

## BrokerCheck Report

# JOSEPH LOUIS JACOBY

CRD# 2619787

Report #35934-40779, data current as of Wednesday, March 30, 2016.

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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](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).

Thank you for using FINRA BrokerCheck.

**JOSEPH L. JACOBY**

CRD# 2619787

This broker is not currently registered.

## Report Summary for this Broker



This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

### Broker Qualifications

**This broker is not currently registered.**

#### This broker has passed:

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

### Registration History

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

**LEGEND SECURITIES, INC.**

CRD# 44952  
LAS VEGAS, NV  
02/2002 - 05/2011

**STONE HARBOR FINANCIAL SERVICES, LLC**

CRD# 102320  
FREEHOLD, NJ  
07/2001 - 02/2002

**CANTONE RESEARCH INC.**

CRD# 26314  
TINTON FALLS, NJ  
12/2000 - 06/2001

### Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	2
Customer Dispute	7

## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

**This individual has passed 0 principal/supervisory exams, 1 general industry/product exam, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	09/23/1995

### State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	10/05/1995

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
02/2002 - 05/2011	LEGEND SECURITIES, INC.	44952	LAS VEGAS, NV
07/2001 - 02/2002	STONE HARBOR FINANCIAL SERVICES, LLC	102320	FREEHOLD, NJ
12/2000 - 06/2001	CANTONE RESEARCH INC.	26314	TINTON FALLS, NJ
05/2000 - 12/2000	PREFERRED SECURITIES GROUP, INC.	35704	BOCA RATON, FL
12/1999 - 05/2000	COLEMAN & COMPANY SECURITIES, INC.	1486	NEW YORK, NY
05/1999 - 12/1999	HORNBLOWER & WEEKS, INC.	4683	NEW YORK, NY
01/1998 - 03/1999	HD BROUS & CO., INC.	22062	GREAT NECK, NY
09/1997 - 12/1997	WORTHINGTON CAPITAL GROUP, INC.	28595	GARDEN CITY, NY
08/1997 - 09/1997	J.P. TURNER & COMPANY, L.L.C.	43177	ATLANTA, GA
02/1997 - 08/1997	ARGENT SECURITIES, INC.	15297	ATLANTA, GA
09/1995 - 08/1996	INVESTORS ASSOCIATES, INC.	958	HACKENSACK, NJ

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

**Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment Dates	Employer Name	Employer Location
01/2002 - Present	LEGEND SECURITIES, INC.	NEW YORK, NY

### Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

KEMG BROADCASTING KVEG / INV REL-NO / 3999 S LAS VEGAS BLVD SUITE K , LAS VEGAS, NV 89119 /

## Registration and Employment History



### Other Business Activities, continued

SELLING RADIO ADVERTISING, MARKETING AND PROMOTIONS. MAINTAINING AND SERVICING OBTAINED ACCOUNTS / 02/2011 / 20 HRS A WEEK / 0 HRS DURING TRDNG / COMMISSION BASED

JBT ENTERTAINMENT / INV REL-NO / 8031 AZTEC BASIN AVE, LAS VEGAS, NV 89131 / MKTG DISTRB AND PRODUCTION OF MUSIC / CEO AND EXEC PRODUCER / 6/2010 / 10 HRS A WEEK / 0 HRS DURING TRDNG / HANDLE DAY TO DAY BUSINESS ACTIVITIES WITH ARTIST PROMO & DEVELOPMENT

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## Disclosure Events

### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	2	0





Customer Dispute	1	6	N/A
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## Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Final

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

#### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	NEVADA
<b>Sanction(s) Sought:</b>	Revocation
<b>Date Initiated:</b>	05/19/2011
<b>Docket/Case Number:</b>	I11-119-BLM
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	LEGEND SECURITIES, INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	NRS 90.420 (1)(G)(2) PROVIDES THAT THE ADMINISTRATOR MAY REVOKE THE LICENSE OF ANY PERSON WHO IS OR HAS BEEN THE SUBJECT OF AN ORDER ISSUED WITHIN THE LAST FIVE YEARS, WHICH SUSPENDS OR EXPELS THAT PERSON FROM MEMBERSHIP IN OR ASSOCIATION WITH A MEMBER OF A SELF-REGULATORY ORGANIZATION. THE ADMINISTRATOR WAS NOTIFIED ON OR ABOUT MAY 2, 2011, BY FINRA, THAT THE RESPONDENT HAD BEEN SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER FROM ASSOCIATION WITH ANY BROKER OR DEALER FOR A PERIOD OF THREE MONTHS. FINRA IS A SELF-REGULATORY



ORGANIZATION FOR THE SECURITIES INDUSTRY.

**Current Status:** Final  
**Resolution:** Order  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes  
**Resolution Date:** 12/20/2011  
**Sanctions Ordered:** Revocation  
**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?** No

**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

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#### Disclosure 2 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	04/15/2011



**Docket/Case Number:** [2010021688401](#)

**Employing firm when activity occurred which led to the regulatory action:** LEGEND SECURITIES, INC.

**Product Type:** Other: UNSPECIFIED SECURITIES

**Allegations:** FINRA RULE 2010, NASD RULE 2510(B): FROM APPROXIMATELY JANUARY THROUGH MARCH 2009, JACOBY EXERCISED DISCRETION IN THE SECURITIES ACCOUNT OF A CUSTOMER AT HIS MEMBER FIRM WHILE EFFECTING AT LEAST SIX TRANSACTIONS, WITHOUT OBTAINING PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMER TO EXERCISE SUCH DISCRETION OR PRIOR WRITTEN ACCEPTANCE OF THE DISCRETIONARY ACCOUNT BY JACOBY'S FIRM.

**Current Status:** Final

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

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

**Resolution Date:** 04/15/2011

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?** No



**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**

**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**



**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Sanction 1 of 1**

**Sanction Type:** Suspension  
**Capacities Affected:** ALL CAPACITIES  
**Duration:** FIVE BUSINESS DAYS  
**Start Date:** 05/02/2011  
**End Date:** 05/06/2011

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)  
**Total Amount:** \$2,500.00  
**Portion Levied against individual:** \$2,500.00  
**Payment Plan:**  
**Is Payment Plan Current:**  
**Date Paid by individual:** 04/27/2011  
**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, JACOBY CONSENTED



TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS;  
THEREFORE HE IS FINED \$2,500 AND SUSPENDED FROM ASSOCIATION  
WITH ANY FINRA MEMBER IN ANY CAPACITY FOR FIVE BUSINESS DAYS.  
THE SUSPENSION IS IN EFFECT MAY 2, 2011 THROUGH MAY 6, 2011.

**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINRA

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

**Date Initiated:** 04/15/2011

**Docket/Case Number:** [2010021688401](#)

**Employing firm when activity occurred which led to the regulatory action:** LEGEND SECURITIES, INC.

**Product Type:** Other: UNSPECIFIED SECURITIES

**Allegations:** FINRA RULE 2010, NASD RULE 2510(B): FROM APPROXIMATELY JANUARY THROUGH MARCH 2009, JACOBY EXERCISED DISCRETION IN THE SECURITIES ACCOUNT OF A CUSTOMER AT HIS MEMBER FIRM WHILE EFFECTING AT LEAST SIX TRANSACTIONS, WITHOUT OBTAINING PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMER TO EXERCISE SUCH DISCRETION OR PRIOR WRITTEN ACCEPTANCE OF THE DISCRETIONARY ACCOUNT BY JACOBY'S FIRM.

**Current Status:** Final

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

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

**Resolution Date:** 04/15/2011

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension





<b>Capacities Affected:</b>	ALL CAPACITIES
<b>Duration:</b>	FIVE BUSINESS DAYS
<b>Start Date:</b>	05/02/2011
<b>End Date:</b>	05/06/2011
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$2,500.00
<b>Portion Levied against individual:</b>	\$2,500.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Broker Statement</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, JACOBY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$2,500 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR FIVE BUSINESS DAYS. THE SUSPENSION IS IN EFFECT MAY 2, 2011 THROUGH MAY 6, 2011.



## Customer Dispute - Award/Judgment

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

### Disclosure 1 of 2

**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** HD BROUS & COMPANY

**Allegations:** BREACH OF CONTRACT, BREACH OF FIDUCIARY DUTY

**Product Type:** Other

**Other Product Type(s):** COMMON STOCK

**Alleged Damages:** \$50,000.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD - CASE #01-01374](#)

**Date Notice/Process Served:** 03/22/2001

**Arbitration Pending?** No

**Disposition:** Award

**Disposition Date:** 04/03/2002

**Disposition Detail:** RESPONDETN IS LIABLE JOINTLY AN SEVERALLY AND SHALL PAY TO CLAIMANT THE SUM OF \$15,000.00 AS COMPENSATORY PLUS INTEREST IN THE SUM OF \$1,500.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** HD BROUS & COMPANY

**Allegations:** BREACH OF CONTRACT, BREACH OF FIDUCIARY DUTY

**Product Type:** Other

**Other Product Type(s):** COMMON STOCK



**Alleged Damages:** \$50,000.00

### Customer Complaint Information

**Date Complaint Received:** 03/22/2001

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 04/03/2002

**Settlement Amount:** \$16,500.00

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD CASE # 01-01374](#)

**Date Notice/Process Served:** 03/22/2001

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 04/03/2002

**Monetary Compensation Amount:** \$16,500.00

**Individual Contribution Amount:**

### Disclosure 2 of 2

**Reporting Source:** Firm

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

**Allegations:** BREACH OF CONTRACT, DECEPTIVE TRADE PRACTICES, VIOLATION OF STATE SECURITIES LAWS AND COMMON LAW.

**Product Type:** Equity - OTC

**Alleged Damages:** \$150,000.00

### Customer Complaint Information



**Date Complaint Received:** 10/22/1999  
**Complaint Pending?** No  
**Status:** Arbitration/Reparation  
**Status Date:** 10/22/1999  
**Settlement Amount:**  
**Individual Contribution Amount:**  
**Arbitration Information**  
**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD CASE # 99-03208  
**Date Notice/Process Served:** 10/22/1999  
**Arbitration Pending?** No  
**Disposition:** Award to Customer  
**Disposition Date:** 04/03/2002  
**Monetary Compensation Amount:** \$21,500.00  
**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** H.D. BROUS  
**Allegations:** CLIENT IS CLAIMING BREACH OF CONTRACT, DECEPTIVE TRADE PRACTICES.  
**Product Type:** Equity - OTC  
**Alleged Damages:** \$65,000.00

### Customer Complaint Information

**Date Complaint Received:** 10/22/1999  
**Complaint Pending?** No  
**Status:** Arbitration/Reparation



Settled

**Status Date:** 12/21/1999**Settlement Amount:** \$15,000.00**Individual Contribution Amount:** \$0.00**Arbitration Information****Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD ARBITRATION NO 99-03208**Date Notice/Process Served:** 12/21/1999**Arbitration Pending?** No**Disposition:** Award to Customer**Disposition Date:** 04/03/2002**Monetary Compensation Amount:** \$21,500.00**Individual Contribution Amount:** \$0.00**Broker Statement**

THESE TWO ARBITRATIONS ARE FILED BY THE SAME CUSTOMER AND ARE FOR THE SAME ISSUES. CUSTOMER DID NOT SIGN ORIGINAL SETTLEMENT DOCUMENTS SINCE HE FELT THAT IT WOULD WAIVE HIS RIGHTS AGAINST ALL FUTURE AGENTS OF THE FIRM ALSO. ORIGINAL SETTLEMENT WOULD HAVE BEEN FOR \$15,000. CUSTOMER SETTLED ON 11/10/2000 FOR BOTH COMPLAINTS. BOTH CASES WERE ACTUALLY SETTLED ON 04/03/2002, NOT ON 11/10/2000 BY HD BROUS & CO., INC.



## Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

### Disclosure 1 of 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	LEGEND SECURITIES, INC.
<b>Allegations:</b>	UNSCRUPULOUS ACTIVITIES, UNAUTHORIZED TRADING, CHURNING, DECEPTION
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Alleged Damages:</b>	\$350,758.02
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	MIDVALE UTAH
<b>Docket/Case #:</b>	10-00505
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	02/12/2010

### Customer Complaint Information

<b>Date Complaint Received:</b>	02/26/2010
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	11/12/2010
<b>Settlement Amount:</b>	\$117,000.00
<b>Individual Contribution Amount:</b>	\$117,000.00
<b>Broker Statement</b>	THE PARTIES ENTERED INTO THIS AGREEMENT SOLELY FOR THE



PURPOSE OF AVOIDING THE BURDENS, INCONVENIENCE AND EXPENSES OF FURTHER LITIGATION. AGREEMENT DOES NOT CONSTITUTE OR DEEMED AN ADMISSION OR CONCESSION OF ANY WRONG DOING, LIABILITY OR CULPABILITY.

#### Disclosure 2 of 4

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** HD BROUS

**Allegations:** CUSTOMER ALLEGES BREACH OF CONTRACT DECEPTIVE TRADE PRACTICES

**Product Type:** Equity - OTC

**Alleged Damages:** \$150,000.00

#### Customer Complaint Information

**Date Complaint Received:** 11/10/2000

**Complaint Pending?** No

**Status:** Arbitration/Reparation  
Settled

**Status Date:** 11/10/2000

**Settlement Amount:** \$15,000.00

**Individual Contribution Amount:** \$0.00

#### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD, CASE # 2000-008610

**Date Notice/Process Served:** 11/10/2000

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 11/10/2000

**Monetary Compensation Amount:** \$15,000.00



**Individual Contribution Amount:** \$0.00

**Broker Statement** [CUSTOMER] FILED THIS COMPLAINT AFTER RELIZING THAT HE WOULD NOT BE ABLE TO SUE ANYONE ELSE IN THE FIRM IF HE SETTLED FOR THE FIRST COMPLAINT. THE FIRST COMPLAINT WAS NOT SETTLED, DUE TO AN UNAGREEABLE AMOUNT, THERE BY BOTH COMPLAINTS ARE PENDING.

#### Disclosure 3 of 4

**Reporting Source:** Firm

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

**Allegations:** UNSUITABILITY  
UNAUTHORIZED TRADING  
FRAUD  
SALE OF UNREGISTERED SECURITIES

**Product Type:** CD(s)

**Alleged Damages:** \$100,000.00

#### Customer Complaint Information

**Date Complaint Received:** 04/15/1999

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/06/2001

**Settlement Amount:** \$37,000.00

**Individual Contribution Amount:** \$0.00

#### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NYSE DOCKET NO. 2000-008610

**Date Notice/Process Served:** 08/21/2000

**Arbitration Pending?** No

**Disposition:** Settled





**Disposition Date:** 04/06/2001  
**Monetary Compensation Amount:** \$37,000.00  
**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** H D BROUS & CO., INC

**Allegations:** UNSUITABILITY, UNAUTHORIZED TRADES, FRAUD, SALE OF UNREGISTERED SECURITIES

**Product Type:** CD(s)  
**Alleged Damages:** \$100,000.00

### Customer Complaint Information

**Date Complaint Received:** 04/15/1999  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 04/06/2001  
**Settlement Amount:** \$37,000.00  
**Individual Contribution Amount:** \$0.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NYSE DOCKET NO 2000-08610  
**Date Notice/Process Served:** 08/26/2000  
**Arbitration Pending?** No  
**Disposition:** Settled  
**Disposition Date:** 04/06/2001  
**Monetary Compensation Amount:** \$37,000.00



**Individual Contribution Amount:** \$0.00

#### Disclosure 4 of 4

**Reporting Source:** Firm

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

**Allegations:** UNSUITABILITY  
MISREPRESENTATION IN CONNECTION WITH THE SALE OF SECURITIES  
BREACH OF FIDUCIARY DUTY  
NEGLIGENCE  
COMMON LAW FRAUD  
BREACH OF CONTRACT

**Product Type:** Equity - OTC

**Alleged Damages:** \$17,000.00

#### Customer Complaint Information

**Date Complaint Received:** 01/25/2001

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/06/2001

**Settlement Amount:** \$9,000.00

**Individual Contribution Amount:** \$0.00

#### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD ARBITRATION #0100173

**Date Notice/Process Served:** 01/25/2001

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 04/06/2001



**Monetary Compensation Amount:** \$9,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker

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

**Allegations:** UNSUITABILITY, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, NEGLIGENCE, ETC.

**Product Type:** Equity - OTC

**Alleged Damages:** \$17,000.00

### Customer Complaint Information

**Date Complaint Received:** 01/25/2001

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/25/2001

**Settlement Amount:** \$9,000.00

**Individual Contribution Amount:** \$0.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD-DR CASE NUMBER 01-00173

**Date Notice/Process Served:** 01/25/2001

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 04/06/2001

**Monetary Compensation Amount:** \$9,000.00

**Individual Contribution Amount:** \$0.00



## Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	LEGEND SECURITIES, INC.
<b>Allegations:</b>	UNAUTHORIZED TRADING. FROM NOVEMBER 2010 THROUGH MAY 2011, CLIENT CLAIMS MR. JACOBY AGGRESSIVELY TRADED ACCOUNT WHICH RESULTED IN TRADING LOSSES OF OVER 88% IN 6 MONTHS WITHOUT HIS KNOWLEDEGE.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$50,000.00
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	11-03076
<b>Date Notice/Process Served:</b>	08/15/2011
<b>Arbitration Pending?</b>	Yes
<b>Firm Statement</b>	[CUSTOMER] KNEW AND APPROVED OF ALL TRADES IN AND OUT OF HIS ACCOUNT AT ALL TIMES.

## End of Report



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