

**BrokerCheck Report**

**DAWSON JAMES SECURITIES, INC.**

CRD# 130645

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 6
Firm History	7
Firm Operations	8 - 14
Disclosure Events	15

## 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)



## DAWSON JAMES SECURITIES, INC.

CRD# 130645

SEC# 8-66367

### Main Office Location

1 NORTH FEDERAL HIGHWAY  
SUITE 500  
BOCA RATON, FL 33432  
Regulated by FINRA Florida Office

### Mailing Address

1 NORTH FEDERAL HIGHWAY  
SUITE 500  
BOCA RATON, FL 33432

### Business Telephone Number

561-391-5555

## 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 07/30/2002.

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
- 2 Self-Regulatory Organizations
- 53 U.S. states and territories

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

This firm conducts 13 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	8
Arbitration	1



## **Firm Profile**

This firm is classified as a corporation.

This firm was formed in Florida on 07/30/2002.

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.

### **DAWSON JAMES SECURITIES, INC.**

**Doing business as DAWSON JAMES SECURITIES, INC.**

**CRD#** 130645

**SEC#** 8-66367

### **Main Office Location**

1 NORTH FEDERAL HIGHWAY  
SUITE 500  
BOCA RATON, FL 33432

**Regulated by FINRA Florida Office**

### **Mailing Address**

1 NORTH FEDERAL HIGHWAY  
SUITE 500  
BOCA RATON, FL 33432

### **Business Telephone Number**

561-391-5555



## 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):** ARK FINANCIAL SERVICES, INC.

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Position** OWNER

**Position Start Date** 07/2002

**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

---

**Legal Name & CRD# (if any):** BELICEK, REBECCA JANE  
2106922

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

**Position** REGIONAL BRANCH COMPLIANCE MANAGER

**Position Start Date** 05/2013

**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):** GRISEWOOD, SHERYLL ELAINE  
1174883

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

**Position** DIRECTOR OF RESEARCH

**Position Start Date** 06/2016

**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):** HANDS, THOMAS WILLIAM  
1332915

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

**Position** PRESIDENT

**Position Start Date** 11/2011

**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):** KEYSER, ROBERT DAWSON JR.  
1291503

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

**Position** CEO

**Position Start Date** 08/2012

**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):** KURTZ, KEVIN SCOTT

**Firm Profile****Direct Owners and Executive Officers (continued)**

	5314588
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF FINANCIAL OFFICER/FINOP
<b>Position Start Date</b>	11/2013
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	METH, CARY ELLIOT 1304688
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER-AML COMPLIANCE OFFICER-EXECUTIVE REPRESENTATIVE
<b>Position Start Date</b>	11/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
<hr/>	



## Firm Profile

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

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	KEYSER, ROBERT DAWSON JR. 1291503
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	ARK FINANCIAL SERVICES, INC.
<b>Relationship to Direct Owner</b>	OWNER
<b>Relationship Established</b>	04/2002
<b>Percentage of Ownership</b>	50% but less than 75%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	

---



## **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, 2 SROs and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	08/06/2004

### 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	08/06/2004
Nasdaq Stock Market	Approved	10/13/2006



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	09/27/2004	North Carolina	Approved	08/27/2004
Alaska	Approved	04/20/2005	North Dakota	Approved	04/07/2005
Arizona	Approved	12/17/2004	Ohio	Approved	08/24/2004
Arkansas	Approved	08/16/2004	Oklahoma	Approved	08/16/2004
California	Approved	08/16/2004	Oregon	Approved	10/08/2004
Colorado	Approved	09/16/2004	Pennsylvania	Approved	09/24/2004
Connecticut	Approved	10/01/2004	Puerto Rico	Approved	05/01/2008
Delaware	Approved	04/21/2005	Rhode Island	Approved	08/31/2004
District of Columbia	Approved	04/12/2005	South Carolina	Approved	08/13/2004
Florida	Approved	08/13/2004	South Dakota	Approved	03/25/2005
Georgia	Approved	08/20/2004	Tennessee	Approved	10/06/2004
Hawaii	Approved	05/17/2005	Texas	Approved	09/29/2004
Idaho	Approved	03/24/2005	Utah	Approved	08/12/2004
Illinois	Approved	08/17/2004	Vermont	Approved	05/11/2005
Indiana	Approved	08/19/2004	Virgin Islands	Approved	04/07/2011
Iowa	Approved	08/19/2004	Virginia	Approved	08/13/2004
Kansas	Approved	10/28/2004	Washington	Approved	08/13/2004
Kentucky	Approved	03/28/2005	West Virginia	Approved	03/23/2005
Louisiana	Approved	04/14/2005	Wisconsin	Approved	10/06/2004
Maine	Approved	06/06/2005	Wyoming	Approved	04/07/2005
Maryland	Approved	09/29/2004			
Massachusetts	Approved	09/07/2004			
Michigan	Approved	08/18/2004			
Minnesota	Approved	08/17/2004			
Mississippi	Approved	03/23/2005			
Missouri	Approved	09/17/2004			
Montana	Approved	04/06/2005			
Nebraska	Approved	10/22/2004			
Nevada	Approved	09/01/2004			
New Hampshire	Approved	05/23/2005			
New Jersey	Approved	08/30/2004			
New Mexico	Approved	04/26/2005			
New York	Approved	08/23/2004			



## 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 13 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 broker
- Municipal securities broker
- Broker or dealer selling variable life insurance or annuities
- Put and call broker or dealer or option writer
- 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
- Other - DJS WILL PROVIDE RESEARCH TO INSTITUTIONAL AND RETAIL CLIENTS.

#### Other Types of Business

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

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

Non-Securities Business Description:



## Firm Operations

### Clearing Arrangements

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

### Introducing Arrangements

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

**Name:** ALPINE SECURITIES CORPORATION  
**CRD #:** 14952  
**Business Address:** 39 EXCHANGE PLACE  
 SALT LAKE CITY, UT 84111  
**Effective Date:** 04/26/2016  
**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH ALPINE SECURITIES CORPORATION PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

---

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791  
**Business Address:** 800 SHADES CREEK PARKWAY  
 SUITE 700  
 BIRMINGHAM, AL 35209  
**Effective Date:** 12/31/2008  
**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH SAL PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

---

## Firm Operations

### Industry Arrangements



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

**Name:** ALPINE SECURITIES CORPORATION  
**CRD #:** 14952  
**Business Address:** 39 EXCHANGE PLACE  
 SALT LAKE CITY, UT 84111  
**Effective Date:** 04/26/2016  
**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH ALPINE SECURITIES CORPORATION PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

---

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791  
**Business Address:** 800 SHADES CREEK PARKWAY  
 SUITE 700  
 BIRMINGHAM, AL 35209  
**Effective Date:** 12/31/2008  
**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH SAL PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

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

**Name:** ALPINE SECURITIES CORPORATION  
**CRD #:** 14952  
**Business Address:** 39 EXCHANGE PLACE  
 SALT LAKE CITY, UT 84111  
**Effective Date:** 04/26/2016  
**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH ALPINE SECURITIES CORPORATION PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

---

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791

## Firm Operations



### Industry Arrangements (continued)

**Business Address:** 800 SHADES CREEK PARKWAY  
SUITE 700  
BIRMINGHAM, AL 35209

**Effective Date:** 12/31/2008

**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH SAL PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

---

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

**Name:** ALPINE SECURITIES CORPORATION

**CRD #:** 14952

**Business Address:** 39 EXCHANGE PLACE  
SALT LAKE CITY, UT 84111

**Effective Date:** 04/26/2016

**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH ALPINE SECURITIES CORPORATION PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER FUNDS OR SECURITIES.

---

**Name:** STERNE, AGEE & LEACH, INC.

**CRD #:** 791

**Business Address:** 800 SHADES CREEK PARKWAY  
SUITE 700  
BIRMINGHAM, AL 35209

**Effective Date:** 12/31/2008

**Description:** MEMBER OPERATES UNDER A FULLY-DISCLOSED CLEARING AGREEMENT WITH SAL PURSUANT TO THE (K)(2)(II) EXEMPTIVE PROVISIONS OF THE SEC RULE 15C3-3 AND WILL NOT HOLD CUSTOMER 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.

**DAWSON JAMES ASSET MANAGEMENT, INC. is under common control with the firm.**

<b>CRD #:</b>	135259
<b>Business Address:</b>	1 NORTH FEDERAL HIGHWAY SUITE 500 BOCA RATON, FL 33432
<b>Effective Date:</b>	02/02/2007
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITIES, DAWSON JAMES ASSET MANAGEMENT AND DAWSON JAMES SECURITIES, ARE UNDER COMMON OWNERSHIP.

**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	8	0
Arbitration	N/A	1	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 8

**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 IT VIOLATED RULE 101 OF SEC REGULATION M IN CONNECTION WITH AN OFFERING OF AN ENTITY'S COMMON STOCK AND WARRANTS, AND RELATED SUPERVISION REQUIREMENTS.

THE FINDINGS STATED THAT DURING THE RESTRICTED PERIOD OF THE DISTRIBUTION OF SECURITIES OF THE ENTITY, WHILE THE FIRM WAS ACTING AS A DISTRIBUTION PARTICIPANT FOR THE OFFER, THE FIRM: PURCHASED 10,450 SHARES OF A COVERED SECURITY, THE COMMON STOCK OF THE ENTITY, ON A PRINCIPAL BASIS IN 38 TRANSACTIONS; AND PURCHASED 3,937 SHARES OF A COVERED SECURITY, THE WARRANTS OF THE ENTITY, ON A PRINCIPAL BASIS IN 8 TRANSACTIONS.

THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND THE RULES OF NASDAQ. AT MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. HOWEVER, THE FIRM'S WSPS FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE SPECIFIED SUBJECT AREAS.

**Initiated By:** NASDAQ STOCK MARKET

**Date Initiated:** 09/01/2016

**Docket/Case Number:** [2014041286701](#)

**Principal Product Type:** Other

**Other Product Type(s):** AN OFFERING OF AN ENTITY'S COMMON STOCK AND WARRANTS

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

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

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

**Resolution Date:** 09/01/2016



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	<p>THE FIRM WAS CENSURED, FINED \$20,000, AND AN UNDERTAKING TO REVISE THE FIRM'S WSPS WITH RESPECT TO PROVIDING FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND THE RULES OF NASDAQ. THE WSPS SHOULD INCLUDE WHEN ADDRESSING QUALITY OF MARKETS TOPICS THE SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION, THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR, THE FREQUENCY OF SUCH REVIEWS, AND HOW SUCH REVIEWS SHALL BE DOCUMENTED.</p> <p>WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NASDAQ REVIEW COUNCIL, A REGISTERED PRINCIPAL OF THE RESPONDENT SHALL SUBMIT TO FINRA INFORMATION PROVIDING AMONG OTHERS A REPRESENTATION THAT THE FIRM HAS REVISED ITS WSPS TO ADDRESS THE DEFICIENCIES AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED.</p>
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED RULE 101 OF SEC REGULATION M IN CONNECTION WITH AN OFFERING OF AN ENTITY'S COMMON STOCK AND WARRANTS, AND RELATED SUPERVISION REQUIREMENTS. THE FINDINGS STATED THAT DURING THE RESTRICTED PERIOD OF THE DISTRIBUTION OF SECURITIES OF THE ENTITY, WHILE THE FIRM WAS ACTING AS A DISTRIBUTION PARTICIPANT FOR THE OFFER, THE FIRM: PURCHASED 10,450 SHARES OF A COVERED SECURITY, THE COMMON STOCK OF THE ENTITY, ON A PRINCIPAL BASIS IN 38 TRANSACTIONS; AND PURCHASED 3,937 SHARES OF A COVERED SECURITY, THE WARRANTS OF THE ENTITY, ON A PRINCIPAL BASIS IN 8 TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION</p>



REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND THE RULES OF NASDAQ. AT MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. HOWEVER, THE FIRM'S WSPS FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE SPECIFIED SUBJECT AREAS.

**Initiated By:** NASDAQ STOCK MARKET

**Date Initiated:** 09/01/2016

**Docket/Case Number:** [2014041286701](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE OF \$20,000 AND AN UNDERTAKING TO REVISE THE FIRM'S WSP'S TO ACHIEVE COMPLIANCE WITH NASDAQ.

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

**Resolution Date:** 09/01/2016

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

**Other Sanctions Ordered:** AN UNDERTAKING TO REVISE THE FIRM'S WSP'S TO ACHIEVE COMPLIANCE WITH NASDAQ.

**Sanction Details:** THE FIRM HAS NOT RECEIVED THE INVOICE FOR THE \$20,000 AND HAS REACHED OUT TO TRY TO EXPEDITE RECEIPT. WILL UPDATE FILING UPON RECEIPT AND PAYMENT. UPDATE 10/28/2016: WE THAT FINE WAS PAID THROUGH OUR NASDAQ ACCOUNT AT THE CLEARING FIRM AND TODAY RECEIVED CONFIRMATION FROM NASDAQ DIRECTLY THAT THE PAYMENT WAS PROCESSED.

**Firm Statement** THE FIRM HAS NOT RECEIVED THE INVOICE FOR THE \$20,000 AND HAS REACHED OUT TO TRY TO EXPEDITE RECEIPT. WILL UPDATE FILING UPON RECEIPT AND PAYMENT. UPDATE 10/28/2016: WE THAT FINE WAS PAID THROUGH OUR NASDAQ ACCOUNT AT THE CLEARING FIRM AND TODAY RECEIVED CONFIRMATION FROM NASDAQ DIRECTLY THAT THE PAYMENT WAS PROCESSED.



## Disclosure 2 of 8

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND IMPLEMENT AN ADEQUATE SYSTEM TO DETERMINE WHETHER A FORMER REGISTRANT'S DISCLOSED OUTSIDE BUSINESS WAS PROPERLY CHARACTERIZED AS AN OUTSIDE BUSINESS ACTIVITY OR WHETHER IT SHOULD BE TREATED AS AN OUTSIDE SECURITIES ACTIVITY SUBJECT TO THE REQUIREMENTS OF NASD RULE 3040. THE FINDINGS STATED THAT THE FIRM FAILED TO IDENTIFY RED FLAGS REGARDING THE OUTSIDE BUSINESS ACTIVITY, INCLUDING THE FORMER REGISTRANT'S (AND OTHER FIRM PERSONNEL) EMAILS, AND FAILED TO IDENTIFY MATERIAL CHANGES TO THE OUTSIDE BUSINESS ACTIVITY DISCLOSURE.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/18/2014
<b>Docket/Case Number:</b>	<a href="#">2012034911601</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/18/2014
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$30,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$30,000. FINE PAID IN FULL ON



DECEMBER 30, 2014.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND IMPLEMENT AN ADEQUATE SYSTEM TO DETERMINE WHETHER A FORMER REGISTRANT'S DISCLOSED OUTSIDE BUSINESS WAS PROPERLY CHARACTERIZED AS AN OUTSIDE BUSINESS ACTIVITY OR WHETHER IT SHOULD BE TREATED AS AN OUTSIDE SECURITIES ACTIVITY SUBJECT TO THE REQUIREMENTS OF NASD RULE 3040. THE FINDINGS STATED THAT THE FIRM FAILED TO IDENTIFY RED FLAGS REGARDING THE OUTSIDE BUSINESS ACTIVITY, INCLUDING THE FORMER REGISTRANT'S (AND OTHER FIRM PERSONNEL) EMAILS, AND FAILED TO IDENTIFY MATERIAL CHANGES TO THE OUTSIDE BUSINESS ACTIVITY DISCLOSURE.

**Initiated By:** FINRA

**Date Initiated:** 12/18/2014

**Docket/Case Number:** [2012034911601](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** MONETARY FINE OF \$30,000.

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

**Resolution Date:** 12/18/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$30,000.00

**Other Sanctions Ordered:** THE FIRM WAS CENSURED AND FINED \$30,000.

**Sanction Details:** ON 12/26/2014, THE FIRM RECEIVED THE INVOICE AND SENT THE PAYMENT TO FINRA

**Firm Statement** ON 12/26/2014, THE FIRM RECEIVED THE INVOICE AND SENT THE PAYMENT TO FINRA.



**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 THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR MINIMUM REQUIREMENTS FOR ADEQUATE WSPS, IN THE FOLLOWING SUBJECT AREAS: REGISTERED REPRESENTATIVES' DISCLOSURE OF POTENTIAL CONFLICTS OF INTERESTS TO CLIENTS; REGISTERED REPRESENTATIVES' TRADING IN THE OPPOSITE DIRECTION OF SOLICITED CUSTOMER TRANSACTIONS; SALES PRACTICE CONCERNS, INCLUDING, UNAUTHORIZED TRADING, SUITABILITY, EXCESSIVE TRADING, AND FREE-RIDING; CONCENTRATIONS OF SECURITIES IN CLIENTS' ACCOUNTS; SHARING OF PROFITS OR LOSSES IN CLIENTS' ACCOUNTS; WASH SALES; COORDINATED TRADING; MARKING THE OPEN AND MARKING THE CLOSE; CANCEL-REBILL TRANSACTIONS IN CLIENTS' ACCOUNTS; AND THE REVIEW OF REGISTERED REPRESENTATIVES' ELECTRONIC COMMUNICATIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO INVESTIGATE NUMEROUS "RED FLAGS" RELATING TO THE ACTIVITIES OF A REGISTERED REPRESENTATIVE. THE FIRM FAILED TO ENFORCE ITS WSPS WHICH SPECIFIED THAT ALL ELECTRONIC CORRESPONDENCE, WHETHER INCOMING OR OUTGOING, WOULD BE REVIEWED ON A DAILY BASIS. THE FIRM FAILED TO ENSURE THAT ITS HEAD TRADER WAS REASONABLY CARRYING OUT HIS DELEGATED SUPERVISORY RESPONSIBILITIES RELATING TO: PROPRIETARY TRADING; TRADE REPORTING; CLOCK SYNCHRONIZATION; SHORT SALE COMPLIANCE; COMPLIANCE WITH THE MANNING RULE; MARK UPS AND MARK DOWNS; AND COMPLIANCE WITH INVENTORY GUIDELINES.

**Initiated By:** FINRA

**Date Initiated:** 04/04/2014

**Docket/Case Number:** [2008012546802](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 04/04/2014





**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 \$75,000.00

**Other Sanctions Ordered:** UNDERTAKING: REVISE THE FIRM'S WSPS

**Sanction Details:** SEE ABOVE

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DURING THE PERIOD OF 1/1/2007 AND 12/31/2008 FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR MINIMUM REQUIREMENTS FOR ADEQUATE WSPS, IN THE FOLLOWING SUBJECT AREAS: REGISTERED REPRESENTATIVES' DISCLOSURE OF POTENTIAL CONFLICTS OF INTERESTS TO CLIENTS; REGISTERED REPRESENTATIVES' TRADING IN THE OPPOSITE DIRECTION OF SOLICITED CUSTOMER TRANSACTIONS; SALES PRACTICE CONCERNS, INCLUDING, UNAUTHORIZED TRADING, SUITABILITY, EXCESSIVE TRADING, AND FREE-RIDING; CONCENTRATIONS OF SECURITIES IN CLIENTS' ACCOUNTS; SHARING OF PROFITS OR LOSSES IN CLIENTS' ACCOUNTS; WASH SALES; COORDINATED TRADING; MARKING THE OPEN AND MARKING THE CLOSE; CANCEL-REBILL TRANSACTIONS IN CLIENTS' ACCOUNTS; AND THE REVIEW OF REGISTERED REPRESENTATIVES' ELECTRONIC COMMUNICATIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO INVESTIGATE NUMEROUS "RED FLAGS" RELATING TO THE ACTIVITIES OF A REGISTERED REPRESENTATIVE. THE FIRM FAILED TO ENFORCE ITS WSPS WHICH SPECIFIED THAT ALL ELECTRONIC CORRESPONDENCE, WHETHER INCOMING OR OUTGOING, WOULD BE REVIEWED ON A DAILY BASIS. THE FIRM FAILED TO ENSURE THAT ITS HEAD TRADER WAS REASONABLY CARRYING OUT HIS DELEGATED SUPERVISORY RESPONSIBILITIES RELATING TO: PROPRIETARY TRADING; TRADE REPORTING; CLOCK SYNCHRONIZATION; SHORT SALE COMPLIANCE; COMPLIANCE WITH THE MANNING RULE; MARK UPS AND MARK DOWNS; AND COMPLIANCE WITH INVENTORY GUIDELINES.

**Initiated By:** FINRA



**Date Initiated:** 04/04/2014  
**Docket/Case Number:** [2008012546802](#)  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:** MONETARY FINE OF \$75,000.  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 04/04/2014  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$75,000.00  
**Other Sanctions Ordered:** UNDERTAKING: REVISE THE FIRM'S WSP  
**Sanction Details:** ON 4/14/2014, THE FIRM RECEIVED THE INVOICE AND SENT THE PAYMENT TO FINRA.

#### Disclosure 4 of 8

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** FINRA RULE 2010, NASD RULES 2110, 2320, 2440, INTERPRETATIVE MATERIAL 2440 - DAWSON JAMES SECURITIES, INC. IN TRANSACTIONS SOLD (OR BOUGHT) CORPORATE BONDS TO (OR FROM) CUSTOMERS AND FAILED TO SELL (BUY) SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT. IN TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIES FOR OR WITH CUSTOMERS, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICES TO ITS CUSTOMERS WERE AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.  
**Initiated By:** FINRA  
**Date Initiated:** 08/20/2013



<b>Docket/Case Number:</b>	<a href="#">2009017443201</a>
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	TRACE-ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/20/2013
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$12,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$12,500. THE FIRM ALREADY PAID RESTITUTION TO ITS AFFECTED CUSTOMERS. FINE PAID ON SEPTEMBER 9, 2013.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA ALLEGED THAT (A) DURING THE PRICING REVIEW PERIOD (4Q '08), IN 6 TRANSACTIONS, THE FIRM FAILED TO SELL (OR BUY) CORPORATE BONDS TO (OR FROM) A CUSTOMER AT A PRICE DEEMED TO BE FAIR TAKING ALL RELEVANT CIRCUMSTANCES INTO CONSIDERATION AND (B) DURING THE BEST EXECUTION REVIEW PERIOD (1Q '09), IN 8 TRANSACTIONS FOR OR WITH A CUSTOMER, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICES TO ITS CUSTOMERS WERE AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.
<b>Initiated By:</b>	FINRA



**Date Initiated:** 08/20/2013

**Docket/Case Number:** [2009017443201](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** A TOTAL FINE OF \$12,500.

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

**Resolution Date:** 08/20/2013

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

**Other Sanctions Ordered:**

**Sanction Details:** THE FINE WAS PAID ON 9/6/2013 UPON RECEIPT OF INVOICE.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS AND SANCTIONS, AS DESCRIBED ABOVE.

#### Disclosure 5 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SECTION 5 OF THE SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 RULES 15C3-1, 15C3-3, 17A-3, 17A-4, 17A-5, 17A-11, FINRA RULES 2010, 8210, NASD RULES 2110, 2711(D)(2), 2711(I), 3110(A), 8210: THE FIRM AND TWO FIRM PRINCIPALS REBATED FUNDS TO A CUSTOMER PURSUANT TO A COMMISSION RECAPTURE ARRANGEMENT WHICH WAS NOT IN COMPLIANCE WITH ITS MEMBERSHIP AGREEMENT. IN ORDER FOR THE FIRM TO DIRECTLY PROVIDE THE CUSTOMER WITH A COMMISSION RECAPTURE ARRANGEMENT, THE FIRM WOULD HAVE BEEN REQUIRED TO FILE AN APPLICATION TO FINRA TO AMEND ITS MEMBERSHIP AGREEMENT. IN ADDITION, BECAUSE THE FIRM WOULD HAVE BEEN CONSIDERED TO HAVE BEEN HOLDING CUSTOMER FUNDS (COMMISSION REBATES DUE), THE FIRM WOULD ALSO BE REQUIRED TO MAINTAIN A MINIMUM NET CAPITAL REQUIREMENT OF AT LEAST \$250,000. MOREOVER, THE FIRM WOULD HAVE BEEN CONSIDERED A CARRYING FIRM FOR PURPOSES OF SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) RULE 15C3-3



UNLESS IT DEPOSITED FUNDS INTO A SEPARATE 15C3-3 BANK ACCOUNT SIMILAR TO THOSE ESTABLISHED UNDER A EXCHANGE ACT RULE 15C3-3(K)(2)(I) EXEMPTION; THE BALANCE IN THAT ACCOUNT WOULD HAVE BEEN REQUIRED AT ALL TIMES TO BE EQUAL TO OR EXCEED THE PAYABLE TO CUSTOMERS UNDER EXCHANGE ACT RULES 15C3-1(A)(2)(IV) AND 15C3-3(K)(2)(I). AFTER ENTERING INTO A CONSULTING AGREEMENT WITH THE CUSTOMER, PRINCIPALS AT THE FIRM TOOK NO ACTION TO INCREASE THE FIRM'S NET CAPITAL TO \$250,000 OR TO AMEND THE FIRM'S MEMBERSHIP AGREEMENT. DESPITE EXECUTION OF THE CONSULTING AGREEMENT, THE FIRM DID NOT REQUEST, NOR DID THE CUSTOMER PROVIDE, RESEARCH REPORTS OR ADVISORY SERVICES OR ANY OF THE OTHER SERVICES SET FORTH IN THE CONSULTING AGREEMENT. THE FIRM, ACTING THROUGH TWO PRINCIPALS, CALCULATED AND AUTHORIZED THE PAYMENTS TO THE CUSTOMER FOR THE PURPOSES OF REBATING THE CUSTOMER'S COMMISSIONS. THE FIRM, ACTING THROUGH TWO PRINCIPALS, PARTICIPATED IN THE RECEIPT AND DEPOSIT OF CUSTOMER FUNDS IN AN ACCOUNT OTHER THAN A SPECIAL RESERVE ACCOUNT, AS REQUIRED BY EXCHANGE ACT RULE 15C3-3(E)(1). THE FIRM HELD AND SEGREGATED SECURITY POSITIONS IN ITS PROPRIETARY ACCOUNTS FOR THE BENEFITS OF ITS PARENT COMPANY AND AN OWNER OF THE FIRM. THE FIRM FAILED TO INCREASE ITS MINIMUM NET CAPITAL REQUIREMENT TO \$250,000. FURTHER, BY ACTING AS A NOTEHOLDER'S AGENT, THE FIRM ACTED IN A CARRYING, TRANSFERRING AND SAFEKEEPING CAPACITY FOR CUSTOMER, THUS REQUIRING THE FIRM TO MAINTAIN A MINIMUM NET CAPITAL OF AT LEAST \$250,000. THE FIRM FILED INACCURATE FOCUS REPORTS AND ITS BOOKS AND RECORDS WERE INACCURATE. THE FIRM ALSO FAILED TO TIMELY FILE RULE 17A-11 NOTICES WHEN NOTIFIED BY ITS DESIGNATED EXAMINING AUTHORITY THAT THE BROKER/DEALER IS, OR HAS BEEN, UNDER ITS NET CAPITAL REQUIREMENT. THE FIRM AND TWO PRINCIPALS FAILED TO DOCUMENT THE BASIS UPON WHICH RESEARCH ANALYST COMPENSATION WAS ESTABLISHED. A SENIOR OFFICER AT THE FIRM SUBMITTED ATTESTATIONS TO FINRA WHERE THE SENIOR OFFICER CERTIFIED THAT, AMONG OTHER THINGS, THE FIRM'S COMPENSATION COMMITTEE REVIEWED AND APPROVED EACH RESEARCH ANALYST'S COMPENSATION, AND DOCUMENTED THE BASIS UPON WHICH THIS COMPENSATION WAS ESTABLISHED. THE SENIOR OFFICER KNEW OR SHOULD HAVE KNOWN THAT EACH ATTESTATION HE SUBMITTED PURSUANT TO NASD RULE 2711(I) CONTAINED FALSE INFORMATION AS THE FIRM DID NOT DOCUMENT THE BASIS UPON WHICH ITS RESEARCH ANALYSTS WERE COMPENSATED. THE FIRM SOLD SHARES OF STOCK FOR AN INDIVIDUAL THAT WERE NOT REGISTERED PURSUANT TO SECTION 5 OF THE SECURITIES ACT OF 1933 NOR EXEMPT FROM REGISTRATION. THE FIRM, ACTING THROUGH TWO PRINCIPALS, KNOWINGLY PROVIDED TESTIMONY TO FINRA THAT WAS FALSE AND MISLEADING, AND THAT IMPEDED FINRA'S INVESTIGATION.



**Initiated By:** FINRA  
**Date Initiated:** 06/01/2011  
**Docket/Case Number:** [2009016158501](#)  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:** N/A  
**Resolution:** Decision & Order of Offer of Settlement  
**Resolution Date:** 10/07/2011  
**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 \$90,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$90,000. THE CHARGE OF VIOLATING FINRA RULE 8210 AND NASD RULE 8210 WAS DROPPED AS PART OF THE SETTLEMENT.

---

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** FINRA FILED DISCIPLINARY PROCEEDING NO. 2009016158501 ON 6/1/2011 ALLEGING A VIOLATION OF THE FOLLOWING RULES: SECTION 5 OF THE SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 RULES 15C3-1, 15C3-3, 17A-3, 17A-4, 17A-5, 17A-11, FINRA RULES 2010, 8210, NASD RULES 2110, 2711(D)(2), 2711(I), 3110(A), 8210  
**Initiated By:** FINRA  
**Date Initiated:** 06/01/2011



**Docket/Case Number:** [2009016158501](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 10/07/2011

**Sanctions Ordered:** Censure  
Monetary/Fine \$90,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM AND MR. POLIAK CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THE FIRM IS FINED \$90,000 AND MR. POLIAK IS FINED \$30,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR. THE CHARGE OF VIOLATING FINRA RULE 8210 AND NASD RULE 8210 WAS DROPPED AS PART OF THE SETTLEMENT. THE SUSPENSION IS IN EFFECT FROM NOVEMBER 7, 2011, THROUGH NOVEMBER 6, 2012. MR. HANDS WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDING THAT HE SHOULD HAVE KNOWN THAT 2711(I) ATTESTATIONS MADE ON BEHALF OF THE FIRM WERE INACCURATE. MR. HANDS WAS FINED \$10,000 AND WAS SUSPENDED FOR 15 BUSINESS DAYS, FROM THE PERIOD OF 8/1/2011 TO 8/19/2011.

#### Disclosure 6 of 8

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE NEW YORK DEPARTMENT OF INSURANCE DETERMINED THAT THE FIRM HAD FAILED TO PROVIDE COMPLETE INFORMATION ON THE INITIAL APPLICATION SUBMITTED.

**Initiated By:** NEW YORK STATE INSURANCE DEPARTMENT

**Date Initiated:** 02/14/2011

**Docket/Case Number:** 2011-0036-S



**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent

**Resolution Date:** 02/22/2011

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FIRM ENTERED INTO A STIPULATION CALLING FOR THE PAYMENT OF A \$1,500 FINE AND A FINDING THAT THE FIRM PROVIDED INCOMPLETE INFORMATION ON THE APPLICATION, IN VIOLATION OF THE STATE'S INSURANCE LAW.

**Firm Statement**

ON 8/31/10 THE FIRM SUBMITTED AN APPLICATION WITH THE NEW YORK INSURANCE DEPARTMENT (THE "DEPARTMENT") IN AN EFFORT TO SEEK A LICENSE WITH THE STATE. THE FIRM ACCURATELY ANSWERED "YES" TO A QUESTION ON THE APPLICATION INQUIRING WHETHER OR NOT CERTAIN DISCLOSURE EVENTS EXISTED; HOWEVER, THE FIRM DID NOT INCLUDE A REFERENCE TO OR EXPLANATION OF TWO OF THE RELEVANT EVENTS. ULTIMATELY, THE DEPARTMENT DETERMINED THAT THE FIRM HAD FAILED TO PROVIDE COMPLETE INFORMATION ON THE INITIAL APPLICATION AND OFFERED THE FIRM THE OPPORTUNITY TO RESOLVE ITS CONCERNS BY ENTERING INTO A STIPULATION CALLING FOR THE PAYMENT OF A \$1,500 FINE AND A FINDING THAT THE FIRM PROVIDED INCOMPLETE INFORMATION ON THE APPLICATION, IN VIOLATION OF THE STATE'S INSURANCE LAW. THE FIRM AGREED TO RESOLVE THE MATTER IN THIS FASHION AND SIGNED THE SUBJECT STIPULATION. THE FIRM RECEIVED THE FULLY EXECUTED STIPULATION FROM THE DEPARTMENT (IDENTIFIED AS NO. 2011-0036-S) ON FEBRUARY 25, 2011, AT WHICH TIME THE DEPARTMENT APPROVED THE FIRM'S APPLICATION FOR AN INSURANCE LICENSE WITHOUT RESTRICTIONS.

THE FIRM CONTENDS THAT THIS MATTER RESULTED FROM AN INADVERTENT OVERSIGHT DURING AN ADMINISTRATIVE PROCESS AND WAS NOT REFLECTIVE OF ANY INTENT TO CONCEAL INFORMATION (AS EVIDENCED BY THE FACT THAT THE DEPARTMENT HAD ACCESS TO THE DISCLOSURES FOR THE BROKER/DEALER AND THE PRINCIPALS THROUGH EITHER WEB CRD, BROKERCHECK OR OTHER MEANS). THE FIRM HAS TAKEN STEPS TO PREVENT ANY SIMILAR INADVERTENT ERRORS FROM





OCCURRING IN THE FUTURE.

### Disclosure 7 of 8

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110 AND 3070(A)(9) AND (B): DAWSON JAMES WAS ASSOCIATED IN A BUSINESS ACTIVITY WITH A STATUTORILY DISQUALIFIED INDIVIDUAL AND FAILED TO REPORT THIS ASSOCIATION TO FINRA.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	09/30/2008
<b>Docket/Case Number:</b>	2007007145601
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/30/2008
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500.

**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ACCEPTED FINDINGS THAT A STATUTORILY DISQUALIFIED INDIVIDUAL REFERRED A COMPANY TO THE FIRM FOR INVESTMENT BANKING PURPOSES AND THAT THE INDIVIDUAL CONTINUED TO BE ASSOCIATED IN A BUSINESS RELATIONSHIP BETWEEN DAWSON JAMES AND THE COMPANY, AND THAT THE FIRM SHOULD HAVE KNOWN OF THE INDIVIDUAL'S DISQUALIFIED STATUS AND MADE A 3070 DISCLOSURE.
<b>Initiated By:</b>	FINRA - FLORIDA DISTRICT
<b>Date Initiated:</b>	08/19/2008
<b>Docket/Case Number:</b>	2007007145601
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	A MONETARY FINE IN THE AMOUNT OF \$7500 AGAINST DAWSON JAMES SECURITIES, INC.
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/30/2008
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	A MONETARY FINE IN THE AMOUNT OF \$7500 AGAINST DAWSON JAMES SECURITIES, INC.
<b>Firm Statement</b>	FIRM ELECTED TO ENTER THE AWC AND SIGNED IT ON 8/20/2008. IT WAS SIGNED BY FINRA ON 9/30/2008, AND THE EXECUTED COPY WAS RECEIVED BY THE FIRM ON 10/10/2008.

#### Disclosure 8 of 8

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110 AND 2711(H)(4),(5),(6),(7) AND (10) THE FIRM ISSUED MULTIPLE RESEARCH REPORTS, AND/OR "MORNING NOTES, " THE LATER OF WHICH CONSISTED OF SEGMENT OF RESEARCH REPORTS ACCOMPANIED BY CURRENT NEWS DISSEMINATED TO CLIENTS THROUGH AN INTERNET WEBSITE. HOWEVER, THE FIRM FAILED TO INCLUDE



CERTAIN REQUISITE DISCLOSURES AND/OR ADEQUATE DISCLOSURES IN BOTH THE RESEARCH REPORTS AND THE MORNING NOTES AS FOLLOWS: THE FIRM FAILED TO DEFINE ITS RATINGS USED IN ITS RESEARCH; FAILED TO DISCLOSE THE DISTRIBUTION OF ITS RATINGS FOR COMPANIES ON WHICH IT ISSUED RESEARCH AND FAILED TO DISCLOSE THE PERCENTAGE OF COVERED COMPANIES FOR WHICH IT HAD ALSO PROVIDED INVESTMENT BAKING SERVICES FOR THE PRIOR 12 MONTHS; FAILED TO PROVIDE PRICE CHARTS REFLECTING DATES THAT RATINGS OR TARGET PRICES WERE ASSIGNED OR CHANGED; FAILED TO PROVIDE ITS VALUATION METHODS FOR DETERMINING PRICE TARGETS; AND FAILED TO PROMINENTLY DISPLAY CERTAIN DISCLOSURES OR PROVIDE REFERENCE FOR DISCLOSURES CONTAINED WITHIN THE REPORTS.

**Initiated By:** NASD

**Date Initiated:** 03/24/2006

**Docket/Case Number:** [E072005007803](#)

**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:** 03/24/2006

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

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$25,000.

**Reporting Source:** Firm



**Current Status:** Final

**Allegations:** THE FIRM ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT THE FIRM PUBLISHED MORNING NOTES THAT FAILED TO INCLUDE CERTAIN REQUISITE DISCLOSURES AND/OR ADEQUATE DISCLOSURES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS - FLORIDA DISTRICT

**Date Initiated:** 02/24/2006

**Docket/Case Number:** [E072005007803](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** A MONETARY FINE IN THE AMOUNT OF \$25,000 AGAINST DAWSON JAMES SECURITIES, INC.

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

**Resolution Date:** 03/23/2006

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

**Other Sanctions Ordered:**

**Sanction Details:** CENSURE AND A MONETARY FINE IN THE AMOUNT OF \$25,000 AGAINST DAWSON JAMES SECURITIES, INC.

**Firm Statement** THE FIRM ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, THAT THE FIRM PUBLISHED MORNING NOTES THAT FAILED TO INCLUDE CERTAIN REQUISITE DISCLOSURES AND/OR ADEQUATE DISCLOSURES. THE FIRM PREVIOUSLY RELIED UPON EXTERNAL CONSULTANTS FOR GUIDANCE TO INSURE COMPLIANCE AND HAS SINCE MODIFIED DISCLOSURES TO THE SATISFACTION OF NASD.

## 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](http://www.finra.org/awardsonline).

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	02/24/2009
<b>Case Number:</b>	<a href="#">09-00874</a>
<b>Disputed Product Type:</b>	CORPORATE BONDS; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
<b>Sum of All Relief Requested:</b>	\$500,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	04/15/2010
<b>Sum of All Relief Awarded:</b>	\$11,300.00

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



**This page is intentionally left blank.**