

BrokerCheck Report

SUMMIT BROKERAGE SERVICES, INC.

CRD# 34643

Report #92256-45695, data current as of Friday, December 4, 2015.

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About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <http://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.



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.

Thank you for using FINRA BrokerCheck.



SUMMIT BROKERAGE SERVICES, INC.

CRD# 34643

SEC# 8-46310

Main Office Location

595 S. FEDERAL HIGHWAY
SUITE 500
BOCA RATON, FL 33432
Regulated by FINRA Florida Office

Mailing Address

595 SOUTH FEDERAL HIGHWAY
SUITE 500
BOCA RATON, FL 33432

Business Telephone Number

800-257-6082

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 09/03/1993.

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 firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 51 U.S. states and territories

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

This firm conducts 18 types of businesses.

This firm is affiliated with financial or investment institutions.

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

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	11
Arbitration	6



Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 09/03/1993.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

SUMMIT BROKERAGE SERVICES, INC.

Doing business as SUMMIT BROKERAGE SERVICES, INC.

CRD# 34643

SEC# 8-46310

Main Office Location

595 S. FEDERAL HIGHWAY
SUITE 500
BOCA RATON, FL 33432

Regulated by FINRA Florida Office

Mailing Address

595 SOUTH FEDERAL HIGHWAY
SUITE 500
BOCA RATON, FL 33432

Business Telephone Number

800-257-6082

Other Names of this Firm

Name	Where is it used
SUMMIT BROKERAGE SERVICES	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT,

VA, VT, WA, WI, WV,
WY



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	SUMMIT FINANCIAL SERVICES GROUP, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	HOLDING COMPANY FOR APPLICANT
Position Start Date	02/2004
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FENIGER, DANIEL ALAN 2531779
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR OF COMPLIANCE
Position Start Date	09/2010
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

Legal Name & CRD# (if any):	FRAM, FREDERICK GORDON 1701062
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	06/2011



Firm Profile

Direct Owners and Executive Officers (continued)

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

Legal Name & CRD# (if any): JACOBS, STEVEN CRAIG
1676431

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

Position EVP, CFO, FINOP

Position Start Date 05/2003

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

Legal Name & CRD# (if any): LEEDS, MARSHALL TODD
1014569

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

Position CEO, PRESIDENT

Position Start Date 05/2002

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



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	RCS CAPITAL CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	RCS CAPITAL HOLDINGS LLC
Relationship to Direct Owner	SOLE MEMBER
Relationship Established	06/2014
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	RCS CAPITAL HOLDINGS LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	SUMMIT FINANCIAL SERVICES GROUP INC
Relationship to Direct Owner	SHAREHOLDER; 100% OF COMMON STOCK
Relationship Established	06/2014
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

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 51 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	11/18/1993

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	02/02/1994



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/17/1997	North Carolina	Approved	04/07/1998
Alaska	Approved	03/22/2000	North Dakota	Approved	01/20/2004
Arizona	Approved	01/01/1999	Ohio	Approved	09/03/1998
Arkansas	Approved	06/09/1994	Oklahoma	Approved	03/15/1994
California	Approved	06/11/1997	Oregon	Approved	10/26/1998
Colorado	Approved	11/10/1998	Pennsylvania	Approved	03/21/1997
Connecticut	Approved	12/10/1998	Rhode Island	Approved	03/15/2001
Delaware	Approved	10/20/1999	South Carolina	Approved	10/15/1996
District of Columbia	Approved	11/07/1996	South Dakota	Approved	03/02/2000
Florida	Approved	02/01/1994	Tennessee	Approved	11/13/1997
Georgia	Approved	11/15/1996	Texas	Approved	05/04/1994
Hawaii	Approved	05/15/2000	Utah	Approved	02/02/1999
Idaho	Approved	04/18/2000	Vermont	Approved	03/14/2005
Illinois	Approved	03/08/1994	Virginia	Approved	06/20/1997
Indiana	Approved	06/04/1998	Washington	Approved	10/09/1996
Iowa	Approved	11/15/1999	West Virginia	Approved	02/25/2000
Kansas	Approved	04/29/1994	Wisconsin	Approved	09/01/1999
Kentucky	Approved	10/10/1996	Wyoming	Approved	05/01/2000
Louisiana	Approved	03/23/1994			
Maine	Approved	12/10/2003			
Maryland	Approved	06/27/1996			
Massachusetts	Approved	03/15/2000			
Michigan	Approved	03/14/1994			
Minnesota	Approved	02/22/2000			
Mississippi	Approved	04/08/1997			
Missouri	Approved	04/20/1994			
Montana	Approved	02/03/1998			
Nebraska	Approved	07/06/2000			
Nevada	Approved	09/24/1998			
New Hampshire	Approved	04/01/2003			
New Jersey	Approved	09/16/1997			
New Mexico	Approved	11/10/1999			
New York	Approved	08/31/1998			



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 18 types of businesses.

Types of Business

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
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: APPLICANT DOES INSURANCE THROUGH SBS INSURANCE AGENCY OF FL INC A SUBSIDIARY OF APPLICANT.



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.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 03/19/2008
Description: APPLICANT INTRODUCES CUSTOMERS TO PERSHING LLC.

Name: FIRST CLEARING, LLC
CRD #: 17344
Business Address: ONE NORTH JEFFERSON AVE
ST. LOUIS, MO 63103
Effective Date: 01/26/1994
Description: APPLICANT INTRODUCES CUSTOMERS TO FIRST CLEARING, LLC FOR
CLEARING SERVICES.

Firm Operations

Industry Arrangements



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

Name: GLOBAL RELAY COMMUNICATIONS INC

Business Address: 220 CAMBIE ST
2ND FLOOR
VANCOUVER, BC V6B 2M9

Effective Date: 11/15/2013

Description: ELECTRONIC RECORD KEEPER FOR ARCHIVING EMAILS

Name: DOCUPACE TECHNOLOGIES INC

Business Address: 201 S BARRINGTON AVE
LOS ANGELES, CA 90025

Effective Date: 02/01/2011

Description: ELECTRONIC RECORD-KEEPER FOR GENERAL ACCOUNT DOCUMENTATION.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 03/19/2008

Description: CERTAIN BOOKS AND RECORDS ARE MAINTAINED BY PERSHING, LLC PURSUANT TO A FULLY DISCLOSED AGREEMENT.

Name: FIRST CLEARING, LLC

CRD #: 17344

Business Address: ONE NORTH JEFFERSON AVE
ST. LOUIS, MO 63103

Effective Date: 01/26/1994

Description: CERTAIN BOOKS AND RECORDS ARE MAINTAINED BY FIRST CLEARING, LLC PURSUANT TO A FULLY DISCLOSED AGREEMENT.

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

Name: PERSHING LLC

CRD #: 7560

Firm Operations



Industry Arrangements (continued)

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 03/19/2008

Description: CERTAIN ACCOUNTS FUNDS AND SECURITIES OF THE FIRM ARE HELD BY PERSHING LLC PURSUANT TO A FULLY DISCLOSED AGREEMENT.

Name: FIRST CLEARING, LLC

CRD #: 17344

Business Address: ONE NORTH JEFFERSON AVE
ST. LOUIS, MO 63103

Effective Date: 01/26/1994

Description: CERTAIN ACCOUNTS FUNDS AND SECURITIES OF THE FIRM ARE HELD BY FIRST CLEARING, LLC PURSUANT TO A FULLY DISCLOSED AGREEMENT.

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

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 03/19/2008

Description: APPLICANT WILL OPERATE PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMERS FUNDS OR SECURITIES.

Name: FIRST CLEARING, LLC

CRD #: 17344

Business Address: ONE NORTH JEFFERSON AVE
ST. LOUIS, MO 63103

Effective Date: 01/26/1994

Description: APPLICANT WILL OPERATE PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMERS FUNDS OR SECURITIES.

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 information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, 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.

GIRARD SECURITIES INC is under common control with the firm.

Business Address:	9560 WAPLES ST SUITE B SAN DIEGO, CA 92121
Effective Date:	03/19/2015
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

VSR FINANCIAL SERVICES INC is under common control with the firm.

Business Address:	8620 W 110TH STREET OVERLAND PARK, KS 66210
Effective Date:	03/13/2015
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	AFFILIATED THROUGH RCAP HOLDINGS, LLC AS CONTROLLING SHAREHOLDER OF RCS CAPITAL CORPORATION, A PUBLIC REPORTING COMPANY

Firm Operations**Organization Affiliates (continued)****SC DISTRIBUTORS, LLC is under common control with the firm.**

Business Address: 610 NEWPORT CENTER DRIVE
NEWPORT BEACH, CA 92660

Effective Date: 03/13/2015

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATED THROUGH RCAP HOLDINGS, LLC AS CONTROLLING SHAREHOLDER OF RCS CAPITAL CORPORATION, A PUBLIC REPORTING COMPANY

HATTERAS FUNDS, LLC is under common control with the firm.

CRD #: 170628

Business Address: 8540 COLONNADE CENTER DR
STE #401
RALRIGH, NC 27615

Effective Date: 06/14/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDED COMMON CONTROL WITH RCS CAPITAL CORPORATION

HATTERAS CAPITAL is under common control with the firm.

CRD #: 143365

Business Address: 8540 COLONADE CENTER DR
STE 401
RALEIGH, NC 27615

Effective Date: 06/11/2014

Firm Operations**Organization Affiliates (continued)**

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDED COMMON CONTROL WITH RCS CAPITAL CORPORATION

ADVISOR DIRECT is under common control with the firm.

CRD #: 141363

Business Address: 6 KIMBALL LAND
LYNNFIELD, MA 01940

Effective Date: 07/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL

INVESTORS CAPITAL CORP is under common control with the firm.

Business Address: 6 KIMBALL LANE
LYNNFIELD, MA 01940

Effective Date: 10/22/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

Firm Operations**Organization Affiliates (continued)**

CETERA INVESTMENT SERVICES LLC is under common control with the firm.

CRD #: 15340

Business Address: 100 FIRST ST SOUTH
SUITE 500
ST CLOUD, MN 56301

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

LEGEND ADVISORY CORP is under common control with the firm.

CRD #: 104761

Business Address: 4600 E PARK DRIVE
STE 300
PALM BEACH GARDENS, FL 33410

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

J.P. TURNER & COMPANY, L.L.C. is under common control with the firm.

CRD #: 43177

Business Address: ONE BUCKHEAD PLAZA
3060 PEACHTREE RD NW 11TH FLOOR
ATLANTA, GA 30305

Firm Operations**Organization Affiliates (continued)**

Effective Date: 06/11/2014
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: No
Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

J P TURNER & COMPANY CAPITAL MANAGEMENT, LLC is under common control with the firm.

CRD #: 124446
Business Address: ONE BUCKHEAD PLAZA
 3060 PEACHTREE RD 11TH FLOOR
 ATLANTA, GA 30305
Effective Date: 06/11/2014
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA INVESTMENT MANAGEMENT LLC is under common control with the firm.

CRD #: 165436
Business Address: 200 N SEPULVEDA BLVD
 EL SEGUNDO, CA 90245
Effective Date: 06/11/2014
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes

Firm Operations**Organization Affiliates (continued)**

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

LEGEND EQUITIES CORPORATION is under common control with the firm.

CRD #: 30999

Business Address: 4600 EAST PARK DRIVE
SUITE 300
PALM BEACH GARDENS, FL 33410

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

FIRST ALLIED ADVISORY SERVICES, INC. is under common control with the firm.

CRD #: 137888

Business Address: 115455 CONWAY RD
CHESTERFIELD, MO 63017

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

FIRST ALLIED ASSET MANAGEMENT, INC. is under common control with the firm.

CRD #: 140292

Business Address: 655 W BROADWAY
12TH FLR

Firm Operations**Organization Affiliates (continued)**

Effective Date: SAN DIEGO, CA
06/11/2014
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

REALTY CAPITAL SECURITIES, LLC is under common control with the firm.

CRD #: 145454
Business Address: ONE BEACON ST
14TH FLOOR
BOSTON, MA 02108
Effective Date: 06/11/2014
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: No
Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

FIRST ALLIED SECURITIES, INC. is under common control with the firm.

CRD #: 32444
Business Address: 655 W BROADWAY
12 FLOOR
SAN DIEGO, CA 92101
Effective Date: 06/11/2014
Foreign Entity: No
Country:
Securities Activities: Yes

Firm Operations**Organization Affiliates (continued)**

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA ADVISOR NETWORKS LLC is under common control with the firm.

CRD #: 13572

Business Address: 200 N. SEPULVEDA BLVD
EL SEGUNDO, CA 90245

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA FINANCIAL SPECIALISTS LLC is under common control with the firm.

CRD #: 10358

Business Address: 200 N. MARTINGDALE RD
SCHAUMBURG, IL 60173

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND AFFILIATE ARE UNDED COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA INVESTMENT ADVISERS LLC is under common control with the firm.

CRD #: 105644

Firm Operations**Organization Affiliates (continued)**

Business Address: 200 N MARTINGDALE RD
SCHAUMBURG, IL 60173

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

CETERA ADVISORS LLC is under common control with the firm.

CRD #: 10299

Business Address: 4600 S SYRACUSE
SUITE 600
DENVER, CO 80237

Effective Date: 06/11/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL WITH RCS CAPITAL CORPORATION

SUMMIT FINANCIAL GROUP INC is controlled by the firm.

CRD #: 109485

Business Address: 595 S FEDERAL HWY
SUITE 500
BOCA RATON, FL 33432

Effective Date: 02/26/2004

Foreign Entity: No

Country:

Firm Operations



Organization Affiliates (continued)

Securities Activities: No

Investment Advisory Activities: Yes

Description: SUMMIT FINANCIAL GROUP, INC., A FEDERALLY-COVERED REGISTERED INVESTMENT ADVISOR, IS A SUBSIDIARY OF APPLICANT, SUMMIT BROKERAGE SERVICES, INC., WITH SUMMIT FINANCIAL SERVICES GROUP AS THE HOLDING COMPANY FOR BOTH.

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 Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	11	0
Arbitration	N/A	6	N/A

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 11

Reporting Source: Regulator

Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT BY AND THROUGH CERTAIN OF ITS REGISTERED REPRESENTATIVES, IT RECOMMENDED LEVERAGED AND INVERSE EXCHANGE-TRADED FUNDS (COLLECTIVELY, "NONTRADITIONAL ETFS") TO CERTAIN CUSTOMERS WITHOUT FULLY UNDERSTANDING THE UNIQUE FEATURES AND SPECIFIC RISKS ASSOCIATED WITH THEM, AND THEREBY MADE UNSUITABLE RECOMMENDATIONS TO CUSTOMERS TO PURCHASE NONTRADITIONAL ETFS WITHOUT CONDUCTING ADEQUATE DUE DILIGENCE ON THE PRODUCTS. THE FINDINGS STATED THAT THE FIRM ALSO DID NOT PROVIDE ADEQUATE FORMAL TRAINING TO ITS REPRESENTATIVES REGARDING NON-TRADITIONAL ETFS BEFORE PERMITTING THEM TO RECOMMEND THE PRODUCTS TO CUSTOMERS. NONETHELESS, THESE RECOMMENDATIONS RESULTED IN THE FIRM'S RETAIL CUSTOMERS BUYING AND SELLING APPROXIMATELY \$250 MILLION WORTH OF NONTRADITIONAL ETFS. SEVERAL CUSTOMERS WITH CONSERVATIVE INVESTMENT OBJECTIVES WHO BOUGHT ONE OR MORE NONTRADITIONAL ETFS BASED ON RECOMMENDATIONS MADE BY THE FIRM'S REGISTERED REPRESENTATIVES, AND WHO HELD THOSE INVESTMENTS FOR LONGER PERIODS OF TIME, EXPERIENCED NET LOSSES. ONE CUSTOMER PURCHASED A NONTRADITIONAL ETF FOR \$11,100, HELD IT FOR SEVEN MONTHS AND THEN SOLD IT FOR \$6,500, WHICH REPRESENTS A LOSS OF \$4,600. A SECOND CUSTOMER PURCHASED TWO NONTRADITIONAL ETFS IN THE AMOUNT OF \$21,800, HELD THEM FOR SEVEN MONTHS AND THEN SOLD THEM FOR \$17,100, WHICH REPRESENTS A LOSS OF \$4,700. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ENSURE THAT THE FIRM'S SALES OF NONTRADITIONAL ETFS WERE IN COMPLIANCE WITH APPLICABLE FEDERAL SECURITIES LAWS AND NASD AND FINRA RULES. FURTHER, EXCLUDING THAT THE FIRM FAILED TO PROVIDE ITS REPRESENTATIVES WITH ADEQUATE TRAINING GEARED TO NONTRADITIONAL ETFS BEFORE PERMITTING THEM TO RECOMMEND THOSE PRODUCTS, THE FIRM ALSO DID NOT HAVE SPECIFIC PROCEDURES ADDRESSING NONTRADITIONAL ETFS, INCLUDING PROCEDURES TO ADDRESS THE RISKS ASSOCIATED WITH LONGER-TERM HOLDING PERIODS IN NONTRADITIONAL ETFS, AND PROCEDURES DESIGNED TO MONITOR THE HOLDING PERIODS. ALSO, THE FIRM AMENDED ITS POLICIES TO PROHIBIT REPRESENTATIVES FROM RECOMMENDING THE PURCHASE OF NON-TRADITIONAL ETFS TO CUSTOMERS UNLESS AUTHORIZED BY ITS CHIEF COMPLIANCE OFFICER, PRIOR TO ANY INQUIRY FROM FINRA.

Initiated By:

FINRA

Date Initiated:

12/02/2015



Docket/Case Number: [2011029635101](#)

Principal Product Type: Other

Other Product Type(s): LEVERAGED AND INVERSE EXCHANGE-TRADED FUNDS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/02/2015

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 \$250,000.00
Disgorgement/Restitution

Other Sanctions Ordered: PLUS INTEREST ON THE RESTITUTION

Sanction Details: THE FIRM WAS CENSURED, FINED \$250,000, AND ORDERED TO PAY \$9,556.84, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS.

Disclosure 2 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: A CONSENT ORDER APPROVED BY THE ARKANSAS SECURITIES COMMISSIONER ON OCTOBER 10, 2013, FOUND THAT SUMMIT BROKERAGE SERVICES, INC. ("SUMMIT BROKERAGE") (CRD# 34643) FAILED TO REASONABLY SUPERVISE ITS FORMER AGENT, BRADEN SCOTT HILL ("HILL") (CRD# 2796421) OF ROGERS, ARKANSAS, IN VIOLATION OF THE ARKANSAS SECURITIES ACT, ARK. CODE ANN. § 23-42-308(A)(2)(J). HILL HAD AN ADVERSE REGULATORY HISTORY BEFORE JOINING SUMMIT BROKERAGE, WHICH INCLUDED ALLEGATIONS OF DISHONESTY WITH PAST EMPLOYERS, AND HAD PREVIOUSLY BEEN UNDER HEIGHTENED SUPERVISION AT SUMMIT BROKERAGE PRIOR TO THE VIOLATIVE TIME PERIOD OUTLINED IN THE CONSENT ORDER. EARLY ON IN ITS INVESTIGATION, THE STAFF OF THE ARKANSAS SECURITIES DEPARTMENT

("STAFF") NOTIFIED SUMMIT BROKERAGE OF ITS CONCERNS REGARDING CERTAIN IRREGULARITIES IN EXPLANATIONS FROM HILL ABOUT HIS DISTRIBUTION OF VIOLATIVE ADVERTISING AND SALES MATERIAL. SUMMIT BROKERAGE RELIED ON HILL'S REPRESENTATIONS AND FAILED TO CONDUCT A FOLLOW-UP AND REVIEW OF THESE RED FLAGS IN HILL'S CONDUCT AS AN AGENT INDICATING VIOLATIVE ACTIVITY, PURSUANT TO ITS DUTY OF SUPERVISION. HILL HAD PROVIDED INTENTIONALLY FALSE AND MISLEADING INFORMATION TO THE STAFF AND PROVIDED A FABRICATED DOCUMENT TO SUMMIT BROKERAGE AND THE STAFF. AFTER RECEIVING A NOTICE OF INTENT FROM THE STAFF INDICATING HILL'S DECEIT, AND HILL'S SUBSEQUENT ADMISSION TO SUMMIT BROKERAGE OF HIS VIOLATIONS, SUMMIT BROKERAGE TERMINATED HILL AND VOLUNTARILY REVISED ITS WRITTEN SUPERVISORY PROCEDURES ("WSP"). HILL'S REGISTRATION AS A BROKER-DEALER AGENT IN ARKANSAS WAS REVOKED BY A CONSENT ORDER ENTERED ON DECEMBER 12, 2012. SUMMIT BROKERAGE WAS ORDERED TO PAY A FINE OF \$8,500.00 TO THE ARKANSAS SECURITIES DEPARTMENT AND RETAIN AN INDEPENDENT BROKER-DEALER SUPERVISORY COMPLIANCE EXPERT TO EVALUATE AND SUBMIT AN OPINION THAT THE RELEVANT PORTIONS OF SUMMIT BROKERAGE'S WSP ARE IN A FORM CONSISTENT WITH INDUSTRY STANDARDS AND COMPLIANT WITH RELEVANT ARKANSAS AND FEDERAL SECURITIES LAWS AND REGULATIONS. SUMMIT BROKERAGE WAS ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF ARK. CODE ANN. § 23-42-308(A)(2)(J). THE CONSENT ORDER IS ACCESSIBLE AT WWW.SECURITIES.ARKANSAS.GOV, ORDER NO. S-11-0253-13-OR03.

Initiated By: ARKANSAS SECURITIES DEPARTMENT

Date Initiated: 10/10/2013

Docket/Case Number: S-11-0253

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CEASE AND DESIST

Resolution: Consent

Resolution Date: 10/10/2013



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:

Monetary/Fine \$8,500.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

SUMMIT BROKERAGE WAS ORDERED TO PAY A FINE OF \$8,500.00 TO THE ARKANSAS SECURITIES DEPARTMENT WITHIN TEN DAYS OF THE ENTRY OF THE CONSENT ORDER AND RETAIN AN INDEPENDENT BROKER-DEALER SUPERVISORY COMPLIANCE EXPERT TO EVALUATE AND SUBMIT AN OPINION THAT THE RELEVANT PORTIONS OF SUMMIT BROKERAGE'S WSP ARE IN A FORM CONSISTENT WITH INDUSTRY STANDARDS AND COMPLIANT WITH RELEVANT ARKANSAS AND FEDERAL SECURITIES LAWS AND REGULATIONS. SUMMIT BROKERAGE WAS ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF ARK. CODE ANN. § 23-42-308(A)(2)(J).

Reporting Source:

Firm

Current Status:

Final

Allegations:

A CONSENT ORDER APPROVED BY THE ARKANSAS SECURITIES COMMISSIONER ON OCTOBER 10, 2013, FOUND THAT SUMMIT BROKERAGE SERVICES, INC. ("SUMMIT BROKERAGE") (CRD# 34643) FAILED TO REASONABLY SUPERVISE ITS FORMER AGENT, BRADEN SCOTT HILL ("HILL") (CRD# 2796421) OF ROGERS, ARKANSAS, IN VIOLATION OF THE ARKANSAS SECURITIES ACT, ARK. CODE ANN. § 23-42-308(A)(2)(J). HILL HAD AN ADVERSE REGULATORY HISTORY BEFORE JOINING SUMMIT BROKERAGE, WHICH INCLUDED ALLEGATIONS OF DISHONESTY WITH PAST EMPLOYERS, AND HAD PREVIOUSLY BEEN UNDER HEIGHTENED SUPERVISION AT SUMMIT BROKERAGE PRIOR TO THE VIOLATIVE TIME PERIOD OUTLINED IN THE CONSENT ORDER. EARLY ON IN ITS INVESTIGATION, THE STAFF OF THE ARKANSAS SECURITIES DEPARTMENT ("STAFF") NOTIFIED SUMMIT BROKERAGE OF ITS CONCERNS REGARDING CERTAIN IRREGULARITIES IN EXPLANATIONS FROM HILL ABOUT HIS DISTRIBUTION OF VIOLATIVE ADVERTISING AND SALES MATERIAL. SUMMIT BROKERAGE RELIED ON HILL'S REPRESENTATIONS AND FAILED TO CONDUCT A FOLLOW-UP AND REVIEW OF THESE RED FLAGS IN HILL'S CONDUCT AS AN AGENT INDICATING VIOLATIVE ACTIVITY, PURSUANT TO ITS DUTY OF SUPERVISION. HILL HAD PROVIDED INTENTIONALLY FALSE AND MISLEADING INFORMATION TO THE STAFF AND PROVIDED A



FABRICATED DOCUMENT TO SUMMIT BROKERAGE AND THE STAFF. AFTER RECEIVING A NOTICE OF INTENT FROM THE STAFF INDICATING HILL'S DECEIT, AND HILL'S SUBSEQUENT ADMISSION TO SUMMIT BROKERAGE OF HIS VIOLATIONS, SUMMIT BROKERAGE TERMINATED HILL AND VOLUNTARILY REVISED ITS WRITTEN SUPERVISORY PROCEDURES ("WSP"). HILL'S REGISTRATION AS A BROKER-DEALER AGENT IN ARKANSAS WAS REVOKED BY A CONSENT ORDER ENTERED ON DECEMBER 12, 2012. SUMMIT BROKERAGE WAS ORDERED TO PAY A FINE OF \$8,500.00 TO THE ARKANSAS SECURITIES DEPARTMENT AND RETAIN AN INDEPENDENT BROKER-DEALER SUPERVISORY COMPLIANCE EXPERT TO EVALUATE AND SUBMIT AN OPINION THAT THE RELEVANT PORTIONS OF SUMMIT BROKERAGE'S WSP ARE IN A FORM CONSISTENT WITH INDUSTRY STANDARDS AND COMPLIANT WITH RELEVANT ARKANSAS AND FEDERAL SECURITIES LAWS AND REGULATIONS. SUMMIT BROKERAGE WAS ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF ARK. CODE ANN. § 23-42-308(A)(2)(J). THE CONSENT ORDER IS ACCESSIBLE AT WWW.SECURITIES.ARKANSAS.GOV, ORDER NO. S-11-0253-13-OR03.

Initiated By: ARKANSAS SECURITIES DEPARTMENT

Date Initiated: 10/10/2013

Docket/Case Number: S-11-0253

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/10/2013

Sanctions Ordered: Monetary/Fine \$8,500.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: SUMMIT BROKERAGE WAS ORDERED TO PAY A FINE OF \$8,500.00 TO THE ARKANSAS SECURITIES DEPARTMENT WITHIN TEN DAYS OF THE ENTRY OF THE CONSENT ORDER AND RETAIN AN INDEPENDENT BROKER-DEALER SUPERVISORY COMPLIANCE EXPERT TO EVALUATE AND SUBMIT AN OPINION THAT THE RELEVANT PORTIONS OF SUMMIT BROKERAGE'S WSP ARE IN A FORM CONSISTENT WITH INDUSTRY

STANDARDS AND COMPLIANT WITH RELEVANT ARKANSAS AND FEDERAL SECURITIES LAWS AND REGULATIONS. SUMMIT BROKERAGE WAS ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF ARK. CODE ANN. § 23-42-308(A)(2)(J).

Disclosure 3 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 1032(F), 2110, 3010, 3010(B), 3070(C) AND NASD BY-LAWS ARTICLE V 2(C) AND 3(B) - DURING THE TIME PERIOD FROM APRIL 27, 2002 THROUGH JULY 23, 2004, THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES THAT IDENTIFIED THE PRINCIPAL RESPONSIBLE FOR REVIEWING CUSTOMER COMPLAINTS, DISCLOSURES AND ARBITRATIONS. AS A RESULT OF THIS FAILURE IN THE FIRM'S WRITTEN SUPERVISORY PROCEDURES, DURING THE SAME TIME PERIOD, THE FIRM REPORTED AT LEAST EIGHT CUSTOMER COMPLAINTS LATE, RANGING FROM 26 TO 470 DAYS AFTER THE PRESCRIBED TIME PERIOD. IN ADDITION, DURING THE SAME TIME PERIOD THE FIRM ALSO FAILED TO AMEND THREE FORM U4S AND ONE FORM U5 IN A TIMELY MANNER, RANGING FROM 182 TO 266 DAYS AFTER THE PRESCRIBED TIME PERIOD. THE FIRM ACTING THROUGH AN INDIVIDUAL, FAILED TO MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS. THE INDIVIDUAL WAS RESPONSIBLE FOR THE DIRECT SUPERVISION OF THE FIRM'S EQUITY TRADER, HOWEVER, SHE WAS NOT LICENSED AS A SERIES 55 TRADING PRINCIPAL.
Initiated By:	NASD
Date Initiated:	01/10/2007
Docket/Case Number:	E072004009101
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:	01/10/2007



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 \$25,000.00

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 \$25,000, OF WHICH \$7,500 IS JOINT AND SEVERAL AND REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPLETE AUDIT OF THE FIRM'S POLICIES, PRACTICES, AND PROCEDURES REGARDING REPORTING REQUIREMENTS UNDER NASD RULE 3070 AND NASD BY-LAWS ARTICLE V WITHIN 30 DAYS.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 1032(F), 2110, 3010, 3010(B), 3070(C) AND NASD BY-LAWS ARTICLE V 2(C) AND 3(B) - DURING THE TIME PERIOD FROM APRIL 27, 2002 THROUGH JULY 23, 2004, THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES THAT IDENTIFIED THE PRINCIPAL RESPONSIBLE FOR REVIEWING CUSTOMER COMPLAINTS, DISCLOSURES AND ARBITRATIONS. AS A RESULT OF THIS FAILURE IN THE FIRM'S WRITTEN SUPERVISORY PROCEDURES, DURING THE SAME TIME PERIOD, THE FIRM REPORTED AT LEAST EIGHT CUSTOMER COMPLAINTS LATE, RANGING FROM 26 TO 470 DAYS AFTER THE PRESCRIBED TIME PERIOD. IN ADDITION, DURING THE SAME TIME PERIOD THE FIRM ALSO FAILED TO AMEND THREE FORM U4S AND ONE FORM U5 IN A TIMELY MANNER, RANGING FROM 182 TO 266 DAYS AFTER THE PRESCRIBED TIME PERIOD. THE FIRM ACTING THROUGH AN INDIVIDUAL, FAILED TO MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS. THE INDIVIDUAL WAS RESPONSIBLE FOR THE DIRECT SUPERVISION OF THE FIRM'S EQUITY TRADER, HOWEVER, SHE WAS NOT LICENSED AS A SERIES 55 EQUITY TRADER.

Initiated By: NASD

Date Initiated: 01/10/2007

Docket/Case Number: [E072004009101](#)

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: 01/10/2007
Sanctions Ordered: Censure
 Monetary/Fine \$25,000.00
Other Sanctions Ordered: REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPLETE AUDIT OF THE FIRM'S POLICIES, PRACTICES, AND PROCEDURES REGARDING REPORTING REQUIREMENTS UNDER NASD RULE 3070 AND NASD BY-LAWS ARTICLE V WITHIN 30 DAYS.
Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. \$7500 OF THE FINE IS JOINT AND SEVERAL. \$25,000 WAS PAID TO NASD ON 1/29/2007.

Disclosure 4 of 11

Reporting Source: Regulator
Current Status: Final
Allegations: FAILURE TO REASONABLY SUPERVISE REPRESENTATIVE GREGG LORENZO; FAILURE TO TIMELY RESPOND TO DEPARTMENTAL REQUEST FOR INFORMATION; OFFERING AND SELLING UNREGISTERED SECURITIES; FAILURE TO REPORT CUSTOMER COMPLAINT AGAINST LORENZO ON CRD;
Initiated By: MONTANA STATE AUDITOR'S OFFICE SECURITIES DEPARTMENT
Date Initiated: 09/07/2005
Docket/Case Number: 08-09-05-148 I
URL for Regulatory Action:
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Revocation



Other Sanction(s)/Relief Sought: FINES, RESTITUTION

Resolution: Consent

Resolution Date: 02/23/2006

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: Monetary/Fine \$8,300.00
Disgorgement/Restitution

Other Sanctions Ordered: RESTITUTION OF \$189,720.00

Sanction Details: ONE YEAR TOLLING OF THE STATUTE OF LIMITATIONS.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO REASONABLY SUPERVISE REPRESENTATIVE GREGG LORENZO; FAILURE TO TIMELY RESPOND TO DEPARTMENTAL REQUEST FOR INFORMATION; OFFERING AND SELLING UNREGISTERED SECURITIES FAILURE TO REPORT CUSTOMER COMPLAINT AGAINST LORENZO ON CRD.

Initiated By: MONTANA STATE AUDITOR'S OFFICE SECURITIES DEPARTMENT

Date Initiated: 09/07/2005

Docket/Case Number: 08-09-05-148 I

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Revocation

Other Sanction(s)/Relief Sought: FINE AND RESTITUTION

Resolution: Consent

Resolution Date: 02/28/2006

Sanctions Ordered: Monetary/Fine \$8,300.00

**Other Sanctions Ordered:**

Sanction Details: \$8,300 PAID TO STATE OF MONTANA ON 2/28/2006. MATTER THEREAFTER DISMISSED WITH PREJUDICE.

Firm Statement \$189,720 WAS PAID TO MONTANA CUSTOMER PURSUANT TO SETTLEMENT AGREEMENT SIGNED BETWEEN APPLICANT AND MONTANA CUSTOMER ON 2/17/2006 AND CONCERNED THE SALES OF ONE UNREGISTERED SECURITY FROM APPLICANT'S STATEN ISLAND BRANCH OFFICE.

Disclosure 5 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010(A) AND (B), 3070 - SUMMIT BROKERAGE SERVICES, INC. ENTERED INTO SETTLEMENT AGREEMENTS WITH PUBLIC CUSTOMERS THAT PROHIBITED THE CUSTOMERS FROM DISCLOSING THE SETTLEMENT TERMS AND UNDERLYING FACTS OF THE DISPUTES TO NASD OR ANY OTHER SECURITIES REGULATOR UNLESS REQUIRED BY SUBPOENA, THEREBY PROHIBITING OR INHIBITING THE CUSTOMERS FROM COOPERATING WITH NASD; FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES REGARDING REGISTERED REPRESENTATIVES RECOMMENDING MUTUAL FUND SHARES; AND FAILED TO REPORT A \$160,000 SETTLEMENT WITH A PUBLIC CUSTOMER TO NASD.

Initiated By: NASD

Date Initiated: 06/14/2004

Docket/Case Number: C8A040051

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: 06/14/2004



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 \$8,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SUMMIT BROKERAGE SERVICES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$8,500.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGATIONS INCLUDE VIOLATIONS OF NASD CONDUCT RULES 2110, 3010 (A) AND (B) AND 3070. SPECIFICALLY, IN 2002 THE FIRM ENTERED INTO SETTLEMENTS WITH TWO (2) PUBLIC CUSTOMERS THAT CONTAINED A PROHIBITED CONFIDENTIALITY CLAUSE; FROM 2000 THROUGH 2003 THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE FIRM'S REGISTERED REPRESENTATIVES RECOMMENDATIONS OF MUTUAL FUND SHARES; AND THE FIRM FAILED TO REPORT A \$160,000 SETTLEMENT WITH A PUBLIC CUSTOMER.

Initiated By: NASD

Date Initiated: 05/18/2004

Docket/Case Number: C8A040051

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: 06/14/2004



Sanctions Ordered:	Censure Monetary/Fine \$8,500.00
Other Sanctions Ordered:	
Sanction Details:	FIRM WAS FINED \$8,500.
Firm Statement	THE FIRM, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, AGREED AND CONSENTED TO THE ENTRY OF THE NASD FINDINGS.

Disclosure 6 of 11

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT MADE UNLICENSED SALES IN NH FROM 2001 TO 2002 TO TWO NH INVESTORS.
Initiated By:	NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION
Date Initiated:	09/11/2002
Docket/Case Number:	INV02-031
URL for Regulatory Action:	
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Consent
Resolution Date:	03/27/2003
Sanctions Ordered:	Monetary/Fine \$7,500.00
Other Sanctions Ordered:	N/A
Sanction Details:	RESPONDENT WAS FINED \$7,500.00 AND ORDERED TO REFRAIN FROM FUTURE VIOLATIONS OF RSA 421-B
Regulator Statement	RESPONDENT MADE UNLICENSED SALES AND GENERALLY ENGAGED IN THE BUSINESS OF A BD IN NH TO TWO NH INVESTORS FROM 2001 TO 2002.



Reporting Source: Firm

Current Status: Final

Allegations: THE STATE OF NEW HAMPSHIRE ALLEGED THAT SUMMIT ENGAGED IN BROKER-DEALER BUSINESS ACTIVITY WITHOUT BEING A LICENSED BROKER-DEALER IN NEW HAMPSHIRE.

Initiated By: STATE OF NEW HAMPSHIRE

Date Initiated: 09/11/2002

Docket/Case Number: INV02-031

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: 03/27/2003

Sanctions Ordered: Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: ON MARCH 20, 2003, SUMMIT SIGNED A CONSENT ORDER AND PAID AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$7,500.00 TO RESOLVE THIS MATTER. THE FIRM'S REGISTRATION IN NEW HAMPSHIRE HAS BEEN APPROVED.

Firm Statement ON SEPTEMBER 11, 2002, THE STATE OF NEW HAMPSHIRE ISSUED A STAFF PETITION FOR RELIEF ALLEGING THAT SUMMIT ENGAGED IN BROKER-DEALER ACTIVITY WITHOUT BEING A LICENSED BROKER-DEALER IN NEW HAMPSHIRE AND THAT SUMMIT FAILED TO RESPOND TO A REQUEST FOR INFORMATION SUBSEQUENT TO ITS APPLICATION FOR REGISTRATION. ON MARCH 20, 2003, SUMMIT AGREED TO A CONSENT ORDER AND AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$7,500.00 TO RESOLVE THIS MATTER. ON MARCH 27, 2003, THE STATE OF NEW HAMPSHIRE ACCEPTED THE CONSENT ORDER. ON APRIL 1, 2003, NEW HAMPSHIRE APPROVED SUMMIT'S REGISTRATION.

Disclosure 7 of 11

Reporting Source: Regulator



Current Status: Final

Allegations: CONDUCTING SECURITIES BUSINESS IN THE STATE WITHOUT BEING REGISTERED, UNSUITABLE RECOMMENDATIONS TO CUSTOMERS, MISREPRESENTATIONS TO CUSTOMERS CONCERNING THEIR SECURITIES ACCOUNTS, ENGAGING IN SPECULATIVE INVESTMENT STRATEGIES OF PURCHASING OPTIONS ON MARGIN, ENGAGING IN UNAUTHORIZED TRANSACTIONS IN CUSTOMERS ACCOUNTS, AND GUARANTEEING PROFITS IN ACCOUNTS OF CUSTOMERS

Initiated By: ARKANSAS SECURITIES DEPARTMENT

Date Initiated: 04/30/1999

Docket/Case Number: 99-11-S

URL for Regulatory Action:

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 04/30/1999

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

Other Sanctions Ordered:

Sanction Details: ORDER NO. 99-11-S ENTERED IN FULL SETTLEMENT OF COMPLAINT NO. 97-75-S AND IN SETTLEMENT OF ADDITIONAL CLAIMS OF THE DEPARTMENT AGAINST SUMMIT AND RICHARD L. PARKER. CENSURE, \$20,000 PAYMENT TO THE INVESTOR PROTECTION TRUST FUND TO BE INSTITUTED BY SUMMIT AND PARKER.

Regulator Statement SUMMIT BROKERAGE SECURITIES, INC. ("SUMMIT") AND RICHARD L. PARKER ("PARKER") HAVE BEEN REGISTERED IN ARKANSAS SINCE JUNE 9, 1994, WITH PARKER AS THE DESIGNATED PRINCIPAL FOR SUMMIT WITH DIRECT SUPERVISION OVER THE PURCHASE AND SALE OF SECURITIES IN ARKANSAS. BASED UPON ITS INVESTIGATION, THE STAFF HAS ASSERTED THAT SUMMIT AND PARKER HAVE ENGAGED IN CERTAIN PRACTICES CONSTITUTING VIOLATIONS OF SECTIONS 23-42-301(A) AND 23-42-507 OF THE ACT AND RULE 308.01 AS SET



FORTH ABOVE. SUMMIT AND PARKER ARE CENSURED FOR VIOLATING THE ARKANSAS SECURITIES ACT AND AND ARE ORDERED TO PAY \$20,000 TO THE INVESTOR PROTECTION TRUST FUND TO BE UTILIZED FOR INVESTOR EDUCATION IN ARKANSAS. IN ADDITION, THEY ARE ORDERED TO INSTITUTE THE FOLLOWING UNDERTAKINGS: (A) NO BRANCHES OR OFFICES WILL BE OPENED IN THE STATE FOR A PERIOD OF THREE (3) YEARS FROM THE DATE OF THIS ORDER, (B) NO NEW CUSTOMER ACCOUNTS WILL BE SOLICITED OR OPENED WITH ARKANSAS RESIDENTS FOR A PERIOD OF THREE (3) YEARS FROM THE DATE OF THIS ORDER, (C) SUMMIT AND PARKER WILL NOTIFY THE DEPARTMENT OF ANY CUSTOMER COMPLAINTS FROM ARKANSAS RESIDENTS, (D) NEITHER SUMMIT OR PARKER WILL ENGAGE IN ANY TRANSACTIONS WITH ARKANSAS RESIDENTS INVOLVING TRADING IN OPTIONS FOR A PERIOD OF THREE (3) YEARS FROM THE DATE OF THIS ORDER, AND (E) SUMMIT AND PARKER WILL PROVIDE A COPY OF THIS ORDER TO ALL PRESENT CUSTOMERS IN ARKANSAS. CONTACT: DAVID SMITH / 501-324-8694

Reporting Source: Firm

Current Status: Final

Allegations: SALES WITHOUT PROPER REGISTRATION, UNSUITABLE RECOMMENDATIONS, MISREPRESENTATION

Initiated By: STATE OF ARKANSAS

Date Initiated: 01/16/1998

Docket/Case Number: 97-75-S

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

Other Product Type(s): OPTIONS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/30/1999

Sanctions Ordered: Censure

**Other Sanctions Ordered:**

Sanction Details: AGREED TO CONTRIBUTE \$20,000 TO THE ARKANSAS INVESTOR EDUCATION FUND. AGREED NOT TO OPEN ANY NEW ACCOUNTS OR BRANCH OFFICES OR TRADE OPTIONS IN ARKANSAS FOR A PERIOD OF THREE YEARS.

Disclosure 8 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: COMPANY ENGAGED IN SALES PRIOR TO LICENSURE IN OHIO.

Initiated By: OHIO DIVISION OF SECURITIES

Date Initiated: 09/02/1998

Docket/Case Number: 98-374

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/02/1998

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: SEE SUMMARY

Regulator Statement A CEASE AND DESIST ORDER WAS ISSUED TO SUMMIT BROKERAGE SERVICES INC. ON SEPTEMBER 2, 1998, AFTER IT WAS FOUND THAT THE COMPANY HAD ENGAGED IN SALES PRIOR TO LICENSURE IN OHIO. SUMMIT SUBMITTED AN UNDERTAKING, ENTERED INTO A CONSENT AGREEMENT, AND WAS SUBSEQUENTLY ISSUED A LICENSE.



Reporting Source: Firm

Current Status: Final

Allegations: EFFECTING SECURITIES TRANSACTIONS WITHOUT BEING PROPERLY REGISTERED IN THE STATE OF OHIO.

Initiated By: STATE OF OHIO SECURITIES DIVISION

Date Initiated: 08/27/1998

Docket/Case Number: 98-374

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/02/1998

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: RECISSION HAD TO BE OFFERED TO ALL CUSTOMERS WHO HAD CONDUCTED SECURITIES TRADES TGROUGH SUMMIT PRIOR TO PROPER REGISTRATION.

Firm Statement APPLICANT APPLIED TO REGISTER IN OHIO, AND INFORMED THE STATE THAT UNDER THE MISTAKEN BELIEF THAT THE REGISTATION PROCESS HAD BEEN COMPLETED, APPLICANT HAD CONDUCTED SECURITIES TRANSACTIONS IN OHIO WITHOUT BEING PROPERLY REGISTERED. OHIO ISSUED A CEASE ASND DESIST ORDER, TO WHICH APPLICANT PROMPTLY CONSENTED AND ALSO AGREED TO OFFER RESCISSION TO ALL CUSTOMERS WHO HAD CONDUCTED SECURITIES TRANSACTIONS THROUGH APPLICANT PRIOR TO REGISTRATION. THE CONDITIONS OF REGISTRATION HAVING BEEN MET, OHIO THEN ISSUED APPLICANT A SECURITIES LICENSE.

Disclosure 9 of 11

Reporting Source: Regulator

Current Status: Final



Allegations: THERE HAS BEEN NO ACTIVITY WITH RESPECT TO THE APP FOR LICENSURE FOR A PERIOD OF 120 DAYS; WHEREAS, THE APP IS INCOMPLETE;

Initiated By: MN DEPT OF COMMERCE

Date Initiated: 06/12/1998

Docket/Case Number: BD 5031

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 06/12/1998

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: IT IS ORDERED, PURSUANT TO MN STAT 80A.05, SUB 1(1994) THAT THE APP BE, AND IS HEREBY, WITHDRAWN AS OF THE ABOVE DATE.

Regulator Statement THE APP IS WITHDRAWN. CONTACT: ESTHER SNAZA
612-296-2283

Reporting Source: Firm

Current Status: Final

Allegations: NO ALLEGATIONS- BD APPLICATION WITHDRAWN DUE TO FAILURE TO PROVIDE ADDITIONAL INFORMATION REQUESTED.

Initiated By: STATE OF MINNESOTA

Date Initiated: 06/12/1998

Docket/Case Number: NONE

Principal Product Type: No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought: Denial

Other Sanction(s)/Relief Sought: NONE

Resolution: Other

Resolution Date: 06/12/1998

Sanctions Ordered:

Other Sanctions Ordered: APPLICANT FILED TO REGISTER IN STATE OF MINNESOTA, BUT FAILED TO PROVIDE ADDITIONAL INFORMATION AS REQUESTED BY STATE OR WITHDRAW. AFTER 120 DAYS STATE CANCELLED REGISTRATION REQUEST. THERE WERE NO PENALTIES.

Sanction Details: THERE WERE NO SANCTIONS. APPLICATION WAS WITHDRAWN BY THE STATE OF MINNESOTA.

Disclosure 10 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: On January 10, 1997, CRD records reflected that Summit did not have a registered agent in violation of the Maryland Securities Act. The firm's broker-dealer registration was suspended on January 30, 1997.

Initiated By: Maryland Division of Securities

Date Initiated: 04/08/1998

Docket/Case Number: 97-0103

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/08/1998

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

Based on information from Summit, the firm continued to transact securities while its registration was suspended in Maryland. Summit and the Securities Commissioner entered into a Consent and the firm paid a civil monetary penalty of \$5,000 for its failure to comply with the Division's broker-dealer requirements.

Regulator Statement

Broker-dealer registration reinstated 4/8/98.
Ellen E. Cherry, (410) 576-6494

Reporting Source:

Firm

Current Status:

Final

Allegations:

APPLICANT CONDUCTED BUSINESS IN THE STATE OF MARYLAND WITHOUT BEING PROPERLY REGISTERED.

Initiated By:

MARYLAND SECURITIES DEPARTMENT

Date Initiated:

01/30/1997

Docket/Case Number:

97-0103

Principal Product Type:

No Product

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

Suspension

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

Consent

Resolution Date:

04/03/1998

Sanctions Ordered:

Monetary/Fine \$5,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

REFUND OF APPLICANTS SHARE OF COMMISSIONS TO CUSTOMERS IN THE AMOUNT OF \$2228.80

Sanction Details:

REFUND OF APPLICANTS SHARE OF CUSTOMERS COMMISSIONS IN THE AMOUNT OF \$2228.80



Disclosure 11 of 11

Reporting Source: Regulator

Current Status: Final

Allegations: ON OCTOBER 7, 1996, SUMMIT BROKERAGE SERVICES, INC. FILED AN APPLICATION FOR REGISTRATION AS A DEALER IN ALABAMA, AND PROVIDED A STATEMENT THAT IT HAS NEVER EFFECTED SECURITIES TRANSACTIONS WITHIN AND/OR FROM THE STATE OF ALABAMA PRIOR TO APPLICATION AND WILL NOT TRANSACT ANY BUSINESS WITHIN THE STATE OF ALABAMA UNTIL REGISTERED. INFORMATION FROM THE FIRM'S CLEARING AGENT DISCLOSED THAT DURING THE PERIOD MARCH 1994 TO OCTOBER 1996, SUMMIT EFFECTED A TOTAL OF 9 SALE TRANSACTIONS IN THE ACCOUNTS OF 3 OF ITS 4 UNREPORTED ALABAMA ACCOUNT HOLDERS. BASED UPON APPARENT VIOLATIONS OF SECTION 8-6-3(a) AND 8-6-4(j)(1), CODE OF ALABAMA 1975, FOR THE SALE OF SECURITIES BY AN UNREGISTERED DEALER AND FILING AN APPLICATION WHICH ALLEGEDLY CONTAINED A FALSE STATEMENT, ON DECEMBER 2, 1996, A CEASE AND DESIST ORDER WAS ISSUED TO SUMMIT BROKERAGE SERVICES, INC. ON OCTOBER 7, 1996, SUMMIT BROKERAGE SERVICES, INC., FILED AN APPLICATION FOR REGISTRATION AS A DEALER WITH THE COMMISSION AND PROVIDED A STATEMENT THAT IT HAS NEVER EFFECTED SECURITIES TRANSACTIONS WITHIN AND/OR FROM THE STATE OF ALABAMA PRIOR TO APPLICATION AND WILL NOT TRANSACT ANY BUSINESS WITHIN THE STATE OF ALABAMA UNTIL REGISTERED. INFORMATION FROM THE FIRM'S CLEARING AGENT DISCLOSED THAT DURING THE PERIOD 03/94 TO 10/96, SUMMIT EFFECTED A TOTAL OF 9 SALES IN THE ACCOUNTS OF 3 ALABAMA RESIDENTS. BASED UPON VIOLATIONS OF SECTIONS 8-6-3 AND 8-6-4(j)(1) CODE OF ALABAMA 1975 FOR EFFECTING TRANSACTIONS WITHOUT BENEFIT OF REGISTRATION AND FOR FILING AN AN APPLICATION FOR REGISTRATION THAT CONTAINED A FALSE STATEMENT, ON 12/02/96 A CEASE AND DESIST ORDER WAS ISSUED TO SUMMIT. SUMMIT WAS REQUIRED TO MAKE RESCISSION OFFERS, IN THE AGGREGATE AMOUNT OF \$596.29, TO THE 3 ALABAMA RESIDENTS WHICH RESULTED IN 2 ACCEPTING THE OFFER AND 1 REJECTING THE OFFER. THE CEASE AND DESIST ORDER WAS RESOLVED BY CONSENT AGREEMENT DATED MAY 16, 1997, AND SUMMIT WAS LEVIED AN ADMINISTRATIVE ASSESSMENT OF \$1,*See FAQ #1*

Initiated By: AL AL

Date Initiated: 12/02/1996

Docket/Case Number: CD-96-0056

**URL for Regulatory Action:****Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Stipulation and Consent**Resolution Date:** 12/02/1996**Sanctions Ordered:** Monetary/Fine \$1,000.00**Other Sanctions Ordered:****Sanction Details:**

A CEASE AND DESIST ORDER CD-96-0056 WAS ISSUED ON DECEMBER 2, 1996. BASED UPON VIOLATIONS OF SECTIONS 8-6-3 AND 8-6-4(j)(1), CODE OF ALABAMA 1975, FOR EFFECTING TRANSACTIONS WITHOUT BENEFIT OF REGISTRATION AND FOR FILING AN APPLICATION FOR REGISTRATION THAT CONTAINED A FALSE STATEMENT ON 12/02/96 A CEASE AND DESIST ORDER WAS ISSUED TO SUMMIT. SUMMIT WAS REQUIRED TO MAKE RECISSION OFFERS, IN THE AGGREGATE AMOUNT OF \$596.29, TO THE 3 ALABAMA RESIDENTS WHICH RESULTED IN 2 ACCEPTING THE OFFER AND 1 REJECTING THE OFFER. THE CEASE AND DESIST ORDER WAS RESOLVED BY CONSENT AGREEMENT DATED MAY 16, 1997 AND SUMMIT WAS LEVIED AN ADMINISTRATIVE ASSESSMENT OF \$1,000 AND INVESTIGATIVE COSTS OF \$500.

Regulator Statement

SAME AS ALLEGATIONS AND RESULTS CONTACT: JAMES G. PUGH 334/242-2984

Reporting Source: Firm**Current Status:** Final**Allegations:** EFFECTING SECURITIES TRANSACTIONS WITHOUT BEING PROPERLY REGISTERED IN THE STATE OF ALABAMA.**Initiated By:** STATE OF ALABAMA, ALABAMA SECURITIES COMMISSION**Date Initiated:** 10/07/1996**Docket/Case Number:** CO-96-0056**Principal Product Type:** Equity - OTC



Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought: PAY \$1,000 FOR "AN ADMINISTRATIVE ASSESSMENT" AND PAY \$500 FOR THE COSTS OF INVESTIGATING THE MATTER

Resolution: Consent

Resolution Date: 05/16/1997

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: PAYMENT OF A TOTAL OF \$1500 FOR ADMINISTRATIVE COSTS AND INVESTIGATIVE COSTS \$1000 AND \$500 RESPECTIVELY.

Firm Statement APPLICANT APPLIED TO BE REGISTERED IN THE STATE AND STATED THERE HAD BEEN NO SECURITIES TRANSACTIONS. WHEN THE STATE CHECKED WITH THE CLEARING AGENT THERE HAD BEEN 9 TRANSACTIONS DONE FOR FOUR ACCOUNTS. THE APPLICANT AGREED TO STOP DOING BUSINESS UNTIL PROPERLY REGISTERED IN ALABAMA.

Arbitration Award - Award/Judgment

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

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 6

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum:	NASD
Case Initiated:	05/21/2002
Case Number:	02-02042
Disputed Product Type:	COMMON STOCK; OPTIONS
Sum of All Relief Requested:	\$81,600.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/19/2003
Sum of All Relief Awarded:	\$225.00

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

Disclosure 2 of 6

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	11/20/2007
Case Number:	07-03116
Disputed Product Type:	UNKNOWN TYPE OF SECURITIES



Sum of All Relief Requested: \$500,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/05/2008
Sum of All Relief Awarded: \$34,632.21

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

Disclosure 3 of 6

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: FINRA
Case Initiated: 03/08/2012
Case Number: [12-00821](#)
Disputed Product Type: COMMON STOCK
Sum of All Relief Requested: \$3,212.55
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/18/2012
Sum of All Relief Awarded: \$43.75

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

Disclosure 4 of 6

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA



Case Initiated: 08/21/2013
Case Number: [13-02402](#)
Disputed Product Type: REAL ESTATE INVESTMENT TRUST
Sum of All Relief Requested: \$50,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/05/2014
Sum of All Relief Awarded: \$20,150.00

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

Disclosure 5 of 6

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: FINRA
Case Initiated: 02/28/2014
Case Number: [14-00386](#)
Disputed Product Type: VARIABLE ANNUITIES
Sum of All Relief Requested: \$2,314.53
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/16/2015
Sum of All Relief Awarded: \$2,039.53

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

Disclosure 6 of 6

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



Arbitration Forum: NASD
Case Initiated: 06/27/1996
Case Number: [96-01661](#)
Disputed Product Type: OPTIONS
Sum of All Relief Requested: \$26,133.63
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/26/1997
Sum of All Relief Awarded: \$37,432.63

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

End of Report



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