

**BrokerCheck Report**

**RICHARD GRANT CODY**

CRD# 2794558

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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.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

[brokercheck.finra.org](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)

**RICHARD G. CODY**

CRD# 2794558

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
- 2 State Securities Law Exams

### Registration History

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

#### IFS SECURITIES

CRD# 40375  
Spring Lake, NJ  
08/2016 - 09/2016

#### CONCORDE INVESTMENT SERVICES, LLC

CRD# 151604  
SPRING LAKE, NJ  
03/2014 - 08/2016

#### WESTMINSTER FINANCIAL SECURITIES, INC.

CRD# 20677  
PROVIDENCE, RI  
03/2010 - 03/2013

### 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	1
Civil Event	1
Customer Dispute	6
Termination	1
Judgment/Lien	1

### Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<https://www.adviserinfo.sec.gov>

## 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 2 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	03/25/1997

### State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	08/08/1997
Uniform Investment Adviser Law Examination	Series 65	11/13/1997

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
08/2016 - 09/2016	IFS SECURITIES	40375	Spring Lake, NJ
03/2014 - 08/2016	CONCORDE INVESTMENT SERVICES, LLC	151604	SPRING LAKE, NJ
03/2010 - 03/2013	WESTMINSTER FINANCIAL SECURITIES, INC.	20677	PROVIDENCE, RI
05/2005 - 03/2010	GUNNALLEN FINANCIAL, INC	17609	BOSTON, MA
12/2001 - 05/2005	LEERINK SWANN & COMPANY	39011	BOSTON, MA
09/2000 - 11/2001	SALOMON SMITH BARNEY INC.	7059	NEW YORK, NY
03/1997 - 12/2000	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	NEW YORK, NY

### 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
02/2014 - Present	CONCORDE ASSET MANAGEMENT, LLC	TROY, MI
02/2014 - Present	CONCORDE INVESTMENT SERVICES, LLC	TROY, MI
01/2013 - Present	BOSTON INVESTMENT PARTNERS	SPRING LAKE, NJ
03/2010 - 01/2013	WESTMINSTER FINANCIAL ADVISORY CORPORATION	VANDALIA, OH
03/2010 - 01/2013	WESTMINSTER FINANCIAL SECURITIES, INC.	VANDALIA, OH
05/2005 - 03/2010	GUNNALLEN FINANCIAL	TAMPA, FL

### 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.

## Registration and Employment History



### Other Business Activities, continued

1) BOSTON INVESTMENT PARTNERS. START DATE JANUARY 2013 IN ADMINISTRATIVE CAPACITY. AS OF FEBRUARY 2014, THIS IS MY DBA FOR SECURITIES BUSINESS. SPRING LAKE, NJ.

2) INVESTMENT ADVISOR REP, CONCORDE ASSET MANAGEMENT. START DATE FEB 2014. INVESTMENT RELATED. SPRING LAKE, NJ. MANAGE PORTFOLIOS OF CLIENT ACCOUNTS, INCLUDES BUYING, SELLING SECURITIES, PERIODIC REBALANCING/REALLOCATION. FULL TIME DURING BUSINESS HOURS.

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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.
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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.
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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	1	0





Civil Event	1	0	0
Customer Dispute	3	3	N/A
Termination	N/A	1	N/A
Judgment/Lien	1	N/A	N/A



## 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 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

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

**Date Initiated:** 01/11/2008

**Docket/Case Number:** [2005003188901](#)

**Employing firm when activity occurred which led to the regulatory action:** LEERINK SWANN & CO.

**Product Type:** Other: NON-INVESTMENT GRADE BONDS

**Allegations:** NASD RULES 2110, 2310, INTERPRETIVE MATERIAL-1000-1 AND INTERPRETATIVE MATERIAL-2310-2: RESPONDENT ENGAGED IN UNSUITABLE AND EXCESSIVE TRADING IN THE ACCOUNTS OF CUSTOMERS, RESULTING IN SIGNIFICANT COMMISSION INCOME FOR HIM AND LOSSES FOR HIS CUSTOMERS. HE ALSO SENT A SERIES OF WRITTEN STATEMENTS TO CUSTOMERS WITHOUT PRIOR APPROVAL OF HIS MEMBER FIRM. THESE STATEMENTS WERE FALSE OR MISLEADING, IN THAT, AMONG OTHER THINGS, SUBSTANTIALLY OVERSTATED THE TRUE VALUE OF THE CUSTOMERS' ACCOUNTS AND/OR LISTED SECURITIES POSITIONS THAT IN FACT DID NOT EXIST. HE ALSO RECOMMENDED TO



CUSTOMERS THE PURCHASE OF A SECURITY, WHICH WAS NOT SUITABLE FOR THE CUSTOMERS IN LIGHT OF THEIR INVESTMENT OBJECTIVES, RISK TOLERANCE, AGE AND INCOME. RESPONDENT WILLFULLY FAILED TO UPDATE HIS FORM U4 TO DISCLOSE SETTLEMENT AGREEMENT HE ENTERED INTO WITH ANOTHER MEMBER FIRM. HE FAILED TO AMEND HIS FORM U4 TO DISCLOSE SETTLEMENTS WITH CUSTOMERS.

**Current Status:** Final

**Action Appealed To:** Federal Court

**Date Appeal filed:** 10/25/2011

**Appeal Limitation Details:**

**Resolution:** Order

**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:** 12/07/2012

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Monetary Penalty other than Fines  
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:** ANY CAPACITY  
**Duration:** ONE YEAR  
**Start Date:** 01/07/2013  
**End Date:** 01/06/2014

**Monetary Sanction 1 of 2**

**Monetary Related Sanction:** Monetary Penalty other than Fines  
**Total Amount:** \$8,711.25  
**Portion Levied against individual:** \$8,711.25  
**Payment Plan:**  
**Is Payment Plan Current:**  
**Date Paid by individual:** 03/05/2013  
**Was any portion of penalty waived?** No

**Amount Waived:**

**Monetary Sanction 2 of 2**



**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$27,500.00

**Portion Levied against individual:** \$27,500.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 03/05/2013

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement**

AMENDED HEARING PANEL DECISION RENDERED JANUARY 29, 2009 WHEREIN CODY WAS FOUND TO HAVE VIOLATED: NASD RULES 2110 AND 2310 BY RECOMMENDING QUANTITATIVELY AND QUALITATIVELY UNSUITABLE TRANSACTIONS IN CUSTOMER ACCOUNTS AND THEREFORE IS FINED \$20,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS; NASD RULE 2110 BY SENDING CUSTOMERS MISLEADING AND UNAPPROVED ACCOUNT SUMMARIES AND IS THEREFORE FINED \$5,000; AND NASD RULE 2110 BY FAILING TO UPDATE HIS FORM U4 IN A TIMELY MANNER TO DISCLOSE SETTLEMENTS TO CUSTOMERS AND IS THEREFORE FINED \$2,500. THE PANEL DID NOT FIND CODY'S FAILURE TO BE WILLFUL. IN ADDITION, CODY IS ORDERED TO PAY COSTS IN THE AMOUNT OF \$7,087.50. THE CHARGE THAT CODY VIOLATED NASD RULE 2110 BY FAILING TO UPDATE HIS FORM U4 TO DISCLOSE A COMPROMISE WITH CREDITORS IS DISMISSED. ON FEBRUARY 23, 2009, FINRA'S DEPARTMENT OF ENFORCEMENT APPEALED THE DECISION TO THE NATIONAL ADJUDICATORY COUNCIL (NAC).

NAC DECISION RENDERED MAY 10, 2010 WHEREIN THE FINDINGS MADE ARE AFFIRMED AND THE SANCTIONS IMPOSED BY THE HEARING PANEL ARE MODIFIED; THEREFORE, CODY IS FINED \$20,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR FOR THE SUITABILITY VIOLATIONS. FOR THE MISLEADING ACCOUNT SUMMARIES, HE IS FINED \$5,000. FOR THE FORM U4 VIOLATIONS, HE IS FINED \$2,500. THE NAC AFFIRMS THE REQUIREMENT THAT CODY PAY HEARING COSTS OF \$7,087.50 AND IMPOSES APPEAL COSTS OF \$1,623.75. ON JUNE 9, 2010, CODY APPEALED THE DECISION TO THE SECURITIES AND EXCHANGE COMMISSION (SEC). SEC DECISION RENDERED MAY 27, 2011 WHEREIN THE SEC ORDERED THAT THE DISCIPLINARY ACTION TAKEN AND COSTS IMPOSED BY FINRA ARE SUSTAINED. CODY FILED A MOTION FOR RECONSIDERATION TO THE SEC ON JUNE 20, 2011. THE SEC



DENIED THE MOTION FOR RECONSIDERATION ON AUGUST 31, 2011. ON OCTOBER 25, 2011, CODY APPEALED TO THE U.S. COURT OF APPEALS FOR THE FIRST CIRCUIT. ON SEPTEMBER 7, 2012, THE U.S COURT OF APPEALS FOR THE FIRST CIRCUIT AFFIRMED THE SEC'S DECISION; THEREFORE CODY IS FINED A TOTAL OF \$27,500, SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR, AND MUST PAY HEARING COSTS OF \$7,087.50 AND APPEAL COSTS OF \$1,623.75. THE DECISION IS FINAL DECEMBER 7, 2012. THE SUSPENSION IS IN EFFECT JANUARY 7, 2013 THROUGH JANUARY 6, 2014. FINE AND COSTS PAID IN FULL 3/5/13.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

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

**Date Initiated:** 01/11/2008

**Docket/Case Number:** FINRA CASE NO. 2005003188901

**Employing firm when activity occurred which led to the regulatory action:** LEERINK SWAN & CO

**Product Type:** Other: NON INVESTMENT GRADE BONDS

**Allegations:** FINRA ALLEGES IN ITS SEVEN (7) COUNT COMPLAINT THAT MR. CODY: ENGAGED IN EXCESSIVE AND UNSUITABLE TRANSACTIONS (TWO COUNTS); USED UNAPPROVED AND MISLEADING ACCOUNT STATEMENTS (TWO COUNTS); MADE UNSUITABLE RECOMMENDATIONS; WILFULLY FAILED TO UPDATE HIS FORM U-4 AND UNLAWFULLY FAILED TO FILE AN ACCURATE FORM U-4 (TWO COUNTS).

**Current Status:** Final

**Action Appealed To:** SEC

**Date Appeal filed:** 06/09/2010

**Appeal Limitation Details:**

**Resolution:** Order



**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:** 09/07/2012

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Monetary Penalty other than Fines  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL CAPACITIES

**Duration:** 1 YEAR

**Start Date:** 01/07/2013

**End Date:** 01/06/2014

**Monetary Sanction 1 of 2**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$27,500.00

**Portion Levied against individual:** \$27,500.00

**Payment Plan:** ON APPEAL WITH SEC

**Is Payment Plan Current:** Yes

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

**Monetary Sanction 2 of 2**

**Monetary Related Sanction:** Monetary Penalty other than Fines

**Total Amount:** \$8,711.25

**Portion Levied against individual:** \$8,711.25





**Payment Plan:** ON APPEAL WITH SEC

**Is Payment Plan Current:** Yes

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

**Broker Statement**

HEARING PANEL DECISION RENDERED JANUARY 29, 2009 WHEREIN RESPONDENT WAS FOUND TO HAVE VIOLATED: RULES 2110 AND 2310 BY RECOMMENDING QUANTITATIVELY AND QUALITATIVELY UNSUITABLE TRANSACTIONS IN CUSTOMER ACCOUNTS AND THEREFORE IS FINED \$20,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS; RULE 2110 BY SENDING CUSTOMERS MISLEADING AND UNAPPROVED ACCOUNT SUMMARIES AND IS THEREFORE FINED \$5,000; AND RULE 2110 BY FAILING TO UPDATE HIS FORM U4 IN A TIMELY MANNER TO DISCLOSE SETTLEMENTS TO CUSTOMERS AND IS THEREFORE FINED \$2,500. IN ADDITION, RESPONDENT IS ORDERED TO PAY COSTS IN THE AMOUNT OF \$7,087.50. THE CHARGE THAT RESPONDENT VIOLATED RULE 2110 BY FAILING TO UPDATE HIS FORM U4 TO DISCLOSE A COMPROMISE WITH CREDITORS IS DISMISSED. FINRA APPEALED THIS DECISION ON FEBRUARY 23, 2009. NAC DECISION RENDERED MAY 10, 2010 WHEREIN THE FINDINGS MADE ARE AFFIRMED AND THE SANCTIONS IMPOSED BY THE HEARING PANEL ARE MODIFIED; THEREFORE, RESPONDENT IS FINED \$20,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR FOR THE SUITABILITY VIOLATIONS. FOR THE MISLEADING ACCOUNT SUMMARIES, HE IS FINED \$5,000. FOR THE FORM U4 VIOLATIONS, HE IS FINED \$2,500. THE NAC AFFIRMS THE REQUIREMENT THAT CODY PAY HEARING COSTS OF \$7,087.50 AND IMPOSES APPEAL COSTS OF \$1,623.75. APPEALED TO THE SEC ON JUNE 9, 2010. SEC DECISION RENDERED MAY 27 2011 WHEREIN THE SEC ORDERED THAT THE DISCIPLINARY ACTION TAKEN AND COSTS IMPOSED BY FINRA ARE SUSTAINED. IF NO FURTHER ACTION, DECISION IS FINAL JULY 26, 2011. CODY FILED A MOTION FOR RECONSIDERATION TO THE SEC ON JUNE 20, 2011. THE SEC DENIED THE MOTION FOR RCONSIDERATION ON AUGUST 31, 2011. APPEALED TO THE US COURT OF APPEALS FOR THE FIRST CIRCUIT ON OCTOBER 25, 2011. ON SEPTEMBER 7, 2012 THE U S COURT OF APPEALS FOR THE FIRST CIRCUIT AFFIRMED THE SEC'S DECISION: THEREFORE CODY IS FINED A TOTAL OF \$27,500, SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR, AND MUST PAY HEARING COSTS OF \$7,087.50 AND APPEAL COSTS OF \$1,623.75. IF NO FURTHER ACTION IS TAKEN, THE DECISION IS FINAL DECEMBER 7, 2012. THE SUSPENSION IS IN EFFECT JANUARY 7 2013 THROUGH JANUARY 6, 2014.





## Civil - Pending

This type of disclosure event involves a pending civil court action that seeks an injunction in connection with any investment-related activity or alleges a violation of any investment-related statute or regulation.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Relief Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines Restraining Order
<b>Date Court Action Filed:</b>	12/12/2016
<b>Product Type:</b>	Other: unspecified securities
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	United States District Court for the District of Massachusetts
<b>Location of Court:</b>	District of Massachusetts
<b>Docket/Case #:</b>	1:16-cv-12510
<b>Employing firm when activity occurred which led to the action:</b>	Boston Investment Partners, LLC
<b>Allegations:</b>	<p>SEC Litigation Release 23702 / December 13, 2016: The Securities and Exchange Commission (SEC) filed a complaint, on December 12, 2016, in federal court in Boston charging investment adviser and broker representative Richard G. Cody, a former resident of Massachusetts and current resident of New Jersey, with defrauding his retired clients. The Commission has asked the court to consider whether to impose certain preliminary relief against Cody and the legal entity through which Cody holds out his investment adviser and brokerage services business, Boston Investment Partners, LLC, including an asset freeze.</p> <p>The SEC alleges that Cody, an investment adviser and broker representative, defrauded at least three of his clients for years by concealing the fact that their retirement accounts had suffered extensive losses and that the monthly payments they were receiving were exhausting their retirement savings. Cody concealed their substantial losses by making materially misleading statements, leading the clients to believe that their investments were maintaining steady value and that their monthly withdrawals were being financed by investment gains. All the while, Cody concealed the material fact that the clients' account values were actually</p>



being rapidly depleted. By mid-2014, two of these clients' accounts had essentially run out of funds.

To prevent his clients from detecting his longstanding fraud, Cody continued his scheme by engaging in various deceptive acts aimed at concealing from the clients that their money was gone. These acts included: (1) making wire transfers of monthly deposits to his defrauded clients' bank accounts from sources other than their own retirement accounts so that they would not know their retirement funds had run out; (2) responding to requests from a client for a withdrawal of retirement funds by falsely representing that the client's funds had been invested in an annuity and then sending the client a fraudulent document to create the appearance that a well-known financial firm held an annuity for that client; and (3) sending clients fabricated tax forms which purported to show retirement account distributions and tax withholding in order to disguise the fact that the clients' accounts were essentially empty. As recently as March 2016, Cody lied to a third client by telling a husband and wife that they had \$1.28 million remaining in their investment accounts when, in fact, their retirement accounts held only approximately \$162,560.

Cody's deceptions caused these clients to believe that their retirement savings were secure when, in fact, they were not. The sheer duration of Cody's deception deprived these clients of any opportunity to take measures to decrease or to stop their losses or even to work longer to make up those losses. With their prime working years now well behind them, Cody's deceptive scheme has irreparably damaged their financial security, causing immense anxiety and fear and creating the real possibility that they may suffer further dire consequences.

By virtue of his fraudulent conduct, Cody has engaged and is still engaged in: (i) fraudulent or deceptive conduct upon an advisory client in violation of Sections 206(1) and 206(2) of the Investment Advisors Act of 1940 ("Advisors Act"); and (ii) fraudulent or deceptive conduct in connection with the purchase or sale of securities, in violation of Section 10(b) of the Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder.

<b>Current Status:</b>	Pending
<b>Limitations or Restrictions in Effect During Appeal:</b>	n/a



## 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 3

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	LEERINK SWANN
<b>Allegations:</b>	CLIENT VERBALLY ALLEGED PURCHASE OF CMO UNSUITABLE
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	CMO
<b>Alleged Damages:</b>	\$20,000.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	06/20/2005
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	09/07/2007
<b>Settlement Amount:</b>	\$20,000.00
<b>Individual Contribution Amount:</b>	\$20,000.00
<b>Broker Statement</b>	I ENTERED INTO THE SETTLEMENT CONTRARY TO THE ADVISE OF COUNSEL. I HAD A LONG STANDING RELATIONSHIP WITH THE CLIENT AND I DESIRED TO PUT ANY CLIENT ISSUE, RELATING TO TIME AT A FORMER EMPLOYER, BEHIND ME.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	LEERINK SWANN
<b>Allegations:</b>	CLIENT VERBALLY ALLEGED PURCHASE OF CMO UNSUITABLE
<b>Product Type:</b>	Other



**Other Product Type(s):** CMO  
**Alleged Damages:** \$56,000.00

### Customer Complaint Information

**Date Complaint Received:** 06/20/2005  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 09/07/2007  
**Settlement Amount:** \$56,000.00  
**Individual Contribution Amount:** \$56,000.00

**Broker Statement** I ENTERED INTO THE SETTLEMENT CONTRARY TO THE ADVISE OF COUNSEL. I HAD A LONG STANDING RELATIONSHIP WITH THE CLIENT AND I DESIRED TO PUT ANY CLIENT ISSUE, RELATING TO TIME AT A FORMER EMPLOYER, BEHIND ME.

### Disclosure 3 of 3

**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** GUNNALLEN FINANCIAL  
**Allegations:** CLIENTS' STATEMENT OF CLAIM ALLEGES UNAUTHORIZED AND UNSUITABLE TRADES.  
**Product Type:** Equity - OTC  
**Alleged Damages:** \$100,000.00

### Customer Complaint Information

**Date Complaint Received:** 09/26/2005  
**Complaint Pending?** No  
**Status:** Arbitration/Reparation  
**Status Date:** 08/25/2006  
**Settlement Amount:**



**Individual Contribution  
Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim  
filed with and Docket/Case  
No.:** NASD CASE# 06-02618

**Date Notice/Process Served:** 08/25/2006

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/01/2006

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

**Individual Contribution  
Amount:** \$15,000.00



## 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 3

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Westminster Financial Securities, Inc. and Concorde Investment Services, LLC.
<b>Allegations:</b>	Clients are alleging that funds belonging to the client were taken by representative. Time period is unclear but we believe it covers 2012 to present.
<b>Product Type:</b>	Equity-OTC
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Damages are unspecified however firm has made a good faith determination that damages alleged exceed \$5,000.00.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	11/28/2016
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

### Disclosure 2 of 3

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Westminster Financial Securities, Inc. and Concorde Investment Services, LLC.





<b>Allegations:</b>	Clients are alleging that funds belonging to the client were taken by representative. Time period is unclear but we believe it covers 2012 to present.
<b>Product Type:</b>	Equity-OTC
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Damages are unspecified however firm has made a good faith determination that damages alleged exceed \$5,000.00.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	11/28/2016
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

### Disclosure 3 of 3

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	Concorde Investment Services, LLC
<b>Allegations:</b>	Registered Reps Rich and [other firm employee] received inaccurate information from Lincoln Financial. That information was passed unknowingly on to the client. However, the client received corrected information from Lincoln in time to correct any mistake but took no action to remedy the problem. Rich and [other firm employee] did not receive the corrected information until weeks after the client did and as a result did not have the opportunity themselves to fix the issue as the 30 day window had expired. Activities occurred from 2013-2015.
<b>Product Type:</b>	Annuity-Variable
<b>Alleged Damages:</b>	\$160,000.00
<b>Is this an oral complaint?</b>	No



**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 09/04/2015

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 10/23/2015

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 15-02545

**Date Notice/Process Served:** 10/23/2015

**Arbitration Pending?** Yes

### Broker Statement

[customer] requested that annuity funds be distributed immediately due to a financial emergency. Rich or [other firm employee] were not agents of record on the annuity. However, in the interest of helping a client, they helped [customer] facilitate the withdrawal. The [customers] were informed by the Annuity company that they violated a condition of a Rider on their policy. They were also informed they had 30 days from the time of withdrawal to fix the error and restore the policy. The [customers] did nothing. The annuity company never informed Rich or [other firm employee] of the violation prior to the distribution. Although they were already aware of the violation, The [customers] did not inform Rich or [other firm employee] of the violation until after the 30 day period expired. Although the [customers] feel that Rich or [other firm employee] should have known about the rider rule prior to the withdrawal, there was no way for them to know without information from the annuity company or the [customers] as they did not sell the [customers] the policy. That information was never provided. The [customers] had invested in the policy in 2007.



## Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

### Disclosure 1 of 1

**Reporting Source:** Firm

**Employer Name:** IFS Securities, Inc

**Termination Type:** Discharged

**Termination Date:** 09/12/2016

**Allegations:** Selling away, forgery

**Product Type:** Other: non registered securities

### Firm Statement

A recent wire request to a third party from a client's joint account, prompted the firm to contact the client to confirm the validity. The client stated that the Letter Of Authorization (LOA) for the wire request that was presented to the firm was not signed by them and that they were unaware of the request. The representative stated in fact that he was the one that generated the wire request LOA for the clients to sign. The clients stated they were un aware of the LOA generated, had not seen it and it was not signed by them. The husband then stated he will call the representative to straighten this out. After speaking to the representative, the husband called back and stated the wire request is legit and that he signed it. His response seemed coached from speaking with his representative. Then after a third call, the husband stated he never signed it. The wife stated she never signed the letter from an initial call made to her. The signatures on the LOA were determined to be forged by attaching previous signatures from other documents. Upon further investigation with the representative via phone, the wire request was to purchase unregistered securities for the client. Initially, the representative stated he knew nothing about the company and that the investment in unregistered securities was brought to him by the client. After further investigative questions, the representative acknowledged that he discussed, presented and solicited the unregistered securities to the client for purchase. The client's account is a joint account and the representative spoke exclusively to the husband regarding the unregistered security and the wife was totally unaware. The husband further stated that representative buys all of his securities and tells him about it. The relationship between representative and the client was not honest and does not reflect the ethical standards that are supposed to be upheld.



## Judgment / Lien

This type of disclosure event involves an unsatisfied and outstanding judgments or liens against the broker.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	MASSACHUSETTS DEPARTMENT OF REVENUE
<b>Judgment/Lien Amount:</b>	\$16,775.00
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed with Court:</b>	11/26/2012
<b>Date Individual Learned:</b>	10/26/2013
<b>Type of Court:</b>	RECORDER OF DEEDS
<b>Name of Court:</b>	RECORDER OF DEEDS
<b>Location of Court:</b>	BOSTON
<b>Docket/Case #:</b>	044090005855
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	THIS LIEN IS PERTAINING TO 2010 ON THE STATE LEVEL. THE MASS DOR DID NOT REALIZE I FILED A CORPORATE RETURN AS WELL AS AN INDIVIDUAL RETURN IN 2010. AS A RESULT THEY FELT I UNDERSTATED MY INCOME ON MY INDIVIDUAL RETURN BASED UPON MY 2010 1099. THE MASS DOR CURRENTLY HAS COPIES OF BOTH RETURNS AND IS REVIEWING THE INFORMATION. I HAVE BEEN IN CONTACT WITH THEM AS WELL AND ONCE THE RETURNS ARE RECONCILED THEY WILL SEE THERE IS NO OUTSTANDING TAX AND THE LIEN WILL BE REMOVED/RELEASED.

## End of Report



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