR ADMISSION
TO PRACTICE**

MOTION FOR ADMISSION

MAY IT PLEASE THE COURT:

I move the admission of _____,

(Certificate will reflect name as shown here)

whose application is based upon a certificate of admission and good standing to practice before the Bar of

_____.

(State name of court contained on attached certificate of admission and good standing)

Having examined the credentials submitted, I vouch for the applicant, who in my opinion possesses the qualifications prescribed by the Federal Rules of Appellate Procedure and by the Circuit Rules of this Court.

(Typed or printed name of Movant)

(Signature of Movant)

A member of the Bar of the United
States Court of Appeals for the
District of Columbia Circuit

ORDER

It is hereby ORDERED that the foregoing motion for admission is granted.

Clerk

**NOTE: APPLICATION WILL NOT BE PROCESSED UNLESS
ALL REQUIRED SIGNATURES ARE PRESENT AND ALL
QUESTIONS ARE ANSWERED COMPLETELY.**

UNITED STATES COURT OF APPEALS DISTRICT OF COLUMBIA CIRCUIT

1. Name _____
(First) (Middle) (Last)

2. Prefix _____ 3. Place of Birth _____ 4. DOB _____
(Mr., Mrs., Ms., etc.)

5. Name of Parents: (a) Mother's maiden name _____
 (b) Father's name _____

6. Applicant's residence address. _____
(Street)

(City) (State) (Zip)

7. Office address (including street and number and name of law firm or organization) of applicant:

Firm Name: _____

Address: _____

_____ (Phone) _____ (FAX) _____ (E-Mail)

8. List all law schools which you have attended, setting forth whatever degree(s) received and date(s) of receipt.

9. List all Bar examinations that you have taken, give the approximate date of each such examination, and indicate those on which you received a passing grade.

10. Give the DATE of admission and your BAR NUMBER for the courts listed below to which you have been admitted. Write "NOT ADMITTED" where appropriate. Indicate whether admission was based upon examination motion or diploma privilege.

(a) Supreme Court of the United States _____ (date) _____ (bar #)

(b) US Court of Appeals for the ___ Circuit _____ (date) _____ (bar #)

(c) US District Court for the ___ District of _____ (date) _____ (bar #)

(d) Highest Court(s) of the State(s) (Territory) of _____ (date) _____ (bar #)

_____ (date) _____ (bar #)

(e) District of Columbia Court of Appeals _____ (date) _____ (bar #)

11. Citizenship (set forth name of country) _____

12. If a naturalized citizen of the United States, state, date and court in which naturalization proceedings took place.

13. Have you been suspended or disbarred from practice anywhere, or have you been censured or given any reprimand pertaining to your conduct or fitness as a member of the Bar? Yes No If yes, explain in full. Use separate sheet if necessary.

14. Has your right to practice before any federal, state or municipal department, bureau, commission, office or agency of any kind ever been qualified, terminated or withdrawn? Yes No If yes, explain in full. Use separate sheet if necessary.

15. (a) Have you been a defendant in any criminal proceeding in which allegations of fraud, misrepresentation or other dishonesty were made against you? Yes No If yes, explain in full and attach hereto copies of all court documents relative to the disposition of such proceedings. Use separate sheet if necessary.

(b) Have you been convicted of a criminal charge other than a motor vehicle or traffic violation for which collateral could be forfeited? Yes No If yes, explain in full and attach hereto copies of all court documents relative to your charge and conviction. Use separate sheet if necessary.

(c) Have you been a defendant in any civil proceedings, including bankruptcy proceedings, in which allegations of fraud, misrepresentation or other dishonesty were made against you? Yes No If yes, explain in full and attach hereto copies of all court documents relative to the disposition of such proceedings. Use separate sheet if necessary.

OATH OR AFFIRMATION

I do solemnly swear (or affirm) that I will conduct myself as an attorney and counselor of this court, uprightly and according to law; and that I will support the Constitution of the United States.

I, _____
do hereby subscribe to the foregoing oath (or affirmation) and say that I am the person named in the foregoing application and that the statements therein set forth are true and correct to the best of my knowledge and belief.

(Signature of Applicant)

Subscribed and sworn (affirmed) before me this ____ day of _____, _____

(Notary Seal)

(Signature of Notary or Other Officer Authorized to Take Oaths and Affirmations)

Title

NOTE: THE FOLLOWING SHALL BE COMPLETED AFTER THE FOREGOING OATH OR AFFIRMATION HAS BEEN EXECUTED BY APPLICANT.

The following statements are to be completed by applicant's sponsors. They must be either members of the Bar of this Court or of the Court upon which applicant bases his or her admission. Strike words and phrases within parentheses as appropriate. A sponsor who is a member of the Bar of this Court may also move the admission of the applicant by completing and signing the motion on page 1 of this application.

I, _____, a member of (the Bar of this Court)(the Bar of _____) have examined the executed personal statement of the applicant who is personally known to me. (He)(She) possesses all the qualifications required for admission to the Bar of this Court and I affirm that (his) (her) personal and professional character and standing are good.

SIGNATURE OF FIRST SPONSOR

DATE

I, _____, a member of (the Bar of this Court) (the Bar of _____) have examined the executed personal statement of the applicant who is personally known to me. (He) (She) possesses all the qualifications required for admission to the Bar of this Court and I affirm that (his) (her) personal and professional character and standing are good.

SIGNATURE OF SECOND SPONSOR

DATE

EXCERPTS FROM RULE 46, CIRCUIT RULES OF THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

RULE 46. Attorneys; Appearance by Law Student

(a) **Appearances.** Except as otherwise provided by law, the docketing statement and all papers filed thereafter in this court must be signed by at least one member of the bar of this court, and only members of the bar of this court may present oral argument. However, on motion for good cause shown, the court may allow argument to be presented in a case by an attorney who is not a member of the bar of this court.

(b) **Admission.** Each applicant for admission to the bar of this court must file with the clerk an application for admission on a form approved by the court and furnished by the clerk and append an original certificate, executed not more than 60 days prior to the date of the application, **from the court upon which the application is based**, evidencing the applicant's admission to practice before that court and current good standing. Upon the court's grant of an application for admission, the clerk will mail to the applicant a certificate of admission. Applicants for admission to the bar of this court do not appear in person for the purpose of taking the oath or affirmation of admission. The fee for admission will be set periodically by order of the court and must be tendered with the application.

(c) **Change of Address.** Changes in the address of counsel and *pro se* litigants must be immediately reported to the clerk in writing.

(d) **Change of Name of Attorney After Admission.** Any member of the bar of this court may file with the clerk a certificate that he or she is engaged in the practice under a new name. The clerk will note such change of name on the roll of attorneys and on the records of this court.

GENERAL INFORMATION

1. The current fee for admission is \$226.00. PLEASE MAKE CHECKS PAYABLE TO: CLERK, U.S. COURT OF APPEALS. The attorney admission fee is waived for all attorneys employed by the United States and its agencies so long as the attorney continues employment with the United States or an agency of the United States. Upon termination of employment with the United States or an agency of the United States, an attorney wishing to practice before the Court must reapply for admission by paying the full fee prescribed by order of the Court.
2. Any correspondence relating to this application, and the wall certificate evidencing admission to practice before this court, will be sent to applicant's business address unless otherwise requested in writing.
3. Endorsements from two sponsors are required on page 4 and applicants are cautioned to sign and to complete the "Oath or Affirmation" on this page before asking their sponsors to execute the statements of endorsement.
4. A sponsor who completes the endorsement on page 4 hereof may also move the applicant's admission by completing and signing the motion on page 1 if that sponsor is a member of the bar of this court.

APPLICATION SUBMISSION

Applications for admission and supporting documents may now be electronically filed, along with payment of the admission fee, using the court's CM/ECF system. ***Electronic submission via CM/ECF is preferred over submission by mail.***

To submit your application electronically and pay using a credit card or direct debit, applicants must first register for an appellate eFiler account. Once the registration has been approved, log into CM/ECF and choose the **Bar Admission** utility to upload and submit PDF copies of your application and supporting documents. Select **Pay Now and Submit Application** to complete payment through www.pay.gov. Applicants who qualify for a fee exemption may bypass payment by selecting an appropriate fee waiver reason.

Applications must be submitted using the eFiler account of the individual seeking admission. Electronically filed documents containing original signatures, certifications, or seals must be maintained in paper form by the eFiler during the tenure of their bar membership. On request of the court, the filer must provide original documents for review.



Search Washlaw

Resources for Lawyers

- Bar Resources
- Career Planning
- Continuing Education
- Expert Witnesses
- Legal Forms
- Legal Software

Bar Associations & Other Legal Associations

Bar association resource page with links to all state bar associations and local bar associations indexed by state, trial lawyer associations, international bar associations, and many other bar association sites collecting bar and trial association links.

[State Bar Assoc.](#) | [Local Bar Assoc.](#) | [Trial Lawyer Assoc.](#) | [International Assoc.](#) | [Other Sites Collecting Links](#)

National Bar Associations

- [American Bar Association](#)
- [Federal Bar Association](#)
- [Hispanic National Bar Association Law Student Division](#)

State Bar Associations

Alabama	Alaska	Arizona	Arkansas	California
Colorado	Connecticut	Delaware	Florida	Georgia
Hawaii	Idaho	Illinois	Indiana	Iowa
Kansas	Kentucky	Louisiana	Maine	Maryland
Massachusetts	Michigan	Minnesota	Mississippi	Missouri
Montana	Nebraska	Nevada	New Hampshire	New Jersey
New Mexico	New York	North Carolina	North Dakota	Ohio
Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
South Dakota	Tennessee	Texas	Utah	Vermont
Virginia	Washington	West Virginia	Wisconsin	Wyoming

Local Bar Associations

Alabama	Illinois	Ohio	
Birmingham Bar Association	Chicago Bar Association	Akron Bar Association	
Mobile Bar Association	Decatur Bar Association	Cleveland Bar Association	
	DuPage County Bar Association	Columbus Bar Association	
California	Kane County Bar Association	Lake County Bar Association	
Alameda County Bar Association	Winnebago County Bar Association		
Beverly Hills Bar Association		Oklahoma	
	Kansas	Tulsa County Bar	

	Contra Costa Bar Association		Topeka Bar Association		Association
	Los Angeles County Bar Association		Wichita Bar Association	Pennsylvania	Allegheny County Bar Association
	Marin County Bar Association	Kentucky	Fayette County Bar Association		Bucks County Bar Association
	Orange County Bar Association	Louisiana	Baton Rouge Bar Association		Delaware County Bar Association
	Palo Alto Area Bar Association	Maryland	New Orleans Bar Association		Erie County Bar Association
	Sacramento County Bar Association		Anne Arundel County Bar Association		Franklin County Bar Association
	San Bernadino County Bar Association		Baltimore County Bar Association		Lancaster County Bar Association
	San Diego County Bar Association		Bar Association of Montgomery County		Mercer County Bar Association
	San Fernando Valley Bar Association		Maryland Bankruptcy Bar Association		Montgomery Bar Association
	San Mateo County Bar Association		Maryland Hispanic Bar Association		Philadelphia Bar Association
	Santa Clara County Bar Association		Montgomery County Bar Association		The Schuylkill County Bar Association
	Sonoma County Bar Association		Prince Georges County Bar Association		Westmoreland Bar Association
	Ventura County Bar Association	Massachusetts		South Carolina	
			Boston Bar Association		Charleston County Bar Association
			Massachusetts District Attorneys Association	Tennessee	
Colorado	Boulder County Bar Association	Michigan			Knoxville Bar Association
	Boulder Criminal Defense Bar		Grand Rapids Bar Association		Memphis Bar Association
	Colorado Criminal Defense Bar		Kalamazoo County Bar Association		Nashville Bar Association
	Denver Bar	Minnesota	Oakland County Bar Association	Texas	
					Dallas Bar Association
					Denton County Bar

	Association		Hennepin	Association
	The		County Bar	Houston Bar
	Colorado		Association	Association
	Women's Bar		Minnesota	San Antonio
	Association		Defense	Bar
Connecticut			Lawyers	Association
	Connecticut		Association	Texas
	Hispanic Bar	Missouri		Independent
	Association		Bar Association	Bar
	The Greater		of Metropolitan	Association
	Danbury Bar		St. Louis	Travis County
District of Columbia		New York		Bar
	Hispanic Bar		Albany County	Association
	Association		Bar Association	Virginia
	of		Association of	Fairfax County
	Washington,		the Bar of NYC	Bar
	D.C.		Bar Association	Association
	The Bar		of Nassau	McLean Bar
	Association		County	Association
	of the District		Brooklyn Bar	Washington
	of Columbia		Association	King County
	The DC Bar		Delaware	Bar
	Women's Bar		County Bar	Association
	Association,		Association	Kitsap County
	D.C.		Dutchess	Bar
Florida			County Bar	Association
	Broward		Association	Whatcom
	County Bar		Erie County Bar	County Bar
	Association		Association	Association
	Clearwater		Greene County	Wisconsin
	Bar		Bar Association	Milwaukee Bar
	Association		Nassau County	Association
	Collier		Bar Association	
	County Bar		Queens County	
	Association		Bar Association	
	Dade County		Suffolk County	
	Bar		Bar Association	
	Association		Women's Bar	
	Orange		Association of	
	County Bar		New York	
	Association			
	Palm Beach			
	County Bar			
	Association			
	Sarasota			
	County Bar			
	Association			
	Tallahassee			
	Women			
	Lawyers			
	Winter			
	Haven			

Women's Bar
Association

Georgia

Atlanta Bar
Association

Cobb County
Bar
Association

Macon Bar
Association

Trial Lawyers Associations

Academy of Florida Trial
Lawyers

Alabama Trial Lawyers
Association

Arkansas Trial Lawyers
Association

Association of Trial
Lawyers of America (AA)

Colorado Trial Lawyers
Association

Delaware Trial Lawyers
Association

Dade Co Trial Lawyers
Association (FL)

Georgia Trial Lawyers
Association

Idaho State Trial Lawyers
Association

Illinois Trial Lawyers
Association

Indiana Trial Lawyers
Association

Maine Trial Lawyers
Association

Minnesota Trial Lawyers
Association

Missouri Association of
Trial Attorneys

Montana Trial Lawyers
Association

Network of Trial Law
Firms, The

Nebraska Association of
Trial Attorneys

Nevada Trial Lawyers
Association

New Hampshire Trial
Lawyers Association

International Associations

Association de Abogados de
Buenos Aires (in Spanish)

Auckland District Law
Society

Bar Association of Serbia

British and Irish Legal
Technology Association

Canadian Bar Association

Canadian Environmental
Law Association

Canadian HIV AIDS Legal
Network

Canadian Law and
Economics Association

Canadian Maritime Law
Association

Compagnie Nationale des
Conseils en Propriete
industrielle (CNCPI) (French
Institute of Industrial Property
Lawyers)

European Association of Law
and Economics

Finnish Bar Association

German-French Lawyers
Association

JurisNet

Law Council of Australia

Law Society of Alberta

Law Society of England and
Wales

Law Society of Ireland

Law Society of New South
Wales

Law Society of Western
Australia

Nova Scotia Barristers'
Society

North Carolina Academy of
 Trial Lawyers
 Oklahoma Trial Lawyers
 Association
 Orange County Trial
 Lawyers
 Oregon Trial Lawyers
 Association
 Philadelphia Trial Lawyers
 Association
 Texas Trial Lawyers
 Association
 Trial Lawyers for Public
 Justice (TLPJ)
 Vermont Trial Lawyers
 Association
 Virginia Trial Lawyers
 Association
 Washington Defense Trial
 Lawyers
 Washington State Trial
 Lawyers Association
 Wisconsin Academy of
 Trial Lawyers

Ontario Trial Lawyers
 Association
 Ordre des Avocats Vaudois
 Peel Criminal Lawyers
 Association
 Practicing Law Institute
 Swiss Arbitration Association
 Tasmanian Bar Association
 Customs and International
 Trade Bar Association
 General Council of the Bar of
 England and Wales
 Inter-American Bar
 Association
 Interlaw
 Interlegal
 Interleges
 International Academy of
 Matrimonial Lawyers
 International Association of
 Korean Lawyers
 International Bar Association
 International Center for
 Not-for-Profit Law
 International Constitutional
 Law
 International Institute for the
 Unification of Private Law
 International Law Association
 International Law Firms
 International Municipal
 Lawyers Association
 International Society of
 Military Law and the Law of
 War
 International Tax Planning
 Association
 Inter-Pacific Bar Association

Other Sites that Collect Bar Association Links

ABA Bar Cat
 ABA Bar Crawler
 ABA DBS Library and
 Information Clearinghouse
 All Law
 Findlaw
 Hieros Gamos Listing
 Internet Legal Resource
 Guide
 Yahoo

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DOMAINS

HOSTING

WEBSITES

EMAIL

SECURITY

WHOIS

SUPP

501(c)(6)

dcbar.org registry whois

Updated 1 second ago - Refresh

Domain ID: D65815-LROR

WHOIS Server:

Referral URL: http://www.networksolutions.com

Updated Date: 2016-02-20T09:44:34Z

Creation Date: 1995-04-19T04:00:00Z

Registry Expiry Date: 2019-04-20T04:00:00Z

Sponsoring Registrar: Network Solutions, LLC

Sponsoring Registrar IANA ID: 2

Domain Status: clientTransferProhibited https://www.icann.org/epp#clientTransferProhibited

Registrant ID: 25944942-NSIV

Registrant Name: Perfect Privacy, LLC

Registrant Organization: The District of Columbia Bar

Registrant Street: 12808 Gran Bay Parkway West

Registrant Street: care of Network Solutions

Registrant City: Jacksonville

Registrant State/Province: FL

Registrant Postal Code: 32258

Registrant Country: US

Registrant Phone: +1.5707088780

Registrant Phone Ext:

Registrant Fax:

Registrant Fax Ext:

Registrant Email: vk2g49kt3yv@networksolutionsprivateregistration.com

Admin ID: 25944942-NSIV

Admin Name: Perfect Privacy, LLC

Admin Organization: The District of Columbia Bar

Admin Street: 12808 Gran Bay Parkway West

Admin Street: care of Network Solutions

Admin City: Jacksonville

Admin State/Province: FL

Admin Postal Code: 32258

Admin Country: US

Admin Phone: +1.5707088780

Admin Phone Ext:

Admin Fax:

Admin Fax Ext:

Admin Email: vk2g49kt3yv@networksolutionsprivateregistration.com

Tech ID: 25944942-NSIV

Tech Name: Perfect Privacy, LLC

Tech Organization: The District of Columbia Bar

Tech Street: 12808 Gran Bay Parkway West

Tech Street: care of Network Solutions

Tech City: Jacksonville

Tech State/Province: FL

Tech Postal Code: 32258

I think it is wrong the DC Bar uses private registration mas so when you all say members to be public + transparent

Tech Country: US
Tech Phone: +1.5707088780
Tech Phone Ext:
Tech Fax:
Tech Fax Ext:
Tech Email: vk2g49kt3yv@networksolutionsprivateregistration.com
Name Server: NS1.TWTELECOM.NET
Name Server: NS2.TWTELECOM.NET
DNSSEC: unsigned
>>> Last update of WHOIS database: 2016-03-05T02:21:14Z <<<

"For more information on Whois status codes, please visit <https://icann.org/epp>"

Access to Public Interest Registry WHOIS information is provided to assist persons in determining the contents of a domain name registration record in the Public Interest Registry registry database. The data in this record is provided by Public Interest Registry for informational purposes only, and Public Interest Registry does not guarantee its accuracy. This service is intended only for query-based access. You agree that you will use this data only for lawful purposes and that, under no circumstances will you use this data to (a) allow, enable, or otherwise support the transmission by e-mail, telephone, or facsimile of mass unsolicited, commercial advertising or solicitations to entities other than the data recipient's own existing customers; or (b) enable high volume, automated, electronic processes that send queries or data to the systems of Registry Operator, a Registrar, or Afilias except as reasonably necessary to register domain names or modify existing registrations. All rights reserved. Public Interest Registry reserves the right to modify these terms at any time. By submitting this query, you agree to abide by this policy.

related domain names

networksolutions.com icann.org networksolutionsprivateregistration.com twtelecom.net

Find A Member Search Results

[Search again \(/attorney-discipline/find-a-member.cfm\)](#).

Records matching your search criteria: 1

1. **Linda D Fienberg**

Email:  [\(http://www.google.com/recaptcha/mailhide/d?k=01SvZAaZlIM13MsbeEDXf10g==&c=hXtGp2pxWib1_Ets13JGUNXUc4v0FqqXY1Fr3o5RbpU==\)](mailto:(http://www.google.com/recaptcha/mailhide/d?k=01SvZAaZlIM13MsbeEDXf10g==&c=hXtGp2pxWib1_Ets13JGUNXUc4v0FqqXY1Fr3o5RbpU==))

Phone:

Fax:

Membership Status: Active

Disciplinary history: No

Date of admission: December 7, 1973

[Save contact](#)

Find A Member Search Results

[Search again \(/attorney-discipline/find-a-member.cfm\)](/attorney-discipline/find-a-member.cfm).

Records matching your search criteria: 1

1. **Terri L Reicher**

FINRA

1735 K Street NW

Washington DC 20006

Email:  (http://www.google.com/recaptcha/mailhide/d?k=01SvZAaZliMI3MsbeEDXf10g==&c=h17gHvbY_B11H9ttOZEL-xv3TMxZfHq2PFF810o28t4==)

Phone: 202-728-8967

Fax: 202-728-8894

Membership Status: Active

Disciplinary history: No

Date of admission: July 22, 1988

Save contact

Not Licensed

12 Disclosure(s) **i**

28 year(s) in securities industry

Passed 3 Exam(s)
Registered with 0 U.S. states and territories



Not Licensed

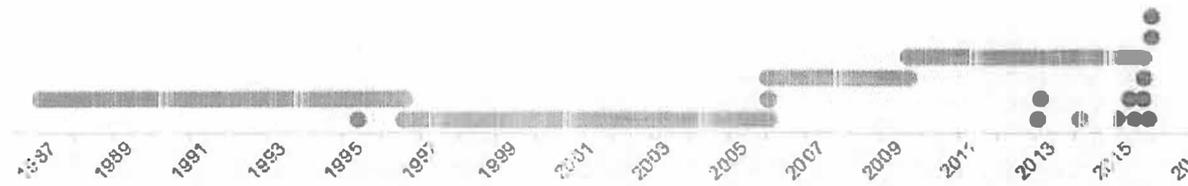
This individual is not currently licensed to act as a broker (buying and selling securities on behalf of customers) or as an investment adviser (providing advice about securities to clients). They may still be able to offer other investment-related services if properly licensed to do so. [Click here to learn more.](#)



*changed by FINRA beside
now says "BROKER" '16 '9
learn more*



● Disclosure Events ● Registration History



monthly legal reporting or to read Main Street newspapers, to see Rule 49 fails. Covert lawyer practice makes it impossible to know often Rule 49 is failed.

Brad Pitt asked, post release of his movie "*The Big Short*" how the crimes have not resulted in people going to jail for their crimes against the Public. The answer is not just, peer business leagues covering crimes up. The answer includes the following;

- (i) Assumptions.
- (ii) Pre-somptions.
- (iii) Failure to do diligence by forums, courts, peers, publicity, and
- (iv) in these days of the internet, a proliferation of claims that boost image, glitzy websites and the facility with which bad truths are expunged.

To start to gain Public trust, the Committee must publish online, where the Public can read, the Form 1023 the Lawyer business's league, filed at their formation with the I.R.S., to gain the legal business league's nonprofit status.

By the time the Public knows the truth about their lawyer, or opposing counsel, it can be too late, for justice for the Public, the client.

The Public must understand;

- (i) their complaint about an attorney is being made to an entity with a vested interest in limiting disclosure of failed members harming the Public and peer members of the legal profession.
- (ii) Nationwide bar associations do not share uniform rules, definitions and/or cooperative relationships to address foreign state lawyers breaking laws in another bar jurisdiction ie nexus
- (iii) Lawyers are practicing law without being licensed in the District, violating Rule 49 (a) in DRS document exchanges, for example, (b) appearing in court matters, in person and in pleadings and (c) without being licensed and/or Pro Hac Vice compliant
- (iv) Lawyers create 501 (c)(6) business league associations that operate under the radar to further their 'cottage industry' members away from the oversight of your Committee and at harm to the Public your committee alleges your committee wants to protect. These S.R.O.s operate by their rules, not your Rule 49, violate local Bar rules, are complicit in keeping crimes hidden from law enforcement.

COMPLAINTS FILED TO THE BAR ARE AMBER ALERTS ON CORRECTIONS NEEDING TO HAPPEN:

A key step is needed before the Committee proceeds on updating Rule 49. The Committee has to speak to the Public complainants.

The Committee needs to bring the selected complainants to sit with the Committee in a round table format. The Committee needs to cull through the files of complaints received, at random times, over the years. The Public witnesses must be asked to bring documents with to present to the Committee. It is not advisable for individual lawyers to recommend participants. Participants lawyers recommend may be tainted, selected to push that lawyer's agenda, as is practice in

hearings on the Hill. The Committee files will tell the Committee who to invite- a cross section- women, color, age, level of education.

The Committee be prepared to go to the next step. The aggregated data will help develop a model survey to send to other complaint filers.

The survey will ask if the Public Complainant's experience with the Committee was;

(1)(a) Resolved.

(1)(b) Unresolved.

(1)(c) Sent elsewhere, provide that D.C. Bar letter

(2)(a) Do you trust the D.C. Bar to ever file a complaint in the future, Y/N

(2)(b) at any time in this process post contacting the DC Bar, did a lawyer threaten you, directly, indirectly, with threats, state the threat ie defamation claim, attack on you/against someone connected to you,

(2)(c) did you take further action? Y/N. State why/why not

(2)(d) did you walk away from filing the complaint fearing '*doing the right thing*' was not worth the risk of the ire of a lawyer who knows how to abuse the law of justice to intimidate. State why.

(3) do you believe the DC Bar staff know their own rules? State why/why not

(4)(a) do you believe attorneys know the D.C. Bar rules

(4)(b) do you believe attorneys know the Rule 49?

(4)(c) do you believe attorneys ever heard of Rule 49?

(4)(d) all of the above, do you believe attorneys care? Y/N. State why/why not

(5)(a) do you believe your submission was confidential?

(5)(b) do you believe your confidentiality was upheld? Violated? State why/why not

(6)(a) would you file a complaint again knowing you will never know the outcome of your complaint? Y/N . State why/why not.

(6)(b) would you file a complaint if you were provided the outcome of your complaint? Y/N. State why/why not.

You do not want to hire professional survey preparers. You do not want to use Survey Monkey or any other online survey that is not confidential by virtue that it is on the Internet where all data is captured and hackable.

Pencil, pen, paper, even lunch, the old fashioned way, this is where your conversation to reform Rule 49 starts.

ACCOUNTABILITY FOR LEGAL FRAUD IS DEMANDED OF Co-COUNSELs & OPPOSING COUNSEL. CARD THEM. IT IS NON-NEGOTIABLE RULES:

An attorney appearing before a Judge must certify in writing and with documentation;

- (i) present their bar card to show they are authorized to appear before the judge
- (ii) they affiliated with a D.C. compliant attorney
- (iii) they are pro hac vice

I pointed out to an S.E.C. attorney that a Defendants counsel was not licensed in D.C. That S.E.C. attorney accused me of impugning the New York defense counsel. I said I did not impune the lawyer, I am stating fact, that lawyer is not licensed in D.C. nor was that New York lawyers law firm listed in the D.C. Bar rolls, licensed to operate as a business in D.C. That S.E.C. attorney had never heard of the D.C.R.A. nor was aware what makes a lawyer, a law firm compliant to operate in D.C. That S.E.C. attorney had not heard of Rule 49.

The following week I sat at a table opposite three D.C. government attorneys. One of the attorneys was licensed. The other two were not. The head of that department was the licensed attorney. That attorney had not heard of Rule 49.

I was at a function talking to an Employment Lawyer. I mentioned Rule 49. That lawyer looked at me. That attorney had not heard of Rule 49.

An O.T.A., Office Of Tenant Advocacy said he does not ask for licenses documentation because he does not want to make people feel uncomfortable. The O.T.A. attorney said the O.T.A. has a growing problem of unlicensed landlords.

People are carded all the time- to get senior citizen discounts, to buy a drink at a bar, to get on a plane, to enter a building. Lawyers do not get carded in the course of their representing themselves to be licensed attorneys. They are taken at face value in forums that can be the matter of life and death for the client.

JAMS and AAA said they do not ask for Bar Card and insurance information, presuming the parties are compliant.

If all lawyers were honest, there would be no Rules and Codes, no Disciplinary Committees, no Ethics committee, no Department of Justice announcements of charged and/or jailed attorneys. Until then, confirming a lawyer is licensed must be made obligatory, not optional, (i) at a D.R.S. host site booking a D.R.S. the mediation; the courtroom, the judge, the clerk of the court, the bailiff, the receptionist booking the D.R.S. room and the arbitrators and mediators. (ii) of all the D.R.S. participants.

Judge Epstein distressed over unauthorized law practice violations of specialty lawyers-recommends that lawyers who exclusively represent clients before the Patent and Trademark Board, the Federal Communications Commission or the Internal Revenue Service give “prominent notice in all business documents that his or her practice is ‘limited to matters and proceedings before federal courts and agencies... on letters, business cards, internet sites and other communications to the public.’”

Judge Epstein did not single out lawyers appearing before the Securities and Exchange Commission or inside D.R.S. dispute resolution forums conducted by the S.R.O., self-regulatory organization the F.I.N.R.A. wrongly pulls the Public in to. Congress allowed for the creation of the Securities S.R.O. to address broker-brokerage disputes. The F.I.N.R.A. and the Securities Attorneys S.R.O. the P.I.A.B.A. mislead the Public to believe the F.I.N.R.A. D.R.S. forum is a “*quasi*” government agency their claim must be heard within. It is not.

Bar cards and proof of insurance must be provided to clients in the Attorney-Client contract, in disclosures to the court when cases are filed and to the Bar association kept current and updated each time the lawyers insurers are changed.

Bar card numbers must be published on the lawyers business cards, signatures (snail mail and social media), pleadings, basically anywhere a lawyer identifies them-self as an attorney including but not limited to advertising, notice on all letterhead, business cards, formal papers of all kinds, promotions, advertisements and any other document submitted or expression made to any third party, the public or any official entity, websites and social media, too.

LICENSING:

The Bar must require applicant law firms to produce

- (i) secure a D.C.R.A. general license
- (ii) utility bills
- (iii) a cancelled copy of that check with the address along with confirmation of the date that checking account was open
- (iv) The D.C.R.A. number must appear on all materials alongside the law firm name
- (vii) a D.C. licensed attorney can only list a foreign stated law firm alongside his/her DC Bar listing if the foreign stated law firm can claim D.C. residency only if the firm is licensed with the D.C.R.A.
- (v) Attorneys websites listing states the lawyer practices law in must state if that lawyer is licensed in that state or associates with a local attorney, pro hac vice
- (vi) a foreign state lawyer who publish D.C. telephone numbers on their foreign state website misleading the public the firm as a D.C. compliant office will be barred from practicing law in D.C.
- (vii) The lawyer must produce their Malpractice insurer's name and contact details to their client or to opposing councils client and to the Court.

America’s “*Poor Little Rich Girl*” Gloria Vanderbilt lost her fortune due to a lawyer. A New York immigrant is in process of losing his Green Card application due to his lawyer failing to

advise him a deadline was missed. Screaming 'screw you' at the Judge did not help. A client received a call from their lawyer with 'good news' and 'not so good news.' The 'good news' made no difference because the 'not so good news' of a statute being lost was missed. The client had told counsel to sue the Respondents parents. The co-counsel argued and did not. A D.C. licensed attorney argued there was no refund due from the S.R.O. the F.I.N.R.A hearing. There was. The client produced a cashed check written from the S.R.O. to the attorney.

The Public listed above are afraid to challenge lawyers. Requiring current insurance information is more respectful to the Public resolving the grievance.

STEPS FOR RECORDING A F.I.N.R.A. D.R.S. AWARD IN THE COURT:

Judges receiving the F.I.N.R.A. award recording case must

- (i) be given documentation of that jurisdiction the arbitration was argued in
- (ii) copies of all named F.I.N.R.A. attorneys bar cards that the Judge will have his clerk vet with the D.C. Bar association to assure the lawyer is authorized to practice law in D.C.
- (iii) a second piece of photo id ie state driver's license to assure two lawyers are not trying to use one bar card number
- (iv) confirmation of I.O.L.T.A.
- (v) a local utility bill of law firm alleged to be in D.C. is compliant with the D.C.R.A.
- (vi) a copy of the D.C.R.A. approved General Business license for the law firm
- (vii) The Courts must have the attorneys on the case (a) sign under penalty of perjury a "Truth In Representation" attesting the attorney honor D.C. Rules to not cover up a crime and (b) check off the appropriate boxes on a menu asking, if the case attorneys had (a) none at all or (b) 1,2,3,4,5 appearances in the D.C. Courts and/or D.R.S. between the dates of 1/1 – 12/31 _____

S.R.O. MUST PUBLICLY DISCLOSE THEIR D.R.S. DETAILS JUST LIKE COURT FILED CASE DETAILS ARE PUBLICLY DISCLOSED:

S.R.O.s must build a public database just like the database courts have, online and offline. Public databases allow attorneys, pro-se and law enforcement to evaluate

- (i) learn if and how many other complaints were made against the same defendant(s)
- (ii) the nature of those consumer complaint, similar, different, serial.

The Public will be protected better is S.R.O. are required to disclose details of their arbitrations/mediations including but not limited to forum, date(s), Respondents, Complainants, arbitrators, arbitration panel structure, the awards. A very real example is Bernard Madoff. Madoff correctly stated "they" knew of his crimes before Madoff turned himself in to law enforcement. "They", the industry S.R.O.s, the F.I.N.R.A./N.A.S.D. and attorneys representing investment clients in that industry only forum, the F.I.N.R.A./N.A.S.D., did know 50 + years ago that Bernard Madoff was selling No Product. The true magnitude of Madoff's crimes against investors is not yet calculated. (*Screengrabs are viewable at www.centerforcopyrightintegrity.com search Madoff*).

These SRO must publicly disclose the number of DRS complaints against the SRO business league members

- (i) filed as complaints
- (ii) settled
- (iii) dismissed
- (iv) came to decision, and by whom
- (v) what forums
- (vi) details of the matters

The Committee would be proactive and efficient to require are (i) lawyer business leagues register with the D.C. Bar, (ii) require all S.R.O.s to register with the Bar to build a database the Public can query in to

FINE(S) FIGHT “LEGAL TOURISM” & CONTRIBUTE TO THE CLIENTS’ FUND:

“ Rule 49 the rule against unauthorized practice of law has four general purposes:

- (1) To protect members of the public from persons who are not qualified by competence or fitness to provide professional legal advice or services;
- (2) To ensure that any person who purports or holds out to perform the services of a lawyer is subject to the disciplinary system of the District of Columbia Bar...”

Judge Anthony Epstein opined on Rule 49, warning of the increasing ‘*legal tourism*’ in D.C.

Opinion 14-04, issued December 10, 2004, states the phrase, “.... *The Committee is not aware of particular problems caused by such incidental practice....*” The Committee should be.

Not only has the Public has reported “*incidental practice*” to the Committee, each “legal tourist” takes a job away from a D.C. compliant lawyer with a family to feed, a business to support and law bills to pay off. The C.U.P.L. knows of complaints. If there is an internal disconnect the C.U.P.L. must investigate and fix. The Committee responded they have no oversight over foreign state lawyers practicing legal work for pay in D.C. sending the Public to complain to that Foreign Commitccc. Rule 49 binds that lawyer to D.C. Rules. Rule 49 states “*nexus*” to the District.

The C.U.P.L. is not widely known to the Public. The C.U.P.L. should require are D.C. lawyers, members and/or Pro-Hac Vice to include in their client contracts, in 14 point pica size, a notice advising clients how to reach the D.C. C.U.P.L., committee on unauthorized practice of law.

A lawyer practicing unauthorized law in D.C. is a “*legal tourist*”, they come, do their business and they leave. “*Legal tourists*” make appearances in the courts, in arbitrations and mediations, before regulators, are employed by local government, companies, organizations, doing defense or plaintiffs work. “*Legal tourists*” are just assumed to be Rule 49 compliant. One does not expect a lawyer to break the law. The “*legal tourists*” unauthorized practice of law is not caught hence unreported for working beneath the Rule 49 radar unless a complaint is made.

A “*legal tourist*” practicing law in D.C. is no different than a New York state licensed driver driving without a license, running a red light, hitting a pedestrian, out of date tags, no insurance in D.C. Police do not send that violating driver back to New York to be charged. Police charge

that driver in D.C. in accordance with D.C. law. A foreign state, ie. New York lawyer, practicing law in D.C. without a license is an intentional crime that must be dealt with harshly, in D.C. Violations of the provisions of this Rule 49 should be punishable by the Court with the same criminal accountability standard the Public is held to.

The D.C. Committee can work together with the foreign state Committee ie New York committee for additional processing. The Colorado Bar Association Rules are exemplary of this model.

Every lawyer the D.C. Committee sends out-of-state for legal redressing is a penalty and a fine that does not benefit the District of Columbia Clients' Protection fund. The S.R.O. F.I.N.R.A., an often accessory to lawyers practicing law without a license in D.C. fines their dues paying members and others submitting to their D.R.S. Those fines are deposited in to the F.I.N.R.A. accounts. Examples of the F.I.N.R.A. fines are published in the F.I.N.R.A. monthly disciplinary accounts. The D.C. Committee must publish online monthly disciplinary accounts to mitigate violations. The money from that penalty or sanction should be deposited in to the Fund.

A regulatory lawyer and an employee of government who fail to vet opposing counsel, should be automatically disbarred and face criminal charges for perpetrating a fraud on the US government, wasting tax payer dollars. These attorneys must exchange Bar Card numbers to assure each is licensed in D.C., not a "*legal tourist*" in violation of "*A lawyer with a principal office outside the District who comes to the District in connection with a pending or potential case in the District of Columbia courts must qualify for the pro hac vice exception in section (c)(7) regardless of whether the lawyer's practice in the District is otherwise temporary and incidental.*"

A Judge who fails to vet lawyers named on pleadings for (i) D.C. Bar number (ii) Pro Hac Vice is to be removed immediately from the bench for failing the laws protecting the Public.

A "*legal tourist*" must be disbarred. Clients are not given the benefit of '*not knowing the law*'. Attorneys and judges must be held to the same standard. "*I don't know*" is an unacceptable answer. "*You should have*", is acceptable.

The D.C. Bar Clients' Security Fund has multiple purposes. The C.S.F. must "ensure that that system and other activities of the Bar are appropriately supported financially by those exercising the privilege of membership in the District of Columbia Bar" and reimburse the Public for the dishonest conduct of Bar members, D.C. or otherwise. That the D.C. Bar states the Bar protects members from "unfounded complaints" is worrisome. Those words state a legitimate claim a Public brings to the Bar, is heard from the side of the team the public is complaining about. Case in point the David Robbins matter illustrates a legitimate claim was brought, harming the Public, a second time.

LAWYERS FILING PLEADINGS, BRIEFS, EXCHANGING CASE COMMUNICATION FROM OUTSIDE THE DISTRICT IN TO THE DISTRICT;

D.C. Bar's legal ethics guru Saul Singer says unlicensed attorneys filing papers interstate is a grey area but still, an unauthorized lawyer filing papers interstate is practicing law without a license in the District of Columbia. Singer said the expectation exists that lawyers expect to appear in that case in the District.

The Committee must bump up its definitions to leave little room for abusive interpretation that of pivot words that harm the Public.

Words that need an expanded definition include "nexus" and ;

- (i) "client"
- (ii) "public"
- (iii) "unwarranted"
- (iv) "breach"
- (v) "breach of fiduciary"
- (vi) "Person"
- (vii) "Practice of Law"
- (viii) "In the District of Columbia"
- (ix) "Hold out as authorized or competent to practice law in the District of Columbia"
- (x) "Committee."
- (xi) "aiding and abetting."

"Nexus" is a very important word in the conversation of Rule 49. "Nexus" allows the Committee to take action against out of District lawyers practicing law in the District.

Lectlaw defines "nexus" as "A legal way to say casual connection." USLegal defines "nexus" as "Generally, a nexus refers to a connection...A nexus is often required in all types of cases to establish jurisdiction, apply conflict of laws issues, establish due process in criminal cases, prove causation, etc."

"Nexus," Mid 17th century Latin for 'a binding together,' is my euphemism for Legal Tourism, lawyers from outside the District practicing law by correspondence to D.C. by snail mail, email, fax, delivery, face time, internet, snapchat, twitter, the social media list goes on with the presumption at some point that lawyer will appear in D.C. in person on the matter, or not. "Legal Tourism" is exploited by the S.R.O.s P.I.A.B.A. and F.I.N.R.A., dues collecting members leagues condoning practice of investment client, investment advisor, broker and brokerage disputes under the Committee radar.

The Committee will never know how often the foreign state licensed lawyer appeared for his client in the secretive dues collecting business league forum the F.I.N.R.A. A court case is of public record. The F.I.N.R.A. records are not made public. The F.I.N.R.A. records are destroyed permanently.

The Committee refused to take action against a serial Rule 49 violating New York lawyer continuing to represent his client away from the D.C. Bar oversight. The New York lawyer has a D.C. bar listed accomplice that e-filed papers in the D.C. Courts, naming the unauthorized New

York lawyer on the papers. The New York lawyer meets the dictionary definition of ‘*nexus*.’ *The Committee is accountable. The D.C. Bar is an S.R.O., self-regulatory organization. The D.C. Bar is not above the law. Singer says the Bar and Committee, lawyers, are 24/7 accountable to the laws.*

The Colorado Bar Association provides a model for addressing unauthorized practice of law the Committee should adopt for the Rule 49 upgrade. The Colorado Bar Association reports the infringing attorney to that infringing attorney’s home Committee. The Colorado Committee and the foreign state committee work together to take action against that infringing lawyer. The Colorado Committee values the CO Committee’s obligation of Fiduciary to the Public, to keep lawyers behaving properly, conversely, to stop lawyers from behaving badly.

The movie “*Spotlight*,” highlights the obligation of “*fiduciary*” by practitioners of law. “*Spotlight*” reminds the Committee that lawyers violate Fiduciary, with predatory practice on the Public, claiming what was done was to benefit their client. D.C. Bar Rules remind that lawyers cannot participate in breaking laws.

“*Spotlight*” brought to screen the cottage industries lawyers build. The movie “*Spotlight*” put on to the large screen, the culture of lawyers defending the Church’s Breaches of Fiduciary. In “*Spotlights*” case, the lawyers built a cottage industry of covering up complaints against the Church, much in the way the securities industry covers up complaints against Wall Street dues paying business league members of the S.R.O., F.I.N.R.A. and the former N.A.S.D. Neither dues collecting business league F.I.N.R.A. nor P.I.A.B.A. report attorney wrong doings to the Bar. The forum does not cooperate with Public complainants.

“*Spotlight*” shows predatory lawyers thwarting complaints with confidentiality agreements and settlement agreements covering up prosecutable crimes, along with expunging complaint histories, sealing Court records. “*Spotlight*” shows how the covered up crimes were repeated, harming more innocent people, allowing the priests to move town to town, recommitting their abuses. No one reported the priests to the cops. Lawyers did that, the cover-ups, for their clients, in violation of lawyers Rules and Codes. The lawyers working for the Church state they were doing their job.

[3] Under Rule 1.2(e), a lawyer is prohibited from counseling or assisting a client in conduct that the lawyer knows is criminal or fraudulent. Paragraph (b) states a specific application of the principle set forth in Rule 1.2(e) and addresses the situation where a client’s crime or fraud takes the form of a lie or misrepresentation. Ordinarily, a lawyer can avoid assisting a client’s crime or fraud by withdrawing from the representation. Sometimes it may be necessary for the lawyer to give notice of the fact of withdrawal and to disaffirm an opinion, document, affirmation or the like. In extreme cases, substantive law may require a lawyer to disclose client information to avoid being deemed to have assisted the client’s crime or fraud. If the lawyer can avoid assisting a client’s crime or fraud only by disclosing such client information, then under paragraph (b) the lawyer is required to do so, unless the disclosure is prohibited by Rule 1.6. If, in the particular circumstances in which the lawyer finds himself or herself, the lawyer has discretion to disclose a client confidence or secret under Rule 1.6(c), (d), or (e), disclosure is not

prohibited by Rule 1.6, and the lawyer must disclose the information if otherwise required by this rule.”

Bar Associations routinely receive complaints against attorneys. To protect the public, the Committee will benefit by adding the following attorney designations, “*Holding out as authorized or competent*” must be expanded to acknowledge many lawyers represent, with contract clients in arbitrations and mediations. The designations “*lawyer in an arbitration*”, “*lawyer in a mediation*” along with “*lawyer acting as arbitrator*” and “*lawyer acting as a mediator.*”

D.C. Rules draw a legal line in the sand that a lawyer cannot cross over while representing a client. D.C. rules address attorney client privilege of details of the crime. The Committee is blocked from knowing when F.I.N.R.A./ former N.A.S.D. secretive D.R.S. allow unlicensed attorneys and D.C. licensed attorneys to cross that line. As with the Investment Advisors Act of 1940, failure to report crimes to law enforcement, is the crime of aiding and abetting. The Committee is unable to protect the Public.

Rule 49 must clarify what may seem like helping a peer lawyer is a criminal act. Rule 49 must clarify that failing to report the peer lawyer’s crime to law enforcement makes themselves reportable to law enforcement under ‘*aiding and abetting.*’ Not reporting crimes is a violation of D.C. Rules. ¹Rules of Professional Conduct.² Lawyers representing clients inside the Wall Street S.R.O. the F.I.N.R.A. 70+ offices across the country including in D.C. off Connecticut Avenue hide crimes from law enforcement every day³. The lawyers do not report to the Committee the lawyer appeared inside the S.R.O. There is no published record of appearances in these secret D.R.S. forums. No one knows the arbitrations and mediations take place. No one knows how many arbitrations and mediations were settled or dismissed or abandoned, for whatever reason-client health, unable to afford travel to the forum or other reasons.

Public participants are gagged with Confidentiality Agreements required to be signed entering the S.R.O. F.I.N.R.A. process. Settlement Agreements are required signed exiting the process along with agreeing to expunge the claim, in order to collect the award, if there is an award.

One Respondent was sued for \$1,700,000. The Public complainant got \$200,000. Another complainant sued the same Respondent for \$1,200,000. The Public complainant got back \$100,000. The S.R.O. P.I.A.B.A. reported the expungement of crimes is prevalent. Expunged crimes are hidden from police. Both parties are represented by Counsel.⁴

The Committee is complicit of aiding and abetting when criminal acts by a lawyer are brought to the Committee’s attention. The Committee is part of an S.R.O. The Committee is not the law. The Committee must report crimes. Crimes reported to the S.R.O. make the Committee accountable. Lawyers on Bar Association committees are not impervious from being charged

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² <http://www.finra.org/industry/disciplinary-actions>

³ <http://www.finra.org/industry/disciplinary-actions>

⁴ <https://piaba.org/system/files/pdfs/PIABA%20Expungement%20Study.pdf>;

<http://www.hastingsgroupmedia.com/101613PIABAexpungementreport.mp3>

with Failure To Act upon learning about a member or non-member lawyers crime. Misprision of felony is an offense under United States federal law under 18 U.S.C. § 4.

The insurance industry deems that if the night cleaner picks up the telephone, unwittingly accepting a customers complaint of damage, then that night cleaner has accepted notice of the client's call. That insurance industry rule that attorneys rely on for their clients, '*the call was made and taken*', applies with lawyers, the Bar and the Committee. Implementing this rule will mitigate crimes that get settled and passed forward to another unsuspecting community, with more potential victims.

The Investment Advisors Act of 1940⁵ provides accountability for lawyers that are aiding and abetting their clients commission of crimes. The Investment Advisors Act of 1940 states, "*(f) AIDING AND ABETTING.—For purposes of any action brought by the Commission under subsection (e), any person that knowingly or recklessly has aided, abetted, counseled, commanded, induced, or procured a violation of any provision of this Act, or of any rule, regulation, or order hereunder, shall be deemed to be in violation of such provision, rule, regulation, or order to the same extent as the person that committed such violation.*"⁶

Legal Breaches of Fiduciary is systemic from the top down. The magnitude of the crisis of lawyers violating Rules and Ethics is nationwide, even international. The Committee addressing Unauthorized Practice of Law will be a positive impact against lawyers violating Professional Conduct.

The Florida Bar states;

*"The most basic duty of a fiduciary is the duty of loyalty, which obligates the fiduciary to put the interests of the beneficiary first, ahead of the fiduciary's self interest, and to refrain from exploiting the relationship for the fiduciary's personal benefit."*⁷

Robert Kutcher, in his "*Breach Of Fiduciary Duties*"⁸ says

*"This is especially true since the whole concept of a fiduciary relationship stems from the idea that the highest duty of fidelity is owed by one in whom trust and confidence is reposed by another. Obviously, if there is a question as to whether a fiduciary relationship in fact existed"*⁹

⁵ www.sec.gov/about/laws/iaa40.pdf

⁶ The Investment Advisors Act of 1940

⁷

https://www.floridabar.org/divcom/jn/jnjournal01.nsf/c0d731e03de9828d852574580042ae7a/a90812c2b64922f9852576d5007366ed!OpenDocument&Highlight=0,*

⁸ <http://apps.americanbar.org/abastore/products>

⁹ VI. Litigation Tips, A. Plaintiffs, Robert Kutcher's "*Breach Of Fiduciary Duties.*"

THE COMMITTEE MESSED UP ON HOW IT ADDRESSES A.D.R., D.R.S., ARBITRATION & MEDIATION FORUMS IN RULE 49:

The Rule states that Rule 49 is not intended to cover the provision of mediation or alternative dispute resolution.

This is wrong. This harms the Public.

Word is Judges started arbitrations as mediations as ways to fast-track the clogged court system. Instead, arbitration and mediation have become the accepted norm by which to address complaints. The technology companies write in to their online agreements, mandatory arbitration clauses. Tech companies online agreements also state their contracts are subject to change at any time without notice. One online agreement might be backended with dozens more agreements the consumer is unaware the consumer has agreed to.

The securities industry maintains their investment client is required to pre-dispute arbitration in the F.I.N.R.A. forum. Brokerages agreements do include for pre-dispute arbitrations. There is a logic to a pre-dispute arbitration. The D.R.S. is an opportunity to see if a matter can be settled without the court process.

There is a problem.

Congress wrote its law that approved S.R.O. are only for Brokers and Brokerages¹⁰ Lawyers intentionally are deceptively leading the Public in to a forum that Congress did not approve for the Public to avoid oversight of the Committee and compliance to Rule 49 that D.C. licensed lawyers are bound to. Lawyers are intentionally covering up crimes in D.C. against the Public.

These rogue Wall Street D.R.S. forums are discovered to be writing their own Rules and Codes of Procedures. The F.I.N.R.A., a rebirth of the 2007 merged N.A.S.D. and N.Y.S.E., declares itself, F.I.N.R.A. to be the “*largest securities dispute resolution forum in the United States.*” This multimillion dollar S.R.O. of “*incidental practice*” is operating beneath the C.U.P.L. radar.

The F.I.N.R.A., S.R.O. presents itself as a quasi-government agency alleging it is protected by F.O.I.A. The F.I.N.R.A. is not protected by F.O.I.A., a protection for government agencies. The S.R.O. is a .org not a .gov, a dues collecting private non-profit business league.

Rule 49 must stop aiding lawyers covering up crimes.

The Committee gives benefit of the doubt that the violation is “*inadvertent and did not injure a client.*” The Public is always injured when deceived by their lawyer. The Committee must not lose sight that the Public trusts a lawyer. The Public led in to this Wall Street S.R.O. where decisions are final and binding even when Unauthorized Lawyers argued in the S.R.O. D.C.

¹⁰ the Securities Acts of 1933 and 1934

forum. Statutes are tolled and are lost. The Public cannot sue twice for the same matter even when fraud is used in the proceeding. Many lawyers do arbitration and mediation as a way to plan a strategy in the courts. Securities Industry has no intent for claims to go to the Courts. Complaints by Investment Clients are adjudicated in the Courts. The S.R.O. the F.I.N.R.A./the former N.A.S.D. developed their strategy to keep Investment Client complaints out of the Courts. The S.R.O. the F.I.N.R.A./the former N.A.S.D. is assisted by P.I.A.B.A. attorneys in crafting the Rules and Codes of the Wall Street strategy. Keeping complaints out of the courts, keeps the complaints out of the public record, supporting a false trust in Wall Street trading. Congress did not give the F.I.N.R.A. over investment client and investment advisor disputes. The F.I.N.R.A. has intentionally forced investment clients in to the F.I.N.R.A. forum for decades knowing Congress has refused the S.R.O. investment advisor and investment client oversight.

Congressman Keith Ellison created Bill HR 1098, the Investor Choice Act because the lawyers trend to force arbitrations on the Public. Ellison says the Wall Street trend of forced arbitration denies the Public's Constitutional entitlement to a day in court.

A privately conducted D.R.S., ie. the F.I.N.R.A. is not transparent. There is no provision for the Committee or law enforcement to confirm the truthfulness of a D.C. Bar applicant declaration under penalty of perjury that the *"applicant has not applied for admission pro hac vice in more than five cases in courts and in DRS, private forum sites or other, in the District of Columbia in this calendar year."* D.R.S. forums are not required to identify themselves to local law and/or bar association. D.R.S. forums must be required to identify themselves. Bar Associations must develop a Code of Better Practice and Ethics for D.R.S. forums. Arbitrators and mediators are not licensed. Arbitrators and mediators do not need to be lawyers. Arbitration and mediation training is another tool in an attorneys toolkit from which to make their living.

The example is given of the New York lawyer practicing law without a license in D.C., in private D.R.S. and named in D.C. court papers. Had this lawyer's client not been sued by the S.E.C. for the frauds this New York lawyer represented his client in the private S.R.O. the details, the victims would not have been known nor have this opportunity to investigate this S.R.O., the F.I.N.R.A. for violations of D.C. Code and Rule 49, the S.R.O.s different accountability standards for the Industry and the Public in the alleged neutral dues collecting business league's arbitration/mediation forum.

The *"District Of Columbia Rules Of Professional Conduct"* requires three elements in a written engagement letter. If the case involves a contingency fee, a written agreement is required. The D.R.S. clients sign contracts with lawyers hence lawyers are practicing law, meeting the Elements of Engagement Agreements and Letters¹¹

The Committee appears to not understand, in Rule 49, that lawyers representing clients bind arbitration and mediation clients with a signed D.R.S. representation contract in which the lawyer identifies himself as an attorney, identifies his law firm, identifies the terms of the

¹¹ <https://www.dcbbar.org/bar-resources/practice-management-advisory-service/engagement-agreements.cfm>:
<http://www.finra.org/arbitration-and-mediation/notice-attorneys-and-parties-represented-out-state-attorneys>

lawyers work retention of either payment by fee and/or commission, negotiable, often the 33 1/3% norm. The contract states the attorneys terms of payment terms even if the lawyer leaves the case or fails fiduciary.

The S.R.O. is a 501(c)(6) business league. The I.R.S. the F.I.N.R.A. S.R.O. to file a Form 1023 explaining in long form the intent of this S.R.O. The Committee must access the F.I.N.R.A. Form 1023 to better evaluate this scourge of unauthorized practice of law the F.I.N.R.A. permits within the F.I.N.R.A. D.R.S. conducted in the District of Columbia. Unknown numbers of criminal matters are processed each month as Disciplinary actions resolved with payments of Fines and/or temporary disbarment. The S.R.O. does not report these crimes to the police and/or the appropriate law enforcement authority.

This F.I.N.R.A. forum requires arbitrators and mediators to take their S.R.O. training in order to participate in a F.I.N.R.A. D.R.S. These same attorneys, taking the F.I.N.R.A. D.R.S. training wrongfully bring client cases in to this broker-brokerage forum, not understanding that Congress repeatedly denied this forum oversight of investment advisors and investment clients. The more investment clients led in to this forum, the more the S.R.O. is funded, the more the industry crimes are covered up. Only a handful of Wall Street crimes are taken to hearings by the S.E.C.

A D.C. Bar member led his investment client in to this forum without disclosing to his client this D.R.S. forum is only for disputes between the S.R.O.s dues paying members. The D.C. Bar member did not tell his client the D.R.S. forum is not a neutral forum. The F.I.N.R.A. collects business league dues as required by the I.R.S. requirement for non-profit business league. Investment clients misled in to this S.R.O, the F.I.N.R.A., are given a “*Submission Form*” to sign. It is a “*Submission Form*” that brokers and brokerages must sign. There is a “*special Submission Form*” for investment advisors and investment clients to sign. They are not given that form. Congress denies this S.R.O. oversight of investment advisors and investment clients.

This D.C. headquartered dues collecting business league stated in an email that the F.I.N.R.A./former N.A.S.D. has no oversight over attorneys. The forum has no Public protective accountability rules of lawyers participating in that forum

The Commission, the United States Securities and Exchange Commission stated in an email the S.E.C. has no oversight over attorneys.

How does Judge Epstein presume to certify harms perpetrated on the trusting Public by lawyers violating D.C. Code and Rule 49 if there is not way to certify if “(3) *there are no disciplinary complaints pending against the applicant for violation of the rules of any jurisdiction or court, or describing all pending complaints, (4) certifying that the applicant has not been suspended or disbarred for disciplinary reasons or resigned with charges pending in any jurisdiction or court, or describing the circumstances of all suspensions, disbarments, or resignations...*” and “(5) *certifying that the person has not had an application for admission to the D.C. Bar denied, or describing the circumstances of all such denials;*” or if the offending predatory attorney has or has not “(6) *agreeing promptly to notify the Court if, during the course of the proceeding, the person is suspended or disbarred for disciplinary reasons or resigns with charges pending in any jurisdiction or court...*”

The S.R.O.'s general counsel Terri Reicher pushes fiduciary off on to the Public writing "*they (F.I.N.R.A.) are not sure what was going through the head of the client and their attorney.*" The Public trusts their attorney knows the applicable law.

Technically, without a window in, these S.R.O. F.I.N.R.A. D.R.S. do not exist. There is no public record to be discoverable, researchable, a learning lesson even for the D.C. Bar to improve Rule 49 from. Moreso, this secret silo, the F.I.N.R.A. destroys records permanently covering up crimes against the Public who Congress did not authorize being adjudicated in the F.I.N.R.A. forum.

While Rule 49, is the law in D.C., these same laws are being broken in all of the 70+ F.I.N.R.A. dispute resolution forum cities and states across the country- Colorado, Denver, Los Angeles and in countries this S.R.O. signed M.O.U.'s with, Memorandums Of Understanding- Canada, U.K, Hong Kong, destination sites the S.R.O. legal tourists allege is their passport to practicing law without needing to be licensed in those locations;

- (i) The securities industry self-created its '*myth*,' the D.R.S. forum alleging the F.I.N.R.A. forum is a construct of Federal Law, the Securities Acts of 1933 and 1934. Congress did not create a securities D.R.S. forum. Congress authorized an S.R.O., self-regulatory organization with oversight of brokers and brokerages only.
- (ii) The forum, a non-government entity, refuses to comply with local law for Discovery. The F.I.N.R.A. manual states this forums discovery rules differ from those rules of the Courts.¹²
- (iii) The forum holds its dues paying members to a different standard than the Public is held to. F.I.N.R.A. general counsel, Terri Reicher, a member of the D.C. Bar emailed two standards exist because the private non-profit business league has nothing to take away from the Public
- (iv) The F.I.N.R.A. forum does not vet the D.R.S. participating lawyers Bar Cards and insurance to assure that lawyer is licensed, able to argue for pay compliant to local law
- (v) The F.I.N.R.A. forum does not vet the resumes of participating D.R.S. panelists alleging to be licensed with the local Bar. One such panelist, an Arbitration Panel Chair, Ed Statland, stated on his F.I.N.R.A. resume that Statland's law license was active and was Of Counsel. Statland's law license was inactive. Statland misrepresented his law license status. The C.U.P.L. took no action, an accessory.
- (vi) The F.I.N.R.A. forum does not disclose to non D.R.S. members the D.R.S. member selected ranking of arbitrator choice, unbalancing the F.I.N.R.A. D.R.S. for the non member attorney.
- (vii) The F.I.N.R.A. forum does not publish its Arbitrator and Mediators case results and history of decisions online. FedArb, another private D.R.S. forum publishes this information available to the public. International D.N.S., Domain Name System, forum, W.I.P.O. publishes W.I.P.O.S. arbitrator and mediators data online along with decisions and results. F.I.N.R.A. has a vested interest in hiding the D.R.S. and arbitrator/mediator decision(s) offline and not sharing

¹²¹² [http://www.finra.org/arbitration-and-mediation/code-arbitration-procedure;](http://www.finra.org/arbitration-and-mediation/code-arbitration-procedure)
http://finra.complinet.com/en/display/display_main.html?rbid=2403&element_id=4193

information with the Public Counsels. The F.I.N.R.A. is a dues collecting non profit private business league not approved for disputes involving Investment Clients and Investment Advisors.

(viii) The S.R.O. forum former president Linda Fienberg is a member of the D.C. Bar and other employees ie. general counsel Terri Reicher are members of the D.C. Bar

(ix) The F.I.N.R.A. forum does not require arguing attorneys to be licensed with local law.

New York attorney David E. Robbins is not licensed with the D.C. Bar. Robbin's client has been charged by the S.E.C. Robbins continues to defend his client in the D.C. S.R.O. forum. The S.E.C. forum is regulatory not criminal. The S.R.O. forum fines the person, removes their license for a period of time before reinstating it.

This is injustice to criminals. Criminals are jailed, locked up, released as felons, required to check the box forced to become recidivous to survive. Wall Street remain unjailed criminals, recidivous, unjailed, enjoying their civil liberties.

A D.C. F.I.N.R.A. forum investor participant reported Robbins to the D.C. Bar for practicing law in D.C. without a license. D.C. Bar ignored the 'nexus' instead referred the complainant to the New York Committee to whom Robbins misrepresented the F.I.N.R.A. Guidance for "Attorneys and Parties Represented By Out-of-State Attorneys"

"Notice to Attorneys and Parties Represented by Out-of-State Attorneys...In some jurisdictions, an out-of-state attorney cannot represent a client in arbitration. In these jurisdictions, it is considered the unauthorized practice of law to provide such legal representation without being admitted to the appropriate Bar.¹³"

The D.C. Bar failed the Public by refusing to honor Rule 49's word "nexus." The New York lawyer's client remains free, sued the S.E.C. for the Unconstitutionality of the hearing, did not appear in the Courts, represented by another attorney unlicensed in D.C. An undetermined amount of Public were ensnared by this lawyer's client¹³ (FINRA)

CRIME HAS PARTNERS WHEN LAWYERS FAIL TO DISCLOSE TO THE PUBLIC THE LAWYER WROTE RULES FOR THE S.R.O. D.R.S. The F.I.N.R.A. has an accessory.

The F.I.N.R.A. accessory is the P.I.A.B.A., the Public Investors Arbitration Bar Association. The P.I.A.B.A., a 501(c)(6) non-profit business league promotes their private league as the experts in securities law. The P.I.A.B.A. dues paying members sit on the Committees of the F.I.N.R.A., the business league of the brokers and brokerages the Public sues for justice.

The P.I.A.B.A. promotes its business league as being a 'good housekeeping seal of approval for a lawyer with expertise in securities.' The P.I.A.B.A. has built itself in to being a protector of the

¹³ <http://www.law360.com/articles/751663/sec-wants-15m-fine-for-adviser-s-alleged-lies-to-investors>

public. The P.I.A.B.A. dues paying members sit on the F.I.N.R.A. committees, in conflict of interest to representing the Public. The Public is unaware the P.I.A.B.A. attorney wrote the laws that harm the Public client. Moreso, the P.I.A.B.A. attorney knows that Congress did not create the F.I.N.R.A. D.R.S. for the Public and/or for Investment Advisor complaints. The P.I.A.B.A. attorney knows the laws Congress wrote, the Securities Acts of 1933 and 1934, are solely for broker and brokerage disputes.

One securities attorney, willing to be interviewed, said he, even knowing the Forum's frauds, that he would not sue the Forum for its frauds against the Public. The attorney said, simply, '*I make my living there.*'

INTELLECTUAL PROPERTY INFRINGEMENT WILL REQUIRE PAYMENT TO THE CONTENT OWNER & A FINE PAID TO THE CLIENTS' SECURITY FUND:

Rule 49 must implement a No Tolerance policy for lawyers infringing Intellectual property in their cases. A lawyer who removes copyrighted content off the internet is infringing the Content Creators I.P. A lawyer including that content in the proceeding without permission of the content owner is infringing I.P. A lawyer sending that infringed I.P. to be copied, over the wires, included in depositions, is guilty of additional infringements. Upon the Content Creator producing their L.O.C. registration number, that lawyer must immediately pay the content creator the \$150,000 value established by Congress, along with a fine deposited in to the Clients' Security Fund.

ANACRONYM LEGEND:

C.U.P.L.- Committee On Unauthorized Practice Of Law
D.C.- District Of Columbia
D.C.R.A.- District Of Columbia Regulatory Authority
F.I.N.R.A.- The Financial Industry Regulatory Authority
F.O.I.A.- Freedom Of Information Act
I.O.L.T.A.- Interest On Lawyers Trust Accounts
M.O.U.- Memorandum of Understanding
N.A.S.D.- National Association of Securities Dealers
O.T.A.- Office of Tenant Advocacy
S.E.C.- United States Securities and Exchange Commission
S.R.O.- Self Regulatory Organization

Sincerely



Carrie Devorah

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D.C. APPLICATION FOR ADMISSION TO PRACTICE

D.C. BAR RULES AND BYLAWS

D.C. BAR About The Bar

BAR ASSOCIATIONS AND OTHER LEGAL ASSOCIATIONS

DCBAR.org whois.com registry

2

OATH OF JUSTICES & JUDGES

APPOINTMENTS CLAUSE

D.C. FEDERAL JUDGE RECOVERING FROM INJURY AFTER FALL

H.R. 5316 JUDICIAL IMPROVEMENTS ACT OF 1990

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AND JUDGES

APPOINTMENTS CLAUSE ASPECT

3

INVESTMENT ADVISORS ACT OF 1940 (Section 203)

4

FINRA General Counsel Terri Reicher “FINRA does not have jurisdiction over lawyers and we do not enforce state laws governing lawyer conduct”

S.E.C. Special Counsel Steven Johnston “Please note that the SEC does not regulate law firms or attorneys”

FINRA Rules

FINRA Rule Making Process “Once the proposal is filed with the SEC, SEC staff reviews the rule proposal to determine whether it is consistent with the requirements of the SECURITIES EXCHANGE ACT OF 1934...”

FINRA letter to Respondent “This office administers arbitration cases according to the FINRA Codes of Arbitration Procedure....the Customer Code, the Industry Code and the Mediation Code...”

Copy of check paid to Robbins requested by the S.E.C.

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UNLICENSED IN DC NEW YORK LAWYER INTERSTATE CORRESPONDENCE TO D.C. LICENSED ATTORNEYS

NEW YORK DEPARTMENT COMMITTEE TO UNAUTHORIZED IN DC NEW YORK LAWYER

NEW YORK LAWYER LETTER TO NEW YORK DEPARTMENT COMMITTEE MISTATING FINRA RULE AND S.E.C./CONGRESS LAW and Rule 49

FINRA “NOTICE TO ATTORNEYS AND PARTIES REPRESENTED BY OUT-OF-STATE ATTORNEYS”

FINRA, November 2007, 07-57, REPRESENTATION BY AN ATTORNEY

FINRA’s DISPUTE RESOLUTION PROCESS “WHAT TO EXPECT” “FINRA’s Dispute Resolution Forum Is Neutral”

FINRA TERRI REICHER LETTER STATING “Nothing To Take Away From You...”

FINRA BROKERCHECK BENNETT

S.E.C. “WANTS \$15M FINE FOR ADVISER’S ALLEGED LIES TO INVESTORS”

FINRA BROKERCHECK “Not Licensed”, “12 Disclosures”

“DAWN BENNETT REFUSES TO PARTICIPATE IN SEC’S UNCONSTITUTIONAL ADMINISTRATIVE PROCEEDING” (Vanity P.R. Site)

FINRA “DISCLOSURE EVENTS”

FINRA “ABOUT BROKERCHECK”

FINRA ARBITRATION SUBMISSION AGREEMENT

FINRA “GUIDANCE ON DISPUTES BETWEEN INVESTORS AND INVESTMENT ADVISERS THAT ARE NOT FINRA MEMBERS”

FINRA ARBITRATION SUBMISSION AGREEMENT (For Investment Clients and Investment Advisors)

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D.C. Bar Member Linda Fienberg, Terri Reicher

6

CORRESPONDENCE FROM CONNECTICUT RESIDENT SCOTT PIERSON TO D.C. BAR REPORTING D.C. ATTORNEY JORDAN (For Threats, for communicating as an attorney representing a client over the internet with a Connecticut resident. Jordan is licensed in D.C. not in Connecticut. Jordan affiliated with New York lawyer Robbins on 12-03894, the 2012 matter not expunged, not appearing on FINRA brokercheck)

7

COPYRIGHTED IMAGE Infringed By Respondent New York Attorney arguing the D.R.S. in D.C.’s F.I.N.R.A. forum

“Public Customers Hit With Attorneys Fees In Arbitration”- I am Carrie Devorah. The S.E.C. investigative team that worked on www.sec.gov/litigation/admin/2015/33-9910.pdf ; www.sec.gov/news/pressrelease/2015-186.html asked for my assistance in December 2010. I testified accordingly in the F.I.N.R.A. D.R.S. .

I am Founder, THE CENTER FOR COPYRIGHT INTEGRITY,
www.centerforcopyrightintegrity.com, Where ARTS, IP, ID, IT and ENFORCEMENT Come
Together In One Voice Against Online Theft Of Content and Commerce
<https://www.youtube.com/watch?v=I93F73UYmsw&feature=youtu.be>

I am a CCIA : Profiler : trained MPI : LACBA-DRS : CA-BSIS, Actively built the 1st discrete
site crime analysis lab on a campus in North America. I am Retired White House News
Photographers Association Alumnus Covering Capitol Hill and the White House for Almost a
Decade which required a Secret Service background check.

I am FOUNDER GOD IN THE TEMPLES OF GOVERNMENT Discover DC . Faith . Food . Fun
www.godinthetemplesofgovernment.com launched after 6 of my photographs were evidence in the landmark
Supreme Court Case Van Orden v Perry. The Supremes cite me/my work as “Authority”
<https://www.youtube.com/watch?v=I93F73UYmsw&feature=youtu.be>

ORIENTATION TO THE PROFESSION

I. The Oath of Office

Judiciary Law § 466, entitled "Attorney's oath of office," states in relevant part that:

Each person, admitted as prescribed in this chapter must, upon his [or her] admission, take the constitutional oath of office in open court, and subscribe the same in a roll or book, to be kept in the office of the clerk of the appellate division of the supreme court for that purpose.

The text of the oath is set forth in § 1 of Article XIII of the New York State Constitution, as follows:

I do solemnly swear (or affirm) that I will support the constitution of the United States, and the constitution of the State of New York, and that I will faithfully discharge the duties of the office of [attorney and counselor-at-law], according to the best of my ability.

The deceptively simple 47 words of the attorney's oath contain a pledge of such gravity and importance that the Legislature has seen fit to require that it be administered orally in a public court proceeding and to provide that the taking of the oath and the assumption of its obligations be evidenced by the newly admitted attorney's signature in a book specially kept for that purpose. The administration of the oath takes less than one minute, but its obligations endure for the life of the attorney's career at the bar. For that reason it is appropriate, on the eve of a candidate's admission, to examine in greater detail the nature of the obligations that he or she assumes by taking the constitutional oath of office.

Usually administered under circumstances intended to impress the person who takes it with the importance of the occasion, an oath of office is a solemn declaration, accompanied by a swearing to God, that he or she will be bound to a promise. The person making the oath implicitly invites punishment if the promise is broken (Black's Law Dictionary [8th ed 2004], at 1101 [hereinafter Black's]). An affirmation is a pledge equivalent to an oath but without reference to a supreme being or to "swearing"; it is a solemn declaration made under penalty of perjury, but without an oath (Black's, at 64).

Upon taking the oath, an applicant becomes an officer of the courts of the State of New York. The formal title of the office is "Attorney and Counselor-at-Law." An office, in this sense, is a position of duty, trust, and authority, conferred by governmental authority for a public purpose (Black's, at 1115). In his or her role as an attorney, the officer is one who is designated to transact business for another (Black's, at 138) and as a counselor-at-law, his or her role is to give legal advice (Shorter Oxford English Dictionary [5th ed 2002], at 532).

Thus, the admission ceremony is a solemn occasion during which a candidate for admission to the bar assumes a public office, the office of Attorney and Counselor-at-Law, by taking an oath or making an affirmation. The terms of that oath or affirmation require the individual to uphold and maintain the authority of the constitutions and laws of the federal and state governments and, in taking on the cares and legal concerns of his or her clients, to give sound legal advice and to loyally and conscientiously fulfill all the tasks associated with the transaction of their legal business. The measure of the energy and application that the lawyer