

BrokerCheck Report

SOUTHEAST INVESTMENTS, N.C., INC.

CRD# 43035

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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.

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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



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



SOUTHEAST INVESTMENTS, N.C., INC.

CRD# 43035

SEC# 8-50127

Main Office Location

820 TYVOLA ROAD-SUITE 104
CHARLOTTE, NC 28217
Regulated by FINRA Atlanta Office

Mailing Address

820 TYVOLA ROAD-SUITE 104
CHARLOTTE, NC 28217

Business Telephone Number

704-527-7873

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

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

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 North Carolina on 12/06/1996.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

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

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

This firm conducts 14 types of businesses.

This firm is 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	3
Arbitration	3



Firm Profile

This firm is classified as a corporation.

This firm was formed in North Carolina on 12/06/1996.

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.

SOUTHEAST INVESTMENTS, N.C., INC.

Doing business as SOUTHEAST INVESTMENTS, N.C., INC.

CRD# 43035

SEC# 8-50127

Main Office Location

820 TYVOLA ROAD-SUITE 104
CHARLOTTE, NC 28217

Regulated by FINRA Atlanta Office

Mailing Address

820 TYVOLA ROAD-SUITE 104
CHARLOTTE, NC 28217

Business Telephone Number

704-527-7873



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):	BLACK, FRANK HARMON 22451
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, FINOP AND SROP/CROP/ROP/CCO/CFO
Position Start Date	04/1997
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):	PLEXICO, RONALD DAVID JR 2122340
Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL
Position Start Date	04/1997
Percentage of Ownership	5% but less than 10%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile

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



Indirect Owners

No information reported.

Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	07/01/1997

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	07/01/1997



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	06/22/2006	North Carolina	Approved	07/08/1997
Alaska	Approved	07/29/2010	North Dakota	Approved	03/24/2010
Arizona	Approved	02/22/2010	Ohio	Approved	07/29/1997
Arkansas	Approved	03/10/2010	Oklahoma	Approved	05/08/2009
California	Approved	07/18/1997	Oregon	Approved	05/23/2003
Colorado	Approved	04/20/2007	Pennsylvania	Approved	07/28/1997
Connecticut	Approved	08/02/2007	Puerto Rico	Approved	06/06/2013
Delaware	Approved	03/10/2006	Rhode Island	Approved	08/19/2010
District of Columbia	Approved	09/16/2010	South Carolina	Approved	07/22/1997
Florida	Approved	09/17/1997	South Dakota	Approved	02/19/2010
Georgia	Approved	07/21/1997	Tennessee	Approved	03/18/2003
Hawaii	Approved	05/03/2010	Texas	Approved	01/30/2007
Idaho	Approved	12/12/2005	Utah	Approved	02/24/2010
Illinois	Approved	01/30/2003	Vermont	Approved	03/15/2010
Indiana	Approved	07/21/2008	Virginia	Approved	07/18/1997
Iowa	Approved	09/11/2008	Washington	Approved	09/26/2008
Kansas	Approved	08/15/2005	West Virginia	Approved	08/12/2005
Kentucky	Approved	08/22/2005	Wisconsin	Approved	03/24/2009
Louisiana	Approved	02/21/2007	Wyoming	Approved	03/15/2010
Maine	Approved	01/05/2012			
Maryland	Approved	03/31/2004			
Massachusetts	Approved	08/13/2009			
Michigan	Approved	12/17/2004			
Minnesota	Approved	11/19/2003			
Mississippi	Approved	08/23/2005			
Missouri	Approved	01/06/2011			
Montana	Approved	02/02/2010			
Nebraska	Approved	09/19/2006			
Nevada	Approved	05/20/2005			
New Hampshire	Approved	04/04/2008			
New Jersey	Approved	10/07/2003			
New Mexico	Approved	03/23/2010			
New York	Approved	08/23/2002			



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 14 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Non-exchange member arranging for transactions in listed securities by exchange member

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:	COR CLEARING LLC
CRD #:	117176
Business Address:	1200 LANDMARK CENTER SUITE 800 OMAHA, NE 68102-1916
Effective Date:	04/20/2016
Description:	THE FIRM OPERATES UNDER A FULLY-DISCLOSED ARRANGEMENT WITH COR CLEARING LLC.

Firm Operations**Industry Arrangements****This firm does have books or records maintained by a third party.**

Name: COR CLEARING LLC

CRD #: 117176

Business Address: 1200 LANDMARK CENTER
SUITE 800
OMAHA, NE 68102-1916

Effective Date: 04/20/2016

Description: THE FIRM OPERATES UNDER A FULLY-DISCLOSED ARRANGEMENT WITH COR CLEARING LLC.

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

Name: COR CLEARING LLC

CRD #: 117176

Business Address: 1200 LANDMARK CENTER
SUITE 800
OMAHA, NE 68102-1916

Effective Date: 04/20/2016

Description: THE FIRM OPERATES UNDER A FULLY-DISCLOSED ARRANGEMENT WITH COR CLEARING LLC

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

Name: COR CLEARING LLC

CRD #: 117176

Business Address: 1200 LANDMARK CENTER
SUITE 800
OMAHA, NE 68102-1916

Effective Date: 04/20/2016

Description: THE FIRMS OPERATES UNDER A FULLY-DISCLOSED ARRANGEMENT WITH COR CLEARING LLC

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.

SOUTHEAST INVESTMENTS, N.C. INC is under common control with the firm.

CRD #:	132561
Business Address:	820 TYVOLA ROAD, SUITE 104 CHARLOTTE, NC 28217
Effective Date:	09/22/2004
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	FRANK BLACK OWNS THE MAJORITY OF STOCK IN EACH.

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	1	1	1
Arbitration	N/A	3	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 1

Reporting Source: Regulator
Current Status: Final



Allegations: S-11-0597-14-SC01
 ON AUGUST 19, 2015, THE SECURITIES DIVISION ENTERED A STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST, DENY FUTURE REGISTRATIONS, SUSPEND CURRENT REGISTRATIONS, IMPOSE FINES, AND CHARGE COSTS AGAINST DAMON VICKERS, FRANK H. BLACK, AND SOUTHEAST INVESTMENTS, N.C., INC. (COLLECTIVELY "RESPONDENTS"). VICKERS ENGAGED IN EXCESSIVE TRADING IN HIS CUSTOMERS' DISCRETIONARY BROKERAGE ACCOUNTS. FROM 2009 THROUGH 2012, DUE TO THE EXCESSIVE TRADING AND USE OF A COMMISSION-BASED COMPENSATION STRUCTURE, VICKERS GENERATED APPROXIMATELY \$5.3 MILLION DOLLARS IN COMMISSIONS FROM TRADING HIS CUSTOMER ACCOUNTS. THE COMMISSIONS RECEIVED BY VICKERS WERE UNREASONABLE AND CONSTITUTED A HIGH PERCENTAGE OF THE CUSTOMER'S AVERAGE PORTFOLIO VALUE. THE COMMISSIONS WERE ALSO UNREASONABLE COMPARED TO WHAT CUSTOMERS WOULD HAVE BEEN CHARGED WITH FEE-BASED ACCOUNTS. BLACK WAS THE DESIGNATED SUPERVISOR FOR VICKERS, WHO WHILE SUBJECT TO BLACK'S SUPERVISION VIOLATED THE SECURITIES ACT OF WASHINGTON. THE SECURITIES DIVISION ALLEGES THAT BLACK FAILED TO REASONABLY SUPERVISE VICKERS BY APPROVING HIS COMMISSION SCHEDULE. THE SECURITIES DIVISION FURTHER ALLEGES THAT SOUTHEAST INVESTMENTS FAILED TO MAINTAIN ADEQUATE SUPERVISORY POLICIES AND PROCEDURES REGARDING THE REVIEW OF DISCRETIONARY ACCOUNTS, AND AS A RESULT BLACK FAILED TO ADEQUATELY REVIEW VICKERS' ACCOUNTS FOR EXCESSIVE TRADING. THE SECURITIES DIVISION ORDERED THE RESPONDENTS TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON. THE SECURITIES DIVISION GAVE NOTICE OF ITS INTENT TO IMPOSE FINES, TO RECOVER COSTS, AND TO DENY AND SUSPEND SECURITIES REGISTRATIONS. THE RESPONDENTS HAVE A RIGHT TO REQUEST A HEARING ON THE STATEMENT OF CHARGES.

Initiated By: WASHINGTON
Date Initiated: 08/19/2015
Docket/Case Number: S-11-0597-14-SC01 S-11-0597-15-CO02
URL for Regulatory Action:
Principal Product Type: Other
Other Product Type(s): COMMISSIONS
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought: FINES
 COSTS



SUSPENSION

Resolution: Consent

Resolution Date: 03/14/2016

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

Sanctions Ordered: Monetary/Fine \$25,000.00

Other Sanctions Ordered: COSTS \$5000.00

Sanction Details: FINES-\$25000.00
COSTS \$5000.00

Regulator Statement

S-11-0597-15-CO02

ON MARCH 14, 2016, THE SECURITIES DIVISION ENTERED INTO A CONSENT ORDER WITH FRANK H. BLACK AND SOUTHEAST INVESTMENTS, N.C., INC. THE SECURITIES DIVISION HAD PREVIOUSLY ENTERED A STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST, DENY FUTURE REGISTRATIONS, SUSPEND CURRENT REGISTRATIONS, IMPOSE FINES, AND CHARGE COSTS AGAINST DAMON VICKERS, FRANK H. BLACK, AND SOUTHEAST INVESTMENTS, N.C., INC. THE SECURITIES DIVISION ALLEGED THAT VICKERS ENGAGED IN EXCESSIVE TRADING IN HIS CUSTOMERS' DISCRETIONARY BROKERAGE ACCOUNTS. FROM 2009 THROUGH 2012, DUE TO THE EXCESSIVE TRADING AND USE OF A COMMISSION-BASED COMPENSATION STRUCTURE, VICKERS GENERATED APPROXIMATELY \$5.3 MILLION DOLLARS IN COMMISSIONS FROM TRADING HIS CUSTOMER ACCOUNTS. CERTAIN COMMISSIONS RECEIVED BY VICKERS WERE UNREASONABLE AND CONSTITUTED A HIGH PERCENTAGE OF THE CUSTOMER'S AVERAGE PORTFOLIO VALUE. CERTAIN COMMISSIONS WERE ALSO UNREASONABLE COMPARED TO WHAT CUSTOMERS WOULD HAVE BEEN CHARGED WITH FEE-BASED ACCOUNTS. BLACK WAS THE DESIGNATED SUPERVISOR FOR DAMON VICKERS, WHO WHILE SUBJECT TO BLACK'S SUPERVISION VIOLATED THE SECURITIES ACT OF WASHINGTON. THE SECURITIES DIVISION ALLEGED THAT BLACK FAILED TO REASONABLY SUPERVISE VICKERS BY APPROVING HIS COMMISSION SCHEDULE. THE SECURITIES DIVISION FURTHER ALLEGED THAT SOUTHEAST INVESTMENTS FAILED TO MAINTAIN ADEQUATE SUPERVISORY POLICIES AND PROCEDURES REGARDING THE REVIEW OF DISCRETIONARY ACCOUNTS, AND AS A RESULT BLACK FAILED TO ADEQUATELY REVIEW VICKERS' ACCOUNTS FOR EXCESSIVE TRADING. FRANK H. BLACK AND SOUTHEAST



INVESTMENTS, N.C., INC. NEITHER ADMITTED NOR DENIED THE ALLEGATIONS, BUT AGREED TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT. FRANK H. BLACK AND SOUTHEAST INVESTMENTS, N.C., INC. AGREED TO PAY A \$25,000 FINE AND \$5,000 IN INVESTIGATIVE COSTS. FRANK H. BLACK AND SOUTHEAST INVESTMENTS, N.C., INC. WAIVED THEIR RIGHT TO A HEARING AND TO JUDICIAL REVIEW OF THE MATTER.

Reporting Source: Firm

Current Status: Final

Allegations: WASHINGTON STATE IS ALLEGING THAT SOUTHEAST INVESTMENTS NC INC FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISORY SYSTEM FOR DISCRETIONARY ACCOUNTS.

Initiated By: WASHINGTON STATE DFI

Date Initiated: 08/25/2015

Docket/Case Number: S-11-0597-14-SC01 S-11-0597-15-CO02

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

Other Product Type(s): EQUITY OTC

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

Other Sanction(s)/Relief Sought: CIVIL PENALTY AND SUSPENSION

Resolution: Consent

Resolution Date: 03/14/2016

Sanctions Ordered: Monetary/Fine \$30,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: WASHINGTON STATE ALSO ORDERED THAT SOUTHEAST INVESTMENTS SHALL NOT OPEN ANY BRANCH OFFICES IN WASHINGTON STATE OR EMPLOY ANY REPRESENTATIVE WITH A PRINCIPAL PLACE OF BUSINESS IN WASHINGTON STATE FOR A PERIOD OF 3 YEARS, SHALL NOT GRANT ANY DISCRETIONARY TRADING AUTHORITY TO ANY REPRESENTATIVE WHO CONDUCTS BUSINESS IN WASHINGTON FOR THREE YEARS AND THAT SOUTHEAST WILL HIRE AN INDEPENDENT CONSULTANT WITHIN 90 DAYS TO REVIEW THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: A TOTAL OF \$30,00 WAS ASSESSED AGAINST SOUTHEAST INVESTMENTS AND FRANK BLACK. \$5,000 WAS ASSESSED AS AN INVESTIGATIVE COST AND \$25,000 WAS ASSESSED AS A FINE. THERE IS A PAYMENT PLAN IN



PLACE. \$10,000 HAS BEEN PAID WITH \$2,500 TO BE PAID FOR 6 MONTHS.
THE PAYMENT PLAN IS CURRENT.

Firm Statement

SOUTHEAST INVESTMENTS AND FRANK BLACK ENTERED INTO THIS
CONSENT ORDER IN ORDER TO AVOID THE COST OF LITIGATION WITHOUT
EITHER ADMITTING OR DENYING THE ALLEGATIONS. THE INVESTIGATION
STARTED IN MARCH, 2011 AND AFTER SEC AND FINRA EXAMS FOUND NO
SIGNIFICANT VIOLATIONS, WASHINGTON DFI NONETHELESS PURSUED
CHARGES. FIVE YEARS OF LEGAL FEES HAVE EXHAUSTED OUR
RESOURCES AND A SETTLEMENT WAS MADE TO AVOID FURTHER
LITIGATION COSTS.



Regulatory - On Appeal

This type of disclosure event involves (1) a formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations that is currently on appeal; 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 that is currently on appeal.

Disclosure 1 of 1

Reporting Source:	Regulator
Current Status:	On Appeal
Appealed To and Date Appeal Filed:	THE OKLAHOMA SECURITIES DEPARTMENT ISSUED ITS ORDER ON OCTOBER 10, 2014 ORDERING SOUTHEAST AND BLACK TO CEASE AND DESIST FROM VIOLATING THE ACT AND IMPOSING A CIVIL PENALTY OF \$5000. THE OKLAHOMA SECURITIES COMMISSION AFFIRMED THAT ORDER ON 12/22/2014. SOUTHEAST AND BLACK APPEALED THE C&D ORDER TO THE DISTRICT COURT OF OKLAHOMA COUNTY (CJ2015-86) AND THE PENALTY TO THE OKLAHOMA SUPREME COURT (#113585).
Allegations:	SOUTHEAST AND FRANK BLACK FAILED TO ESTABLISH, MAINTAIN AND ENFORCE SOUTHEAST'S WRITTEN SUPERVISORY PROCEDURES.
Initiated By:	OKLAHOMA DEPARTMENT OF SECURITIES
Date Initiated:	03/26/2013
Docket/Case Number:	12-058
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Bar
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	12/22/2014
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: Monetary/Fine \$5,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: SOUTHEAST AND BLACK WERE ORDERED TO CEASE AND DESIST AND TO PAY A \$5000 CIVIL PENALTY.

Reporting Source: Firm

Current Status: On Appeal

Appealed To and Date Appeal Filed: ON APPEAL TO OKLAHOMA DEPARTMENT OF SECURITIES

Allegations: OKLAHOMA FOUND THAT SOUTHEAST INVESTMENTS AND FRANK BLACK FAILED TO ESTABLISH, MAINTAIN, AND/OR ENFORCE SUPERVISORY PROCEDURES TO ENSURE COMPLIANCE WITH APPLICABLE SECURITIES LAWS IN VIOLATION OF 660:11-5-42(B)(22) OF THE OKLAHOMA ADMINISTRATIVE CODE.

Initiated By: OKLAHOMA

Date Initiated: 03/29/2013

Docket/Case Number: ODS FILE NO. 12-058

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CIVIL PENALTY \$5,000

Resolution: Order

Resolution Date: 12/22/2014

Sanctions Ordered: Monetary/Fine \$5,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: \$5,000 - NONE PAID - ON APPEAL

Firm Statement OKLAHOMA FOUND THAT SOUTHEAST INVESTMENTS AND FRANK BLACK FAILED TO FOLLOW ITS OWN WRITTEN SUPERVISORY PROCEDURES DESPITE THE FACT THAT AFTER 17 YEARS, THESE PROCEDURES HAVE NEVER BEEN FOUND INADEQUATE BY FINRA, THE SEC ANY OTHER



REGULATORY BODY. AMONG OTHER THINGS, THE DEPARTMENT OF SECURITIES FOUND THAT SOUTHEAST FAILED TO CHANGE THE ADDRESS OF A BROKER WHO NOTIFIED IT OF A CHANGE OF ADDRESS BUT NEVER MOVED. AFTER TALKING WITH THE BROKER, HE TOLD SOUTHEAST HE WAS NOT GOING TO MOVE SO IT DID NOT FILE A CHANGE OF ADDRESS. ALSO AT THE TIME IN QUESTION, THE BROKER WAS NOT REGISTERED IN THE STATE OF OKLAHOMA. THE FACT IS SOUTHEAST DOES HAVE ADEQUATE PROCEDURES IN PLACE TO REASONABLY ENSURE COMPLIANCE WITH APPLICABLE SECURITIES LAWS. NOT ONCE DID OKLAHOMA CITE A VIOLATION BY ANY OF OUR AGENTS WHILE AT SOUTHEAST INVESTMENTS. ITS ORDER IS ON APPEAL AND SOUTHEAST/BLACK FULLY EXPECT TO WIN.



Regulatory - Pending

This type of disclosure event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Pending

Allegations: THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT, WHILE ACTING THROUGH ITS PRESIDENT, PROVIDED FALSE DOCUMENTS TO FINRA DURING AN EXAMINATION. THE COMPLAINT ALLEGES THAT CERTAIN OF THE BRANCH INSPECTION DOCUMENTS THAT THE FIRM, ACTING THROUGH ITS PRESIDENT, PROVIDED TO FINRA WERE FABRICATED AND FALSELY REPORTED BRANCH INSPECTIONS THAT HAD NEVER TAKEN PLACE. THE COMPLAINT ALSO ALLEGES THAT THE FIRM PROVIDED FALSE INVESTIGATIVE TESTIMONY TO FINRA. THE COMPLAINT FURTHER ALLEGES THAT THE FIRM FAILED TO EVER CONDUCT BRANCH OFFICE INSPECTIONS OF THESE NON-REGISTERED OFFICE LOCATIONS. IN ADDITION, THE COMPLAINT ALLEGES THAT THE FIRM, ACTING THROUGH ITS PRESIDENT, FAILED TO RETAIN ELECTRONIC BUSINESS-RELATED CORRESPONDENCE AND AS A RESULT, THE FIRM WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SEC RULE 17A-4. MOREOVER, THE COMPLAINT ALLEGES THAT THE FIRM, ACTING THROUGH ITS PRESIDENT, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES AND A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVE, REGISTERED PRINCIPAL, AND OTHER ASSOCIATED PERSON THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS REGARDING THE PRESERVATION OF BUSINESS-RELATED ELECTRONIC COMMUNICATIONS AND BRANCH INSPECTIONS.

Initiated By: FINRA

Date Initiated: 09/15/2015

Docket/Case Number: [2014039285401](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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



Reporting Source:	Firm
Current Status:	Pending
Allegations:	<p>THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT, WHILE ACTING THROUGH ITS PRESIDENT, PROVIDED FALSE DOCUMENTS TO FINRA DURING AN EXAMINATION. THE COMPLAINT ALLEGES THAT CERTAIN OF THE BRANCH INSPECTION DOCUMENTS THAT THE FIRM, ACTING THROUGH ITS PRESIDENT, PROVIDED TO FINRA WERE FABRICATED AND FALSELY REPORTED BRANCH INSPECTIONS THAT HAD NEVER TAKEN PLACE. THE COMPLAINT ALSO ALLEGES THAT THE FIRM PROVIDED FALSE INVESTIGATIVE TESTIMONY TO FINRA. THE COMPLAINT FURTHER ALLEGES THAT THE FIRM FAILED TO EVER CONDUCT BRANCH OFFICE INSPECTIONS OF THESE NON-REGISTERED OFFICE LOCATIONS. IN ADDITION, THE COMPLAINT ALLEGES THAT THE FIRM, ACTING THROUGH ITS PRESIDENT, FAILED TO RETAIN ELECTRONIC BUSINESS-RELATED CORRESPONDENCE AND AS A RESULT, THE FIRM WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SEC RULE 17A-4. MOREOVER, THE COMPLAINT ALLEGES THAT THE FIRM, ACTING THROUGH ITS PRESIDENT, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES AND A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVE, REGISTERED PRINCIPAL, AND OTHER ASSOCIATED PERSON THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS REGARDING THE PRESERVATION OF BUSINESS-RELATED ELECTRONIC COMMUNICATIONS AND BRANCH INSPECTIONS.</p>
Initiated By:	FINRA
Date Initiated:	09/15/2015
Docket/Case Number:	2014039285401
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Firm Statement	<p>THE FIRM DISPUTES ALL THE ALLEGATIONS SET FORTH IN THE FINRA COMPLAINT DATED SEPTEMBER 15, 2015. THE FIRM INTENDS TO CONTEST THE COMPLAINT THROUGH THE FINRA HEARING PROCESS. THE FIRM NOTES THAT THE ISSUES RAISED IN THE COMPLAINT RELATE TO REGULATORY MATTERS AND NO ALLEGATIONS ARE MADE AS TO ANY</p>



INTERACTIONS WITH CLIENTS. SINCE ITS BEGINNING AND TO THE PRESENT THE FIRM HAS MADE EVERY EFFORT TO CONDUCT ITS BUSINESS AND SERVE ITS CLIENTS WITH INTEGRITY AND IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS.



Arbitration Award - Award / Judgment

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

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

Disclosure 1 of 3

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	07/02/2007
Case Number:	07-01775
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$351,425.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/06/2008
Sum of All Relief Awarded:	\$0.00

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

Disclosure 2 of 3

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	FINRA
Case Initiated:	03/14/2014
Case Number:	14-00635



Disputed Product Type: COMMON STOCK; EXCHANGE-TRADED FUNDS
Sum of All Relief Requested: \$42,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/06/2015
Sum of All Relief Awarded: \$52,152.00

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

Disclosure 3 of 3

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: FINRA
Case Initiated: 08/29/2016
Case Number: [16-02524](#)
Disputed Product Type: OTHER TYPES OF SECURITIES
Sum of All Relief Requested: \$49,253.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/13/2017
Sum of All Relief Awarded: \$15,082.00

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



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