

## BrokerCheck Report

# SEABOARD SECURITIES, INC.

CRD# 755

Report #30019-82613, data current as of Friday, December 11, 2009.

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## Dear Investor:

FINRA has generated the following BrokerCheck report for **SEABOARD SECURITIES, INC.**. 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<sub>2</sub>) system.

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 Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm or broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.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

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](http://www.nasaa.org) for a complete list of state securities regulators.

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



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

**SEABOARD SECURITIES, INC.**

CRD# 755

SEC# 8-44373

**Main Office Location**

18 COLUMBIA TURNPIKE  
FLORHAM PARK, NJ 07932  
Regulated by FINRA Woodbridge Office

**Mailing Address**

18 COLUMBIA TURNPIKE  
FLORHAM PARK, NJ 07932

**Business Telephone Number**

973-514-1500

**Report Summary for this Firm**

The report summary provides an overview of the firm's background. The firm and securities regulators have provided the information contained in this report as part of the securities industry registration and licensing process. More detailed information for this firm can be found in the firm's report. Select "Get Detailed Report" to view more detailed information about this firm. The information contained in this report was last updated by the firm via Uniform Application for Broker-Dealer Registration (Form BD), the Uniform Request for Broker-Dealer Withdrawal (Form BDW), or a securities regulator via a Uniform Disciplinary Action Reporting Form (Form U6) on 12/10/2009.

**Firm Profile**

This firm is classified as a corporation.

This firm was formed in New Jersey on 08/16/1991.

Its fiscal year ends in December.

**Firm History**

Information relating to the firm's history such as Other Business Names, Other Business, and Successions (e.g., mergers or acquisitions) can be found in the firm's full report.

**Firm Operations****This firm is registered with:**

- the SEC
- 3 Self-Regulatory Organizations
- 50 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 14 types of businesses.

This firm is not affiliated with any financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

**Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events**

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events include certain disciplinary actions initiated by regulators, certain criminal charges and/or convictions, financial disclosures such as bankruptcies, and summary information regarding arbitration awards involving securities and commodities disputes between public customers and the firm.

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

**The following types of disclosures were reported:**

Regulatory Event

Arbitration

Bond



## Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 08/16/1991.

Its fiscal year ends in December.

## Firm Names and Locations

This section includes details that were reported to CRD, regarding the firm's full legal name, business and mailing addresses, the firm's "Doing Business As" name (DBA) (if different from the full legal name), and any other name by which the firm conducts business and where such name is used.

### **SEABOARD SECURITIES, INC.**

**Doing business as SEABOARD SECURITIES, INC.**

**CRD#** 755

**SEC#** 8-44373

### **Main Office Location**

18 COLUMBIA TURNPIKE  
FLORHAM PARK, NJ 07932

**Regulated by FINRA Woodbridge Office**

### **Mailing Address**

18 COLUMBIA TURNPIKE  
FLORHAM PARK, NJ 07932

### **Business Telephone Number**

973-514-1500



## Firm Profile

This section provides information relating to all Direct Owners and Executive Officers as reported by the firm in CRD.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** DIGIOVANNI, ANTHONY JOSEPH  
601698

**Is this a domestic or foreign entity or an individual?** Individual

**Position** PRESIDENT, SENIOR REGISTERED OPTIONS PRINCIPAL, COMPLIANCE REGISTERED OPTIONS PRINCIPAL

**Position Start Date** 02/1996

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** PUZO, NICHOLAS  
4698260

**Is this a domestic or foreign entity or an individual?** Individual

**Position** FINANCIAL OPERATIONS PRINCIPAL

**Position Start Date** 01/2004

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** STILL, SONYA TEREZ  
4235212

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF COMPLIANCE OFFICER

## Firm Profile



### Direct Owners and Executive Officers (continued)

<b>Position Start Date</b>	09/2000
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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## **Firm Profile**

This section provides information relating to Indirect Owners, if any, as reported by the firm in CRD.



## **Indirect Owners**

No information reported.

## Firm History

This section provides information relating to successions (e.g., mergers or acquisitions), if any, as reported by the firm in CRD.



No information reported.





## Firm Operations

### Registrations

This section provides information about the regulators (e.g., U.S. Securities and Exchange Commission (SEC), self-regulatory organizations, states and U.S. territories) in which the firm is currently registered and licensed, and the date the registration became effective, as well as certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 3 SROs and 50 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	12/12/1991

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/10/1958
NASDAQ Stock Market	Approved	07/12/2006
NYSE Arca, Inc.	Approved	05/03/2002



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/28/1994
Alaska	Approved	08/10/2001
Arizona	Approved	09/05/2001
Arkansas	Approved	07/28/1994
California	Approved	06/22/1993
Colorado	Approved	06/16/1993
Connecticut	Approved	07/18/1962
Delaware	Approved	01/18/1983
District of Columbia	Approved	06/01/1994
Florida	Approved	07/09/1983
Georgia	Approved	07/15/1994
Hawaii	Approved	02/10/1995
Idaho	Approved	11/18/1998
Illinois	Approved	07/28/1994
Indiana	Approved	08/02/1994
Iowa	Approved	05/23/1994
Kansas	Approved	10/19/1994
Kentucky	Approved	01/17/1995
Louisiana	Approved	06/15/1994
Maryland	Approved	08/17/1993
Massachusetts	Approved	01/20/1995
Michigan	Approved	02/03/1983
Minnesota	Approved	08/24/1995
Mississippi	Approved	06/10/1994
Montana	Approved	11/13/1998
Nebraska	Approved	08/15/1994
Nevada	Approved	07/19/1983
New Hampshire	Approved	05/17/1996
New Jersey	Approved	07/15/1983
New Mexico	Approved	01/02/1996
New York	Approved	01/01/1996
North Carolina	Approved	06/16/1994
North Dakota	Approved	08/02/2001

U.S. States & Territories	Status	Date Effective
Ohio	Approved	08/04/1994
Oklahoma	Approved	03/30/1995
Oregon	Approved	10/17/1995
Pennsylvania	Approved	07/17/1962
Rhode Island	Approved	01/01/1996
South Carolina	Approved	06/01/1994
South Dakota	Approved	06/21/1994
Tennessee	Approved	06/21/1995
Texas	Limited	08/18/2005
Utah	Approved	05/12/1994
Vermont	Approved	05/19/1998
Virgin Islands	Approved	07/17/2009
Virginia	Approved	06/09/1993
Washington	Approved	06/29/1995
West Virginia	Approved	03/09/1995
Wisconsin	Approved	01/02/1996
Wyoming	Approved	08/27/2001



## Firm Operations

### Types of Business

This section provides the types of business and any other business or other non-securities business the firm is engaged in or is expected to be engaged in as reported by the firm in CRD.

**This firm currently conducts 14 types of businesses.**

#### Types of Business

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

Mutual fund retailer

U S. government securities dealer

U S. government securities broker

Municipal securities dealer

Municipal securities broker

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Private placements of securities

Other

#### Other Types of Business

This firm does not affect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:



## Firm Operations

### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	LEGENT CLEARING LLC
<b>Business Address:</b>	9300 UNDERWOOD AVENUE, SUITE 400 OMAHA, NE 68114
<b>Effective Date:</b>	11/07/2007
<b>Description:</b>	SEABOARD HAS AN AGREEMENT WITH LEGENT CLEARING LLC WHEREBY LEGENT EXECUTES TRANSACTIONS ON A FULLY DISCLOSED BASIS FOR CUSTOMERS INTRODUCED TO LEGENT BY SEABOARD.
<b>Name:</b>	MF GLOBAL, INC.
<b>Business Address:</b>	440 SOUTH LASALLE STREET, 20TH FLOOR CHICAGO, IL 60605
<b>Effective Date:</b>	09/06/2006
<b>Description:</b>	SEABOARD HAS AN AGREEMENT WITH MF GLOBAL, INC. (FORMERLY KNOWN AS MAN SECURITIES) WHEREBY MAN "EXECUTES" TRANSACTIONS ON A FULLY DISCLOSED BASIS FOR CUSTOMERS INTRODUCED TO MAN BY SEABOARD.
<b>Name:</b>	BNY ESI & CO
<b>Business Address:</b>	1633 BROADWAY 48TH FLOOR NEW YORK, NY 10019
<b>Effective Date:</b>	11/13/2001
<b>Description:</b>	SEABOARD HAS AN AGREEMENT WITH BNY ESI WHEREBY BNY "EXECUTES" TRANSACTIONS ON A FULLY DISCLOSED BASIS FOR INSTITUTIONAL CUSTOMERS INTRODUCED TO BNY BY SEABOARD IN EQUITY SECURITIES.
<b>Name:</b>	PENSON FINANCIAL SERVICES, INC
<b>Business Address:</b>	1700 PACIFIC AVENUE STE. 1400 DALLAS, TX 75201



## Introducing Arrangements

**This firm does refer or introduce customers to other brokers and dealers.**

**Effective Date:** 10/01/2000

**Description:** SEABOARD HAS AN AGREEMENT WITH PENSON FINANACIAL WHEREBY PENSON "EXECUTES" TRANSACTIONS ON A FULLY DISCLOSED BASIS FOR CUSTOMERS INTRODUCED TO PENSON BY SEABOARD IN BONDS.

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## Firm Operations

### Industry Arrangements



**This firm does have books or records maintained by a third party.**

**Name:** LEGENT CLEARING LLC  
**Business Address:** 9300 UNDERWOOD AVENUE, SUITE 400  
 OMAHA, NE 68114  
**Effective Date:** 11/07/2007  
**Description:** LEGENT CLEARING LLC MAINTAINS CERTAIN BOOKS, RECORDS, SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WITH THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**Name:** MF GLOBAL, INC.  
**Business Address:** 440 SOUTH LASALLE STREET, 20TH FLOOR  
 CHICAGO, IL 60605  
**Effective Date:** 09/05/2006  
**Description:** MF GLOBAL, INC. (FORMERLY KNOWN AS MAN SECURITIES) MAINTAINS CERTAIN BOOKS, RECORDS, SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WITH THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**Name:** PENSON FINANCIAL SERVICES, INC  
**Business Address:** 1700 PACIFIC AVENUE  
 SUITE 1400  
 DALLAS, TX 75201  
**Effective Date:** 10/01/2000  
**Description:** PENSON MAINTAINS CERTAIN BOOKS RECORDS, SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WITH THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**Name:** BNY ESI & CO.  
**Business Address:** 1633 BROADWAY  
 48TH FLOOR  
 NEW YORK, NY 10019  
**Effective Date:** 11/13/2001  
**Description:** BNY ESI MAINTAINS CERTAIN BOOKS, RECORDS SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WITH THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

## Firm Operations



### Industry Arrangements (continued)

**This firm does have accounts, funds, or securities maintained by a third party.**

**Name:** LEGENT CLEARING LLC  
**Business Address:** 9300 UNDERWOOD AVENUE, SUITE 400  
 OMAHA, NE 68114  
**Effective Date:** 11/07/2007  
**Description:** LEGENT CLEARING, LLC MAINTAINS CERTAIN BOOKS, RECORDS, SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WIHT THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**Name:** MF GLOBAL, INC.  
**Business Address:** 440 SOUTH LASALLE STREET, 20TH FOLLR  
 CHICAGO, IL 60605  
**Effective Date:** 09/06/2006  
**Description:** MF GLOBAL, INC. (FORMERLY KNOWN AS MAN SECURITIES) MAINTAINS CERTAIN BOOKS, RECORDS, SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WITH THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**Name:** PENSON FINANCIAL SERVICES  
**Business Address:** 1700 PACIFIC AVENUE  
 SUITE 1400  
 DALLAS, TX 75201  
**Effective Date:** 10/01/2000  
**Description:** PENSON MAINTAINS CERTAIN BOOKS RECORDS, SECURITIES AND FUNDS OF SEABOARD IN ACCORDANCE WITH THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**Name:** BNY ESI & CO  
**Business Address:** 1633 BROADWAY  
 48TH FLOOR  
 NEW YORK, NY 10019  
**Effective Date:** 11/13/2001  
**Description:** BNY ESI MAINTAINS CERTAIN BOOKS, RECORDS, SECURITIEW AND FUNDS OF SEABOARD IN ACCORDANCE WIHT THE TERMS OF A FULLY DISCLOSED CLEARING AGREEMENT.

**This firm does have customer accounts, funds, or securities maintained by a third party.**

**Name:** LEGENT CLEARING LLC

## Firm Operations



### Industry Arrangements (continued)

<b>Business Address:</b>	9300 UNDERWOOD AVENUE, SUITE 400 OMAHA, NE 68114
<b>Effective Date:</b>	11/09/2007
<b>Description:</b>	LEGENT CLEARING LLC MAINTAINS FUNDS AND/OR SECURITIES FOR CUSTOMERS INTRODUCED BY SEABOARD ON A FULLY DISCLOSED BASIS PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT.
<b>Name:</b>	MF GLOBAL, INC.
<b>Business Address:</b>	440 SOUTH LASALLE STREET, 20TH FLOOR CHICAGO, IL 60605
<b>Effective Date:</b>	09/06/2006
<b>Description:</b>	MF GOLBAL, INC. (FORMERLY KNOWN AS MAN SECURITIES) MAINTAINS FUNDS AND/OR SECURITIES FOR CUSTOMERS INTRODUCED BY SEABOARD ON A FULLY DISCLOSED BASIS.
<b>Name:</b>	PENSON FINANCIAL SERVICES, INC.
<b>Business Address:</b>	1700 PACIFIC AVENUE SUITE 1400 DALLAS, TX 75201
<b>Effective Date:</b>	10/01/2000
<b>Description:</b>	PENSON MAINTAINS FUNDS AND/OR SECURITIES FOR CUSTOMERS INTRODUCED BY SEABOARD ON A FULLY DISCLOSED BASIS PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT.
<b>Name:</b>	BNY ESI & CO
<b>Business Address:</b>	1633 BROADWAY 48TH FLOOR NEW YORK, NY 10019
<b>Effective Date:</b>	11/13/2001
<b>Description:</b>	BNY ESI MAY MAINTAIN FUNDS OR SECURITIES FOR CERTAIN CUSTOMERS INTRODUCED BY SEABOARD ON A FULLY DISCLOSED BASIS WHEN SAID CUSTOMERS DO NOT REQUEST DELIVERY OF THEIR SEUCITIES AND/OR CREDIT BALANCES IN THEIR ACCOUNTS.

### Control Persons/Financing

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**



## Firm Operations



### Organization Affiliates

This section provides any information on control relationships the firm has with other firms in the securities, investment advisory, or banking business as reported by the firm in CRD.

**This firm is not, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**This firm is not directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

## Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events



Firms are required to answer a series of disclosure questions on Form BD and provide corresponding details to certain events as part of the securities industry registration and licensing process. The disclosure questions concern certain criminal events, civil actions, financial disclosures (e.g., bankruptcy or liquidation proceedings filed within the past ten years), bond actions and unpaid judgments and liens. The firm must answer either "yes" or "no" to each question as it applies to the firm itself or to any of its control affiliates (i.e., an individual, partnership, corporation, trust, or other organization that directly or indirectly controls, is under common control with, or is controlled by the firm). This section lists the various disclosure questions and their corresponding answers as reported by the firm on Form BD.



Possible multiple reporting sources -- please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report. The different versions of the same reported disclosure event are separated by a solid line with the reporting source clearly labeled.

	Pending	Final	On Appeal
Regulatory Event	1	19	0
Arbitration	N/A	7	N/A
Bond	N/A	1	N/A



## Disclosure Event Details

This section provides the specific details for each disclosure event that was reported in CRD which was reported as part of the securities industry registration and licensing process. It also includes summary information regarding arbitration awards in cases where the firm was named as a respondent in the consumer-initiated arbitration proceeding, if any.

Nothing will be displayed in this section of the firm's BrokerCheck Report when the firm has no reported disclosure information.

If the firm does have reported disclosure events, please keep the following in mind when evaluating the disclosure event details. Items may involve pending actions or allegations that may be contested and have not been resolved or proven. In the end, the items may be withdrawn, dismissed, or otherwise resolved in favor of the firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the firm and/or by regulators. Some of the specific data fields contained in this section of the report may be blank if the information was not provided to CRD.

Disclosure events may be reported by more than one source (i.e., regulator and firm). When this occurs, all versions of the event will appear on the firm's BrokerCheck report. A solid line separates the different versions of the same disclosure event with the reporting source labeled (e.g., Source: Firm or Source: Regulator).

### Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

#### Disclosure 1 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SECURITIES EXCHANGE ACT OF 1934 RULE 17A-4, NASD RULES 2110, 3110, 6230(C)(7), MSRB RULES G-8, G-14: THE FIRM FAILED TO ACCURATELY REPORT THE TIME OF EXECUTION TO THE MUNICIPAL SECURITIES RULEMAKING BOARD FOR MUNICIPAL SECURITIES TRANSACTIONS AND FAILED TO REPORT CORRECT CAPACITY CODE ON MUNICIPAL SECURITIES TRANSACTIONS. THE FIRM FAILED TO REPORT TO TRADE REPORTING AND COMPLIANCE ENGINE THE CORRECT CAPACITY CODE WITH ORDER TICKETS FOR CORPORATE SECURITIES TRANSACTIONS. THE FIRM FAILED TO PROPERLY, ACCURATELY, AND



COMPLETELY MAINTAIN ORDER TICKETS FOR ITS MUNICIPAL SECURITIES TRANSACTIONS. THE FIRM FAILED TO MAKE AND KEEP ORDER TICKETS FOR TRADE REPORTING AND COMPLIANCE ENGINE-ELIGIBLE SECURITIES TRANSACTIONS.

**Initiated By:** FINRA

**Date Initiated:** 12/01/2009

**Docket/Case Number:** 2008011735501

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** N/A

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

**Resolution Date:** 12/01/2009

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$20,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** DURING THE COURSE OF ROUTINE EXAM CERTAIN MUNICIPAL AND FIXED INCOME TRADE REPORTING RESULTED IN ALLEGATIONS OF VIOLATIONS OF MSRB RULES G-8 AND G-14; NASD RULES 2110,3110,6230(C)(7) AND SEC'34 ACT RULE 17A-4.

**Initiated By:** FINRA



**Date Initiated:** 12/01/2009  
**Docket/Case Number:** 2008011735501  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:** FINE  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 12/01/2009  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$20,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED THE ENTRY OF THE ORDER AND IS PAYING FINE.

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#### Disclosure 2 of 19

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** NASD RULE 6955(A) - SEABOARD SECURITIES, INC. FAILED TO TRANSMIT REQUIRED INFORMATION TO THE ORDER AUDIT TRAIL SYSTEM (OATS).  
**Initiated By:** FINRA  
**Date Initiated:** 04/15/2009  
**Docket/Case Number:** 2006007022701  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 04/15/2009



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$6,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATIONS RELATING TO NASD RULE 6955(A).

**Initiated By:** FINRA

**Date Initiated:** 04/15/2009

**Docket/Case Number:** 20060070227-01

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

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

**Resolution Date:** 04/15/2009

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$6000 PAID 4/28/09

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### Disclosure 3 of 19



**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULES 15C2-11, 17A-3, NASD RULES 2110, 3010, 3110, 6230(C)(13), 6640 - SEABOARD SECURITIES, INC. FAILED TO REPORT TO TRACE THE LOWER OF YIELD TO CALL OR YIELD TO MATURITY FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES; FAILED TO SHOW THE TIME OF RECEIPT AND ENTRY ON THE MEMORANDUM OF BROKERAGE ORDERS AND FAILED TO SHOW THE TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING ACCURACY OF TRACE REPORTING. THE FIRM PUBLISHED QUOTATIONS FOR OTC EQUITY SECURITIES, OR DIRECTLY OR INDIRECTLY, SUBMITTED SUCH QUOTATIONS FOR PUBLICATION IN A QUOTATION MEDIUM (PINK SHEETS) AND DIDN'T HAVE IN ITS RECORDS THE DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A)("PARAGRAPH (A) INFORMATION) AND BASED UPON A REVIEW OF THE PARAGRAPH (A) INFORMATION), DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE PARAGRAPH(A) INFORMATION WAS ACCURATE IN ALL MATERIAL RESPECTS AND THE SOURCES OF THE INFORMATION WERE RELIABLE; THE QUOTATIONS DID NOT REPRESENT A CUSTOMER'S INDICATION OF UNSOLICITED INTEREST. THE FIRM FAILED TO FILE A FORM 211 WITH FINRA AT LEAST THREE BUSINESS DAYS BEFORE THE QUOTATION WAS PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

**Initiated By:** FINRA

**Date Initiated:** 09/21/2007

**Docket/Case Number:** 20050001569-01

**Principal Product Type:** Equity - OTC

**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 09/21/2007



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$14,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$14,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO TRACE REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATIONS INCLUDED TRACE TRADE REPORTING AND WSP VIOLATIONS IN 2004 AND TWO 15C2-11 VIOLATIONS IN 2005.

**Initiated By:** FINRA

**Date Initiated:** 09/24/2007

**Docket/Case Number:** 20050001569-01

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):** EQUITY-OTC

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** FINE

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

**Resolution Date:** 09/24/2007

**Sanctions Ordered:** Censure  
Monetary/Fine \$14,000.00

**Other Sanctions Ordered:** UNDERTAKING TO REVISE SUPERVISORY PROCEDURES.

**Sanction Details:** FINE OF \$14,000 AGAINST APPLICANT TO BE PAID.





**Summary:** SEABOARD ENTERED INTO AN AWC WITH FINRA RELATING TO THE ALLEGATIONS DESCRIBED ABOVE, CONSENTING WITHOUT ADMITTING OR DENYING THE FINDINGS TO A CENSURE, FINE OF \$14,000 AND AN UNDERTAKING.

#### Disclosure 4 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** MSRB RULE G-14: RESPONDENT FAILED TO TIMELY REPORT 167 TRANSACTIONS EXECUTED FROM JUNE 1, 2006 THROUGH AUGUST 31, 2006 TO THE MSRB. IT ALSO FAILED TO REPORT AN ACCURATE PRICE IN ONE INSTANCE.

**Initiated By:** FINRA

**Date Initiated:** 08/31/2007

**Docket/Case Number:** 2006003834401

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 08/31/2007

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$10,000.



**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** A REVIEW OF MSRB REPORTING JUNE-AUGUST 2006 RESULTED IN ALLEGATIONS OF VIOLATIONS OF MSRB RULE G-14.  
**Initiated By:** FINRA  
**Date Initiated:** 09/21/2007  
**Docket/Case Number:** 20060038344-01  
**Principal Product Type:** Debt - Municipal  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:** FINE OF \$10,000  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 09/21/2007  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$10,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** FINE OF \$10,000 AGAINST APPLICANT TO BE PAID.  
**Summary:** SEABOARD ENTERED INTO AN AWC WITH FINRA RELATING TO THE ALLEGATIONS DESCRIBED ABOVE, CONSENTING WITHOUT ADMITTING OR DENYING THE FINDINGS TO A CENSURE AND FINE OF \$10,000.

#### Disclosure 5 of 19

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** NASD RULES 2110, 3010, 6130(D), 6620(D) - SEABOARD SECURITIES, INC. FAILED TO ACCEPT OR DECLINE IN NASDAQ MARKET CENTER TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION; FAILED TO REPORT TO NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN ELIGIBLE SECURITIES IN A PRINCIPAL OR AGENCY CAPACITY; FAILED TO CORRECTLY REPORT RISKLESS PRINCIPAL



TRANSACTIONS THROUGH NASDAQ MARKET CENTER IN LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PORVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SEC RULE 606, BEST EXECUTION, SEC RULE 605, TRADE REPORTING, AFFIRMATIVE DETERMINATION, CHINESE WALLS, AND BOOKS AND RECORDS.

**Initiated By:** NASD

**Date Initiated:** 10/05/2006

**Docket/Case Number:** 20050002610-01

**Principal Product Type:** Equity - OTC

**Other Product Type(s):** ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 10/05/2006

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS,THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$20,000 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES IN REGARD TO SEC RULE 606, BEST EXECUTION, SEC RULE 605, TRADE REPORTING, AFFIRMATIVE DETERMINATION, CHINESE WALLS, AND BOOKS AND RECORDS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AS THE RESULT OF NASD TRADING AND MARKET MAKING EXAMINATION OF TRANSACTIONS IN MAY 2004, ALLEGATIONS OF 5 VIOLATIONS OF NASD RULE 6130(D), 7 VIOLATIONS OF NASD RULE 6620(D) AND INADEQUATE SUPERVISORY PROCEDURES IN CERTAIN SPECIFIED AREAS.

**Initiated By:** NASD

**Date Initiated:** 10/05/2006

**Docket/Case Number:** 20050002610-01

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 10/05/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:** UNDERTAKING TO REVISE SUPERVISORY PROCEDURES.

**Sanction Details:** FINE OF \$20,000 AGAINST APPLICANT TO BE PAID.

**Summary:** SEABOARD ENTERED INTO AN AWC WITH THE NASD RELATING TO THE ALLEGATIONS DESCRIBED ABOVE, CONSENTING WITHOUT ADMITTING OR DENYING THE FINDINGS TO A CENSURE, FINE OF \$20,000 AND AN UNDERTAKING.

#### Disclosure 6 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC RULE 15C3-1 AND NASD RULE 2110; RESPONDENT FAILED TO COMPLY WITH THE REQUIREMENT OF THE SEC RULE 15C3-1 IN THAT IT USED THE INSTRUMENTALITIES OF INTERSTATE COMMERCE TO CONDUCT A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS MINIMUM REQUIRED NET CAPITAL.



**Initiated By:** NASD  
**Date Initiated:** 11/15/2005  
**Docket/Case Number:** E9B2004013901  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 11/15/2005  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$7,500.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$7,500.

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** ALLEGED VIOLATIONS OF SEC RULE 15C3-1, NASD CONDUCT RULE 2110 AND MSRB RULE G-14.  
**Initiated By:** NASD  
**Date Initiated:** 11/15/2005  
**Docket/Case Number:** E9B2004013901  
**Principal Product Type:** No Product  
**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 11/15/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** \$7500 FINE PAID 12/02/2005

#### Disclosure 7 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULES 3370, 2110, AND 3010; NASD MARKETPLACE RULE 6130(D), - SEABOARD SECURITIES, INC. EFFECTED SHORT SALES FROM THE FIRM'S PROPRIETARY ACCOUNT AND FAILED TO MAKE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITY OR OTHERWISE PROVIDE FOR DELIVERY OF THE SECURITY BY SETTLEMENT DATE. THE FIRM ALSO FAILED TO REPORT AUTOMATED CONFIRMATION TRANSACTION SERVICES THE CORRECT SYMBOL INDICATING WHETHER THE FIRM ACTED IN A PRINCIPAL OR AGENCY CAPACITY IN TRANSACTIONS IN ELIGIBLE SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING AFFIRMATIVE DETERMINATION AND MARKING OF CUSTOMER TICKETS.

**Initiated By:** NASD

**Date Initiated:** 06/01/2005

**Docket/Case Number:** CLG050069

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**



**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 06/01/2005

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:** UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$25,000. WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC, A REGISTERED PRINCIPAL OF THE RESPONDENT FIRM SHALL SUBMIT TO THE COMPLIANCE ASSISTANT, LEGAL SECTION OF NASD, A SIGNED, DATED LETTER, PROVIDING THE FOLLOWING INFORMATION: (1) A REFERENCE TO THIS MATTER; (2) A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES AND (3) THE DATE REVISED PROCEDURES WERE IMPLEMENTED.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITH RESPECT TO ACTIVITY IN THE STOCK OF NPHC OCCURRING BETWEEN FEBRUARY AND JULY 2002, THE FIRM VIOLATED NASD CONDUCT RULES 3370,2110 AND 3010; AND NASD MARKEPLACE RULE 6130(D).

**Initiated By:** NASD

**Date Initiated:** 06/01/2005

**Docket/Case Number:** CLG050069

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE AND UNDERTAKING TO REVISE PROCEDURES.

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

**Resolution Date:** 06/01/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:** UNDERTAKING TO REVISE FIRM WSP.

**Sanction Details:** \$25,000 FINE AGAINST FIRM

**Summary:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE ENTRY OF THE ABOVE DESCRIBED SANCTIONS.

#### Disclosure 8 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULE IM-1000, 2110 AND 3010 - RESPONDENT MEMBER SEABOARD SECURITIES, INC. FAILED TO TIMELY AMEND CERTAIN FORMS U-4 AND FORMS U-5 OF REGISTERED REPRESENTATIVES OF THE ISLANDIA, NEW YORK BRANCH OFFICE AFTER BECOMING AWARE OF INFORMATION TRIGGERING AN OBLIGATION TO AMEND THESE FORMS, SUCH AS THE FILING OF REPORTABLE CUSTOMER COMPLAINTS AND ARBITRATION CLAIMS, AS REQUIRED BY ARTICLE V OF THE NASD BY-LAWS. RESPONDENT MEMBER DURING THE RELEVANT PERIOD, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE THAT FORMS U-4 AND FORMS U-5 WERE PROMPTLY AMENDED UPON RECEIPT OF INFORMATION TRIGGERING AN OBLIGATION TO AMEND.

**Initiated By:** NASD

**Date Initiated:** 07/25/2003

**Docket/Case Number:** C9B030049

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**





**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 07/25/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:** IN ADDITION, WITHIN 30 DAYS OF ACCEPTANCE OF THIS AWC, SEABOARD SECURITIES, INC. SHALL RETAIN, AT ITS SOLE EXPENSE, AN INDEPENDENT OUTSIDE CONSULTANT, NOT UNACCEPTABLE TO NASD, TO CONDUCT A REVIEW OF, AND PREPARE A WRITTEN REPORT AND MAKE RECOMMENDATIONS AS TO THE ADEQUACY OF THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES AND ITS SYSTEM FOR APPLYING SUCH PROCEDURES.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURE AND FINED \$12,500.00.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** DURING THE COURSE OF AN NASD EXAMINATION ALLEGATIONS OF FAILURE TO TIMELY AMEND CERTAIN FORMS U-4 AND U-5 OF REGISTERED REPRESENTATIVES IN THE ISLANDIA, NY OFFICE AS REQUIRED BY NASD CONDUCT RULES AND RELATED ALLEGATIONS REGARDING MAINTENANCE, ESTABLISHMENT AND ENFORCEMENT OF WRITTEN SUPERVISORY PROCEDURES REGARDING FORMS U-4 AND U-5 AMENDMENTS.

**Initiated By:** NASD

**Date Initiated:** 07/25/2003

**Docket/Case Number:** C9B030049

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE AND INDEPENDANT REVIEW

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



**Resolution Date:** 07/25/2003  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$12,500.00  
**Other Sanctions Ordered:** INDEPENDANT REVIEW OF PROCEDURES  
**Sanction Details:** \$12,500 AGAINST APPLICANT.

#### Disclosure 9 of 19

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** CONSENT ORDER ENTERED 4/7/2003 ALLEGING THAT THE FIRM ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS BY EMPLOYING INDIVIDUALS WHO WERE NOT REGISTERED WITH THE NASD; GUARANTEEING CUSTOMER ACCOUNTS AGAINST LOSS; AND ENGAGING IN UNAUTHORIZED TRADING. THE CONDUCT ALLEGEDLY OCCURRED AT THE FIRM'S ISLANDIA, NEW YORK BRANCH OFFICE WHICH HAS SINCE BEEN CLOSED. IN ADDITION, THE CONSENT ORDER ALLEGED THAT THE FIRM FAILED TO ESTABLISH, ENFORCE AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM.  
**Initiated By:** CONNECTICUT  
**Date Initiated:** 04/07/2003  
**Docket/Case Number:** CO-02-6650-S  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Consent  
**Resolution Date:** 04/07/2003  
**Sanctions Ordered:** Monetary/Fine \$10,000.00  
**Other Sanctions Ordered:** THE CONSENT ORDER FINED THE FIRM \$10,000 AND RESTRICTED ITS CONNECTICUT SECURITIES ACTIVITY FOR TWO YEARS TO INVESTMENT COMPANY SECURITIES, GOVERNMENT SECURITIES, EXCHANGE-LISTED OPTIONS, EXCHANGE-LISTED SECURITIES AND NASDAQ-NMS SECURITIES. IN ADDITION, THE CONSENT ORDER DIRECTED THE FIRM TO



FILE REPORTS WITH THE DEPARTMENT FOR TWO YEARS COVERING ANY SECURITIES-RELATED COMPLAINTS, ACTIONS OR PROCEEDINGS INVOLVING CONNECTICUT RESIDENTS. THE CONSENT ORDER ALSO MANDATED THAT THE FIRM REIMBURSE THE AGENCY UP TO \$2,500 TO COVER THE COSTS OF ONE OR MORE EXAMINATIONS OF THE FIRM'S OFFICES TO BE CONDUCTED WITHIN 24 MONTHS.

**Sanction Details:**

SEE ABOVE.

**Summary:**

MATTER RESOLVED VIA CONSENT ORDER.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

AS THE RESULT OF A BRANCH OFFICE INSPECTION, ALLEGATIONS WERE MADE THAT FORMER REGISTERED REPS ENGAGED IN VIOLATIVE CONDUCT WITH RESPECT TO SOME CONNECTICUT RESIDENTS. THE BRANCH HAD ALREADY BEEN CLOSED.

**Initiated By:**

CONNECTICUT DEPARTMENT OF BANKING

**Date Initiated:**

04/07/2003

**Docket/Case Number:**

FILE NO. CO-02-6650-S

**Principal Product Type:**

Equity - OTC

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

REPORTING CONN. CUSTOMER COMPLAINTS, LIMITATION ON TYPES OF RETAIL SALES TO CONN. CUSTOMERS.

**Resolution:**

Consent

**Resolution Date:**

04/07/2003

**Sanctions Ordered:**

Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

REPORTING CONN. CUSTOMER COMPLAINTS AND LIMITATION ON TYPES OF RETAIL SALES TO CONN. CUSTOMERS FOR 2 YEARS.

**Sanction Details:**

\$10,000.00 PAYMENT WAS MADE 04/07/03.

**Summary:**

AS THE RESULT OF A BRANCH OFFICE INSPECTION IN JANUARY 2002, ALLEGATIONS WERE MADE THAT FORMER REGISTERED REPS ENGAGED IN VIOLATIVE CONDUCT WITH RESPECT TO SOME CONNECTICUT RESIDENTS. THE BRANCH HAD ALREADY BEEN CLOSED IN MAY 2002.



### Disclosure 10 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FAILURE TO SUPERVISE. BROKER CASHING IN INVESTORS MUTUAL FUNDS AND DEPOSITING MONEY IN OWN ACCOUNT. FIRM SEABOARD FAILED TO MONITOR BROKERS ACTIVITY RESULTING IN INVESTORS LOSSES OF \$675,000.

**Initiated By:** NEW JERSEY

**Date Initiated:** 12/01/2000

**Docket/Case Number:** 2000-145

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

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 10/28/2002

**Sanctions Ordered:** Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** MONETARY PENALTY IN THE AMOUNT OF \$15,000.00

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SEABOARD CONSENTED TO THE ENTRY OF AN ORDER FOR FAILURE TO SUPERVISE THE ACTIVITES OF A REGISTERED REPRESENTATIVE BY FAILING TO REVIEW INCOMING CORRESPONDENCE. (BASED UPON THE SAME FACTS AS NASD AWC C93020075 AND RESOLVED IN TANDEM.)

**Initiated By:** NEW JERSEY BUREAU OF SECURITIES

**Date Initiated:** 10/31/2002



**Docket/Case Number:** NONE  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Cease and Desist  
**Other Sanction(s)/Relief Sought:** \$15,000 FINE  
**Resolution:** Consent  
**Resolution Date:** 10/31/2002  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$15,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** \$15,000 PAID NOVEMBER 20, 2002

#### Disclosure 11 of 19

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** NASD RULES 2110 AND 3010 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT ZAPPALA CONSENTED TO THE ENTRY OF FINDINGS THAT IT, ACTING THROUGH REGISTERED PRINCIPAL, FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING THE VIEW OF INCOMING CORRESPONDENCE. SPECIFICALLY, MEMBER FIRM'S SUPERVISORY PROCEDURES REQUIRED ALL INCOMING CORRESPONDENCE TO BE OPENED AND REVIEWED BY A PRINCIPAL OR DESIGNEE IMMEDIATELY UPON RECEIPT.  
**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.  
**Date Initiated:** 10/23/2002  
**Docket/Case Number:** C9B020075  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**



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

**Resolution Date:** 10/23/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURE AND A FINE OF \$15,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD RULES 2110 AND 3010- WITHOUT ADMITTING OR DENYING THE ALLEGATIONS SEABOARD CONSENTED TO THE ENTRY OF FINDINGS THAT SEABOARD FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING THE REVIEW OF ALL INCOMING CORRESPONDENCE BY A PRINCIPAL OR DESIGNEE UPON RECEIPT.

**Initiated By:** NASD

**Date Initiated:** 10/23/2002

**Docket/Case Number:** C9B020075

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** \$15,000 FINE

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

**Resolution Date:** 10/23/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \$15,000 FINE AGAINST SEABOARD

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#### Disclosure 12 of 19

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 3070,3110, 3370, 4632(A), 6130(D) AND SEC RULE 11AC1-4 - FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING OPTIONS TRANSACTIONS AND THE REVIEW OF BRANCH OFFICE ACTIVITIES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO DESIGNATE A SUPERVISORY PRINCIPAL FOR TRADING/MARKET MAKING, OPTIONS, CONTINUING EDUCATION, AND GOVERNMENT SECURITIES. IN ADDITION, THE NASD DETERMINED THAT, IN CONNECTION WITH AN IPO UNDERWRITING, THE FIRM ACCEPTED CUSTOMER CHECKS DATED PRIOR TO THE EFFECTIVE DATE OF THE OFFERING, AND FAILED TO UPDATE ITS QUOTE WITHIN 30 SECONDS IN INSTANCES WHEN THE CUSTOMER'S LIMIT ORDER WAS PRICED BETTER THAN THE FIRM'S PREVAILING QUOTATION. FURTHERMORE, THE NASD FOUND THAT THE FIRM REPORTED SHORT SALE TRANSACTIONS TO ACT WITHOUT USING THE SHORT SALE MODIFIER, FAILED TO EXECUTE SHORT SALE TRANSACTIONS ON A DOWN BID AT A PRICE THAT WAS NOT 1/16 ABOVE THE CURRENT INSIDE BID, AND FAILED TO MAINTAIN EVIDENCE OF HAVING MADE AN AFFIRMATIVE DETERMINATION ENSURING THAT THE SHARES COULD BE OBTAINED FOR A SHORT SALE. MOREOVER, THE NASD FOUND THAT THE FIRM FAILED TO IDENTIFY ON ORDER TICKETS WHETHER THE TRANSACTIONS WERE LONG OR SHORT, AND FAILED TO FILE, OR TO FILE IN A TIMELY MANNER, CUSTOMER COMPLAINTS IT RECEIVED.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:** 04/06/2001

**Docket/Case Number:** C9B010026

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 04/06/2001

**Sanctions Ordered:** Censure  
Monetary/Fine \$27,500.00

**Other Sanctions Ordered:**



**Sanction Details:** NONE

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AS A RESULT OF AN NASD REGULATION, INC. ("NASD") EXAMINATION OF SEABOARD SECURITIES, INC. ("SEABOARD") CERTAIN VIOLATIONS OF THE NASD MARKETPLACE AND CONDUCT RULES WERE ALLEGED. SPECIFICALLY, THAT SEABOARD HAD NOT COMPLIED WITH CERTAIN TRADE REPORTING RULES, HAD INADEQUATE WRITTEN SUPERVISORY PROCEDURES IN TWO AREAS, AND HAD FAILED TO FILE AND/OR MEMORIALIZE CERTAIN RECORDS.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 04/06/2001

**Docket/Case Number:** C9B010026

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

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

**Resolution Date:** 04/06/2001

**Sanctions Ordered:** Censure  
Monetary/Fine \$27,500.00

**Other Sanctions Ordered:**

**Sanction Details:** \$27,500. AGAINST SEABOARD

**Summary:** ON APRIL 9, 2001, A SETTLEMENT WAS APPROVED BETWEEN SEABOARD SECURITIES, INC. ("SEABOARD"), AND NASD REGUALTION, INC. (NASD) CONCERNING ALLEGATIONS OF VIOLATIONS OF CERTAIN NASD RULES. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SEABOARD AGREED TO A SETTLEMENT IN WHICH THE FIRM RECEIVED A CENSURE AND A FINE OF \$27,500.





**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 1021, 1022, 1120, 2110, 2860, 3010, , 3070, 3370, 4632, 6130 - FAILED TO ESTABLISH OR MAINTAIN ADEQUATELY, CERTAIN ASPECTS OF A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE SECURITIES LAWS IN THAT THE RESPONDENTS FAILED TO HOLD ANNUAL COMPLIANCE MEETINGS, FAILED TO CONDUCT AN ANNUAL INSPECTION OF ALL AREAS OF BUSINESS, FAILED TO ESTABLISH PROCEDURES FOR THE REVIEW AND ENDORSEMENT BY A REGISTERED PRINCIPAL OF ALL TRANSACTIONS, FAILED TO EVIDENCE BACKGROUND CHECKS OF NEWLY-HIRED REGISTERED REPRESENTATIVES, AND FAILED TO REGISTER THREE OF ITS OFFICES OF SUPERVISORY JURISDICTION IN THAT CAPACITY; FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES IN CERTAIN AREAS OF ITS BUSINESS OPERATIONS, INCLUDING TRADING AND MARKET-MAKING, RETAIL SALES, MUTUAL FUNDS, AND OPTIONS, ALLOWED AN INDIVIDUAL TO ACT AS A GENERAL SECURITIES PRINCIPAL OF THE FIRM WHILE PLUNKETT WAS NOT REGISTERED AS A PRINCIPAL, FAILED TO REGISTER A OFFICE AS A BRANCH OFFICE, FAILED TO FILE CUSTOMER COMPLAINTS RECEIVED IN A TIMELY MANNER, PREPARED INACCURATE INFORMATION ON ORDER TICKETS, ALLOWED A REGISTERED REPRESENTATIVE TO CONDUCT AN INSTITUTIONAL SECURITIES BUSINESS AT THE FIRM WHILE HIS SECURITIES REGISTRATION WAS INACTIVE DUE TO A FAILURE TO COMPLETE TIMELY THE REGULATORY ELEMENT OF THE NASD'S CONTINUING EDUCATION RULE, AND FAILED TO PRIORITIZE ITS TRAINING NEEDS AND IMPLEMENT A WRITTEN TRAINING PLAN FOR ITS FIRM ELEMENT TRAINING REQUIREMENT.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS

**Date Initiated:** 05/01/2000

**Docket/Case Number:** C9B000009

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 05/01/2000



**Sanctions Ordered:** Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED \$150,000.00 JOINTLY AND SEVERALLY.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AS A RESULT OF AN NASD REGULATION, INC. ("NASD") EXAMINATION OF SEABOARD SECURITIES, INC. ("SEABOARD") CERTAIN VIOLATIONS OF THE RULES OF FAIR PRACTICE WERE ALLEGED. SPECIFICALLY, THAT SEABOARD THROUGH CERTAIN OF ITS PRINCIPALS, HAD FAILED TO MEMORIALIZE OR MAINTAIN CERTAIN SUPERVISORY PROCEDURES, VIOLATED CERTAIN BOOKS AND RECORDS AND TRADE REPORTING RULES AS WELL AS RULES RELATING TO THE REGISTRATION OF PRINCIPALS AND FREE-RIDING AND WITHOLDING REGULATIONS. NONE OF THE ALLEGATIONS ASSERTED THAT ANY CUSTOMERS WERE EITHER MISLEAD OR INJURED IN ANY WAY.

**Initiated By:** NASD REGULATION, INC.

**Date Initiated:** 05/01/2000

**Docket/Case Number:** C9B000009

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

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

**Resolution Date:** 05/01/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FOR SEABOARD, A CENSURE AND A FINE OF \$150,000, TO BE PAID JOINTLY AND SEVERALLY BY SEABOARD SECURITIES, INC. AND ANTHONY DIGIOVANNI.

**Summary:** ON MAY 1, 2000, A SETTLEMENT WAS APPROVED BETWEEN SEABOARD SECURITIES, INC. ("SEABOARD") AND CERTAIN OF ITS PRINCIPALS WITH



NASD REGULATION, INC. ("NASD") CONCERNING CERTAIN ALLEGATIONS OF VIOLATION OF CERTAIN NASD RULES OF FAIR PRACTICE. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SEABOARD AND ANTHONY DIGIOVANNI AGREED TO A SETTLEMENT IN WHICH THE FIRM RECEIVED A CENSURE AND A FINE OF \$150,000, PAYABLE JOINTLY AND SEVERALLY SEABOARD, ANTHONY DIGIOVANNI.

#### Disclosure 14 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** DEFENDANT BROKER-DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT FOR THE SECOND YEAR.

**Initiated By:** VIRGINIA - STATE CORPORATION COMMISSION  
DIVISION OF SECURITIES

**Date Initiated:** 09/28/1995

**Docket/Case Number:** SEC950078

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Stipulation and Consent

**Resolution Date:** 09/28/1995

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:**

**Sanction Details:** DEFENDANT BROKER-DEALER, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AGREED TO REFRAIN FROM ANY CONDUCT WHICH WOULD CONSTITUTE A VIOLATION OF SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT AS LONG AS IT IS REGISTERED AND PAY A PENALTY OF \$500.00.

**Summary:** CONTACT: HALL JONES, BROKER-DEALER EXAMINER,  
804-371-9016.



**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** SEABOARD FAILED TO FILE AUDITED FINANCIAL STATEMENTS AS REQUIRED BY 13.1-518.1 OF VIRGINIA STATUTE  
**Initiated By:** VIRGINIA STATE DIVISION OF SECURITIES  
**Date Initiated:** 09/28/1995  
**Docket/Case Number:** SEC950078  
**Principal Product Type:** Equity - OTC  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Consent  
**Resolution Date:** 09/28/1995  
**Sanctions Ordered:** Monetary/Fine \$500.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SEABOARD AGREED TO REFRAIN FROM CONDUCT WHICH WOULD CONSTITUTE A VIOLATION OF SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT AND PAY A PENALTY OF \$500.

#### Disclosure 15 of 19

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** THE DIVISION ALLEGED THAT SEABOARD TRANSACTED SECURITIES BEFORE B/D REGISTRATION WAS GRANTED.  
**Initiated By:** MARYLAND DIVISION OF SECURITIES  
**Date Initiated:** 08/17/1993  
**Docket/Case Number:** BD-95-0214  
**Principal Product Type:**  
**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent  
**Resolution Date:** 08/17/1993  
**Sanctions Ordered:** Monetary/Fine \$500.00  
**Other Sanctions Ordered:**

**Sanction Details:** THE COMMISSIONER ACCEPTED A CONSENT ORDER AND PAYMENT OF A FINE IN THE AMOUNT OF \$500.00 FOR VIOLATING THE SECURITIES ACT.

**Summary:** BROKER-DEALER REGISTRATION EFFECTIVE 8/17/93.  
 CONTACT: ELLEN E. CHERRY, (410) 576-6494.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE APPLICANT EFFECTED A SECURITY TRADE IN THE STATE OF MARYLAND BEFORE APPLICANT'S REGISTRATION WAS APPROVED

**Initiated By:** STATE OF MARYLAND

**Date Initiated:** 08/17/1993

**Docket/Case Number:** BD-95-0214

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** FIRM FINED AND CONSENT ORDER SIGNED

**Resolution:** Consent

**Resolution Date:** 08/17/1993

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:**

**Sanction Details:** APPLICANT WAS FINED \$500.00



**Summary:** A CONSENT ORDER WAS SIGNED BY ANTHONY DIGIOVANNI AGREEING TO COMPLY WITH MARYLAND'S SECURITIES ACT. A FINE OF \$500 WAS PAID TO MARYLAND DIVISION OF SECURITIES. COPY OF CONSENT WAS SEND TO NASD ON 8/17/1993.

#### Disclosure 16 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 07/31/1987

**Docket/Case Number:** PHL 713

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 11/16/1989

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Summary:** COMPLAINT NO. PHL-713 FILED JULY 31, 1987 BY DISTRICT NO. 11 AGAINST RESPONDENTS THE SEABORD PLANNING CORPORATION AND JOSEPH G. DASTI ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 4 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENT DASTI, EFFECTED WITH PUBLIC CUSTOMERS PRINCIPAL TRANSACTIONS IN EQUITY SECURITIES AT PRICES WHICH WERE NOT FAIR IN RELATION TO THE MARKET VALUE OF THE SECURITIES.

DECISION RENDERED NOVEMBER 16, 1989, WHEREIN THE OFFER OF



SETTLEMENT SUBMITTED BY RESPONDENTS WAS ACCEPTED AND THE COMMITTEE AGREED TO DELETE CERTAIN TRANSACTIONS AS ALLEGED; THEREFORE, RESPONDENTS MEMBER AND DASTI ARE CENSURED AND FINED

\$12,500, JOINTLY AND SEVERALLY; AND, RESPONDENT DASTI IS SUSPENDED FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY

CAPACITY FOR FIVE (5) BUSINESS DAYS.

\*\*\$12,500.00 J&S PAID ON 12/13/89 INVOICE #89-11-915.\*\*

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATIONS THAT SEABOARD PLANNING CORPORATION AND JOSEPH G. DASTI VIOLATED ARTICLE III, SECTIONS 1 AND 4 OF THE RULES OF FAIR PRACTICE.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")

**Date Initiated:** 07/31/1987

**Docket/Case Number:** PHL 713

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 11/16/1989

**Sanctions Ordered:** Monetary/Fine \$12,500.00

**Other Sanctions Ordered:**

**Sanction Details:** SEABOARD PLANNING CORPORATION AND JOSEPH G. DASTI CONSENTED TO A CENSURE AND FINE OF \$12,500, JOINTLY AND SEVERALLY WITH DASTI SUSPENDED FROM ASSOCIATION IN ANY CAPACITY FOR 5 BUSINESS DAYS. FINE PAID 12/13/89.

#### Disclosure 17 of 19

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 11/27/1984

**Docket/Case Number:** PHL-592

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 12/12/1985

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Summary:** COMP #PHL-592, FILED 11/27/84, DIST. #11, ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 4 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, THE SEABOARD PLANNING CORP., ACTING THRU JOSEPH G. DASTI, EFFECTED SECURITIES TRANSACTIONS WITH PUBLIC CUSTOMERS AT PRICES WHICH WERE NOT FAIR IN LIGHT OF THE PREVAILING MARKET PRICE FOR SUCH SECURITIES. ENTERED 1/21/86: DECISION RENDERED DECEMBER 12, 1985, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY THE RESPONDENTS WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$15,000.00, JOINTLY AND SEVERALLY. \*\*\*3/6/86, FC# 9346, PAID IN FULL.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATIONS THAT SEABOARD PLANNING CORP. ACTING THROUGH JOSEPH DASTI VIOLATED ARTICLE III, SECTIONS 1 AND 4 OF THE RULES OF FAIR PRACTICE.





**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")  
**Date Initiated:** 11/27/1984  
**Docket/Case Number:** PHL-592  
**Principal Product Type:** Equity - OTC  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:** CENSURE  
**Resolution:** Decision & Order of Offer of Settlement  
**Resolution Date:** 12/12/1985  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$15,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** SEABOARD PLANNING CORP AND JOSEPH DASTI CONSENTED TO A CENSURE AND FINE OF \$15,000, JOINTLY AND SEVERALLY. PAID IN FULL 3/6/86.

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#### Disclosure 18 of 19

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:**  
**Initiated By:** ILLINOIS  
**Date Initiated:** 03/14/1977  
**Docket/Case Number:**  
**Principal Product Type:**  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Consent



**Resolution Date:** 03/14/1977

**Summary:** SEABOARD PLANNING CORPORATION  
MARCH 14, 1977  
CONSENT ORDER OF PROHIBITION ENTERED  
SECTION OF THE IL. SECURITIES LAW OF 1953 VIOLATED.  
SECTION 8E(1)H AND 8D(8).

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATIONS THAT SEABOARD PLANNING CORPORATION VIOLATED  
SECTION 8E(1)H AND 8D(8) OF ILLINOIS SECURITIES LAW.

**Initiated By:** ILLINOIS

**Date Initiated:** 03/14/1977

**Docket/Case Number:** 77-9C

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Prohibition

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 03/14/1977

**Sanctions Ordered:**

**Other Sanctions Ordered:** CONSENT ORDER OF PROHIBITION

**Sanction Details:** SEABOARD PLANNING CORP CONSENTED TO AN ORDER OF PROHIBITING  
VIOLATIONS OF THE ILLINOIS SECURITIES LAW.

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#### Disclosure 19 of 19

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ON OR ABOUT SEPTEMBER 8, 1994 SEABOARD  
SECURITIES, INC. FILED AN APPLICATION FOR BROKER-DEALER  
REGISTRATION IN MASSACHUSETTS. AS PART OF ITS APPLICATION,



SEABOARD SUBMITTED AN AFFIDAVIT IN WHICH IT DISCLOSED THAT IT HAD ENGAGED IN SECURITIES TRANSACTIONS IN MASSACHUSETTS AS A  
BROKER-DEALER AT A TIME WHEN IT WAS NOT REGISTERED.

**Initiated By:** MASSACHUSETTS SECURITIES DIVISION

**Date Initiated:** 09/28/1994

**Docket/Case Number:** R-94-137

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 01/20/1995

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,380.00

**Other Sanctions Ordered:**

**Sanction Details:** ON JANUARY 20, 1995 THE DIVISION ENTERED AN ORDER APPROVING REGISTRATION UPON CONDITIONS.

**Summary:** ON JANUARY 20, 1995 THE DIVISION ENTERED AN ORDER APPROVING SEABOARD SECURITIES, INC'S APPLICATION BASED ON THE FOLLOWING CONDITIONS: SEABOARD SHALL NOTIFY EACH CUSTOMER WHO PURCHASED OR SOLD ANY SECURITY THROUGH SEABOARD THAT HE HAS POTENTIAL RIGHTS PURSUANT TO SECTION 410 OF THE ACT WITH RESPECT TO SUCH TRANSACTIONS; SEABOARD SHALL PAY TO THE COMMONWEALTH OF MASSACHUSETTS COSTS IN THE AMOUNT OF \$500 AND AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$2,380 SIMULTANEOUSLY WITH THE ENTRY OF THE ORDER; SEABOARD IS HEREBY CENSURED BY THE DIVISION; SEABOARD SHALL COMPLY WITH ALL PROVISIONS OF M.G.L. c.110A AND REGULATIONS PROMULGATED THEREUNDER. CONTACT: JOE SHEEHAN 617-727-3548



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** APPLICANT EFFECTED SECURITY TRADES IN THE STATE OF MASSACHUSETTS BEFORE THE APPLICANT'S REGISTRATION WAS APPROVED

**Initiated By:** STATE OF MASSACHUSETTS

**Date Initiated:** 09/28/1994

**Docket/Case Number:** NONE

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 01/20/1995

**Sanctions Ordered:** Monetary/Fine \$2,880.00

**Other Sanctions Ordered:**

**Sanction Details:** APPLICANT FINED \$2880.00

**Summary:** A CONSENT ORDER WAS ISSUED BY MASSACHUSETTS APPROVING REGISTRATION UNDER CERTAIN CONDITIONS TO THE FIRM AND A FILED OF \$2,880.00 WAS PAID. A COPY OF CONSENT ORDER WAS SEND TO NASD ON 1/20/1995.



## Regulatory - Pending

This section provides information regarding a pending regulatory action as reported by the firm and/or a securities regulator to CRD. The event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulatory agency such as the U.S. Securities and Exchange Commission (SEC) or the Commodities Futures Trading Commission (CFTC), or a foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

### Disclosure 1 of 1

**Reporting Source:** Regulator

**Current Status:** Pending

**Allegations:** NASD RULES 2110, 3010(A), 3010(B), 3011, 3011(A), 3011(B) AND MSRB RULE G-41: RESPONDENT SEABOARD SECURITIES INC., ACTING THROUGH A REGISTERED REPRESENTATIVE, PARTICIPATED IN THE DISTRIBUTION OF UNREGISTERED SECURITIES. SEABOARD FAILED TO PERFORM AN ADEQUATE INQUIRY TO DETERMINE THE REGISTRATION OR EXEMPTION STATUS OF THE SHARES, INCLUDING FAILING TO MAKE ANY INQUIRIES TO DETERMINE THE CIRCUMSTANCES OF HOW ITS CUSTOMERS RECEIVED THEIR SHARES OF UNREGISTERED STOCK, THE CUSTOMERS' RELATIONSHIPS WITH THE RELEVANT ISSUERS, OR ANY OTHER RELEVANT FACTS OR CIRCUMSTANCES THAT COULD HAVE REVEALED WHETHER THE SHARES WERE, IN FACT, EXEMPT FROM REGISTRATION. SEABOARD ACCEPTED THE SELF-SERVING STATEMENTS OF ITS CUSTOMERS AND THEIR COUNSEL INDICATING THAT THE SHARES WERE EXEMPT, AND IGNORED RED FLAGS INDICATING THAT ITS CUSTOMERS WERE PARTICIPATING IN A SCHEME TO EVADE THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT OF 1933. SEABOARD FAILED TO ADEQUATELY SUPERVISE A REGISTERED REPRESENTATIVE IN HIS PARTICIPATION IN THE SALES OF UNREGISTERED SECURITIES. SEABOARD FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE POLICIES AND PROCEDURES, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT. SEABOARD FURTHER FAILED TO DEVELOP AND IMPLEMENT AML POLICIES AND PROCEDURES AND INTERNAL CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. SEABOARD EITHER FAILED TO IDENTIFY OR IGNORED RED FLAGS INVOLVING NUMEROUS INSTANCES OF POTENTIALLY SUSPICIOUS ACTIVITIES, AND THUS FAILED TO INVESTIGATE AND REPORT THESE ACTIVITIES IN ACCORDANCE WITH THE FIRM'S PROCEDURES AND THE REQUIREMENTS OF THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER.

**Initiated By:** FINRA

**Date Initiated:** 03/24/2009



**Docket/Case Number:** 2007008724801

**Principal Product Type:** Penny Stock(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

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**Reporting Source:** Firm

**Current Status:** Pending

**Allegations:** ALLEGATIONS OF VIOLATIONS REGARDING NASD RULES 2110, 3010(A) AND (B), 3011(B) AND MASB RULE G-41.

**Initiated By:** FINRA

**Date Initiated:** 03/24/2009

**Docket/Case Number:** 2007008724801

**Principal Product Type:** Penny Stock(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:**



## Arbitration Award - Award/Judgment

Firms are not required to report arbitration claims filed against them by customers on Form BD; however, FINRA provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 7

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-CHURNING
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	06/19/2001
<b>Case Number:</b>	<a href="#">01-02905</a>
<b>Disputed Product Type:</b>	COMMON STOCK
<b>Sum of All Relief Requested:</b>	\$115,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	09/24/2002
<b>Sum of All Relief Awarded:</b>	\$35,000.00

**There may be non-monetary awards associated with this arbitration.  
Please select the Case Number above to view more detailed information.**

### Disclosure 2 of 7

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT ACTIVITY-UNSUITABILITY
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	04/16/2004



**Case Number:** [04-02777](#)  
**Disputed Product Type:** UNKNOWN TYPE OF SECURITIES  
**Sum of All Relief Requested:** \$203,354.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 10/28/2005  
**Sum of All Relief Awarded:** \$19,000.00

**There may be non-monetary awards associated with this arbitration.**  
**Please select the Case Number above to view more detailed information.**

#### Disclosure 3 of 7

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT RELATED-ERRORS-CHARGES; FRAUDULENT  
 ACTIVITY-UNAUTHORIZED TRADING  
**Arbitration Forum:** NASD  
**Case Initiated:** 11/03/1995  
**Case Number:** [95-04515](#)  
**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** \$9,372.28  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/28/1996  
**Sum of All Relief Awarded:** \$7,562.50

**There may be non-monetary awards associated with this arbitration.**  
**Please select the Case Number above to view more detailed information.**

#### Disclosure 4 of 7

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT  
 ACTIVITY-OMISSION OF FACTS; FRAUDULENT ACTIVITY-UNAUTHORIZED  
 TRADING





**Arbitration Forum:** NASD  
**Case Initiated:** 11/10/1995  
**Case Number:** [95-05273](#)  
**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** \$2,822.50  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/05/1996  
**Sum of All Relief Awarded:** \$2,947.50

**There may be non-monetary awards associated with this arbitration.**  
**Please select the Case Number above to view more detailed information.**

#### Disclosure 5 of 7

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE  
**Arbitration Forum:** NASD  
**Case Initiated:** 12/11/1995  
**Case Number:** [95-05579](#)  
**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** \$37,638.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 11/14/1996  
**Sum of All Relief Awarded:** \$24,960.96

**There may be non-monetary awards associated with this arbitration.**  
**Please select the Case Number above to view more detailed information.**

#### Disclosure 6 of 7

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT  
 ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF



FACTS; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD  
**Case Initiated:** 08/13/1998  
**Case Number:** [98-02157](#)  
**Disputed Product Type:**  
**Sum of All Relief Requested:** \$30,000.01  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 01/31/2001  
**Sum of All Relief Awarded:** \$30,000.01

**There may be non-monetary awards associated with this arbitration.**  
**Please select the Case Number above to view more detailed information.**

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#### Disclosure 7 of 7

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** EXECUTIONS-EXECUTION PRICE  
**Arbitration Forum:** NASD  
**Case Initiated:** 07/30/1998  
**Case Number:** [98-02271](#)  
**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** \$5,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 02/08/1999  
**Sum of All Relief Awarded:** \$3,400.00

**There may be non-monetary awards associated with this arbitration.**  
**Please select the Case Number above to view more detailed information.**



## Civil Bond

This section provides details regarding a civil bond as reported by the firm to CRD. The event may include bonds that have been denied, paid, or revoked by a bonding company.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Policy Holder:</b>	SEABOARD SECURITIES, INC.
<b>Bonding Company Name:</b>	NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH PA
<b>Disposition:</b>	Payout
<b>Disposition Date:</b>	08/22/2001
<b>Payout Details:</b>	THE TOTAL AMOUNT TO BE PAID OUT BY THE FIDELITY CARRIER WILL BE APPROXIMATELY \$300,000.
<b>Summary:</b>	FORMER REP FORGED CUSTOMER SIGNATURES ON MUTUAL FUND REDEMPTION CHECKS AND CONVERTED PROCEEDS TO HIS PERSONAL USE.



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### 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.

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