

BrokerCheck Report

INTEGRAL SECURITIES, INC.

CRD# 31742

Report #87560-85381 generated on Tuesday, October 30, 2007.

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Dear Investor:

FINRA has generated the following BrokerCheck report for **INTEGRAL SECURITIES, INC.**. The information contained within this report has been provided by a FINRA brokerage firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®).

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides include: regulatory actions, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the individual broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to www.nasaa.org for a complete list of state securities regulators.

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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)

INTEGRAL SECURITIES, INC.

CRD# 31742

SEC# 8-45530

Main Office Location747 THIRD AVENUE, 25TH FLOOR
NEW YORK, NY 10017**Mailing Address**747 THIRD AVENUE, 25TH FLOOR
NEW YORK, NY 10017**Report Summary for this Firm**

The report summary provides an overview of the firm's background. The firm and a securities regulator(s) have provided the information contained in this report as part of the securities industry registration and licensing process. More detailed information for this firm can be found in the firm's PDF report. Select "View Full PDF Report" to view the detailed information about this firm. The information contained in this report was last updated by the firm via Uniform Application for Broker-Dealer Registration (Form BD), the Uniform Request for Broker-Dealer Withdrawal (Form BDW), or a securities regulator via a Uniform Disciplinary Action Reporting Form (Form U6) on 09/05/2007.

Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 11/03/2003.

Its fiscal year ends in December.

Firm History

Information relating to the firm's history such as Other Business Names, Other Business, and Successions (e.g., mergers or acquisitions) can be found in the firm's full PDF report.

Firm Operations

This firm is no longer registered with FINRA.

Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events range from disciplinary actions initiated by regulators to certain criminal charges and/or convictions, to financial disclosures such as bankruptcies, and summary information regarding arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms.

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

The following types of disclosures were reported:

Regulatory Event



Registration Withdrawal Information

This section provides information relating to the date the firm ceased doing business and information relating to the firm's financial obligations upon notifying CRD of the firm's intent to voluntarily withdraw its FINRA registration, as reported by the firm on Form BDW.

**This firm terminated or
withdrew registration on:** 05/23/2007

**Does this brokerage firm owe
any money or securities to
any customer or brokerage
firm?** No



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 11/03/2003.

Its fiscal year ends in December.

Firm Names and Locations

This section includes details, as reported by the firm on Form BD, regarding the firm's full legal name, business and mailing addresses, the firm's "doing business as" name (i.e., "DBA" name) if different from the full legal name, and any other name by which the firm conducts business and where such name is used.

INTEGRAL SECURITIES, INC.

Doing business as INTEGRAL SECURITIES, INC.

CRD# 31742

SEC# 8-45530

Main Office Location

747 THIRD AVENUE, 25TH FLOOR
NEW YORK, NY 10017

Mailing Address

747 THIRD AVENUE, 25TH FLOOR
NEW YORK, NY 10017

Business Telephone Number

212 702-8805



Firm Profile

This section provides information relating to Direct Owners and Executive Officers as reported by the firm on Form BD.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): KELLY, TARA A
4482428

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

Position REGISTERED PRINCIPAL

Position Start Date 03/2006

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): LLIVICHUZCA, LORENA MARIA
4752629

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

Position REGISTERED PRINCIPAL, FINANCIAL OPERATIONS PRINCIPAL AND CHIEF COMPLIANCE OFFICER

Position Start Date 08/2006

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Firm Profile

This section provides information relating to Indirect Owners, if any, as reported by the firm on Form BD.



Indirect Owners

No information reported.

Firm History

This section provides information relating to successions (e.g., mergers or acquisitions), if any, as reported by the firm on Form BD.



No information reported.

Firm Operations



Registrations

This section provides information about the regulators (e.g., U.S. Securities and Exchange Commission (SEC), self-regulatory organizations, states and U.S. territories) the firm is currently registered and licensed with, the category of each registration, and the date on which the registration status became effective, as well as certain information about the firm's SEC registration.

This firm is no longer registered with FINRA.

The firm's registration with FINRA was from 07/07/1993 to 06/22/2007.

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Firm Operations



Types of Business

This section provides the types of business and any other business or other non-securities business the firm is engaged in or is expected to be engaged in as reported by the firm on Form BD.

This firm currently conducts 6 types of businesses.

Types of Business

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

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: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 LIBERTY STREET
NEW YORK, NY 10281

Effective Date: 01/29/2004

Description: INTEGRAL SECURITIES, INC. HAS ENTERED INTO A TRI-PARTY FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC AND LEIGH BALDWIN & CO., LLC EFFECTIVE JANUARY 29, 2004. UNDER THE AGREEMENT NATIONAL FINANCIAL SERVICES CARRIES ALL OF THE COMPANY'S ACCOUNTS, RECEIVES AND DELIVERS ALL FUNDS AND SECURITIES TO AND FROM OUR CLIENT ACCOUNTS AND CLEARS ALL OF OUR TRADES.

Firm Operations

Industry Arrangements



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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 200 LIBERTY STREET
NEW YORK, NY 10281
Effective Date: 01/29/2004
Description: INTEGRAL SECURITIES, INC. HAS ENTERED INTO A TRI-PARTY FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC AND LEIGH BALDWIN & CO., LLC EFFECTIVE JANUARY 29, 2004. UNDER THE AGREEMENT NATIONAL FINANCIAL SERVICES CARRIES ALL OF THE COMPANY'S ACCOUNTS, RECEIVES AND DELIVERS ALL FUNDS AND SECURITIES TO AND FROM OUR CLIENT ACCOUNTS AND CLEARS ALL OF OUR TRADES.

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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 200 LIBERTY STREET
NEW YORK, NY 10281
Effective Date: 01/29/2004
Description: INTEGRAL SECURITIES, INC. HAS ENTERED INTO A TRI-PARTY FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC AND LEIGH BALDWIN & CO., LLC EFFECTIVE JANUARY 29, 2004. UNDER THE AGREEMENT NATIONAL FINANCIAL SERVICES CARRIES ALL OF THE COMPANY'S ACCOUNTS, RECEIVES AND DELIVERS ALL FUNDS AND SECURITIES TO AND FROM OUR CLIENT ACCOUNTS AND CLEARS ALL OF OUR TRADES.

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

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 200 LIBERTY STREET
NEW YORK, NY 10281
Effective Date: 01/29/2004
Description: INTEGRAL SECURITIES, INC. HAS ENTERED INTO A TRI-PARTY FULLY

Firm Operations



Industry Arrangements (continued)

DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC AND LEIGH BALDWIN & CO., LLC EFFECTIVE JANUARY 29, 2004. UNDER THE AGREEMENT NATIONAL FINANCIAL SERVICES CARRIES ALL OF THE COMPANY'S ACCOUNTS, RECEIVES AND DELIVERS ALL FUNDS AND SECURITIES TO AND FROM OUR CLIENT ACCOUNTS AND CLEARS ALL OF OUR TRADES.

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 relating to control relationships with entities engaged in the securities, investment advisory, or banking business as reported by the firm on Form BD.

This firm is not, 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.

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 of Arbitration Awards, Disciplinary, Financial, and Regulatory Events



Firms are required to answer a series of disclosure questions on Form BD and provide the corresponding details to any reported events as part of the securities industry registration and licensing process. The disclosure questions concern criminal and regulatory events, civil actions, and certain financial disclosures such as bankruptcy or liquidation proceedings filed within the past ten years, bond actions and unpaid judgments and liens. The firm must answer either "yes" or "no" to each question as it applies to the firm itself or to any of its control affiliates (i.e., an individual, partnership, corporation, trust, or other organization that directly or indirectly controls, is under common control with, or is controlled by the firm). This section lists the various disclosure questions and their corresponding answers as reported by the firm on Form BD.



Possible multiple reporting sources -- please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report. The different versions of the same reported disclosure event are separated by a solid line with the reporting source clearly labeled.

| | Pending | Final | On Appeal |
|------------------|---------|-------|-----------|
| Regulatory Event | 0 | 7 | 0 |



Disclosure Event Details

This section provides the specific details for each disclosure event, as reported by the firm on Form BD, that correspond with any "yes" answers to the various Form BD disclosure questions. It also includes summary information regarding arbitration awards in cases where the firm was named as a respondent in the arbitration proceeding, if any.

Nothing will be displayed in this section of the firm's BrokerCheck Report when the firm has no reported disclosure information.

If the firm does have reported disclosure events, please keep the following in mind when evaluating the disclosure event details. Items may involve pending actions or allegations that may be contested and have not been resolved or proven. The items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the firm and/or by securities industry regulators. Some of the specific data fields contained in this section of the report may be blank if the information was not provided to CRD.

Disclosure event details may be reported by more than one source (i.e., regulator and firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report. A solid line separates the different versions of the same reported disclosure event with the reporting source clearly labeled (e.g., Source: Firm or Source: Regulator).

Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

Disclosure 1 of 7

| | |
|--------------------------------|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | INTEGRAL SECURITIES, INC. FAILED TO PAY FINES AND/OR COSTS OF \$25,651.27 IN CONNECTION COMPLAINT NUMBER CAF030067. |
| Initiated By: | FINRA |
| Date Initiated: | 08/31/2007 |
| Docket/Case Number: | CAF030067 |
| Principal Product Type: | No Product |

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Other**Resolution Date:** 08/31/2007**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Revocation/Expulsion/Denial**Other Sanctions Ordered:****Sanction Details:** IN ACCORDANCE WITH NASD RULE 8320, INTEGRAL SECURITIES, INC. IS EXPELLED FROM FINRA MEMBERSHIP FOR FAILURE TO PAY FINES AND COSTS.**Disclosure 2 of 7****Reporting Source:** Regulator**Current Status:** Final**Allegations:** NASD RULES 2110, 2210(D)(1)(B), 2711 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, FAILED TO DEFINE THE MEANING OF EACH RATING USED IN THE FIRM'S RATING SYSTEM IN RESEARCH REPORTS ABOUT A SECURITIES ISSUER AND FAILED TO DISCLOSE THE PERCENTAGE OF 'BUY,' 'HOLD/NEUTRAL,' OR 'SELL' RATINGS ASSIGNED BY HIS FIRM IN RESEARCH REPORTS; RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, PUBLISHED RESEARCH REPORTS THAT FAILED TO INCORPORATE A LINE GRAPH PRICE CHART SHOWING THE DATES ON WHICH IT MADE RECOMMENDATIONS ON THE SECURITY AND THE PRICE CHANGES RELATIVE TO THE FIRM'S RECOMMENDATIONS; DISCLOSURES OF STOCK OWNERSHIP WERE NOT CLEAR AND COMPREHENSIVE IN RESEARCH REPORTS; AND STATEMENTS IN RESEARCH REPORTS WERE UNWARRANTED OR MISLEADING.**Initiated By:** NASD**Date Initiated:** 02/06/2004



Docket/Case Number: CAF030067

Principal Product Type: Other

Other Product Type(s): STOCKS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 08/30/2006

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

Sanctions Ordered: Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: NAC DECISION RENDERED JULY 28, 2006 WHEREIN THE NAC AFFIRMED THE HEARING PANEL'S FINDINGS THAT RESPONDENT ISSUED RESEARCH REPORTS THAT FAILED TO DEFINE RATINGS OR DISCLOSE THE DISTRIBUTION OF THE FIRM'S RATING, AND THAT INCLUDED MISLEADING STATEMENTS, IN VIOLATION OF NASD RULES 2711(H)(4) AND (H)(5), 2210 (D)(1)(B) AND 2110. HOWEVER, THE NAC REVERSED THE HEARING PANEL'S FINDINGS THAT THE RESEARCH REPORTS FAILED TO DISCLOSE THE PRICE CHART REQUIRED BY NASD RULE 2711(H)(6). THEREFORE, RESPONDENT IS FINED \$20,000. THE NAC ALSO IMPOSED \$3,147.16 IN HEARING COSTS AND \$2,504.11 IN APPELLATE COSTS, JOINTLY AND SEVERALLY. THE DECISION IS FINAL AUGUST 30, 2006.

Summary: HEARING PANEL DECISION RENDERED JANUARY 4, 2005 WHEREIN RESPONDENT FIRM IS FINED \$20,000 FOR ITS FAILURE TO COMPLY WITH CONDUCT RULES 2711(H) AND 2210. IN ADDITION, THE RESPONDENT FIRM IS JOINTLY AND SEVERALLY ORDERED TO PAY COSTS IN THE AMOUNT OF \$3,147.16, WHICH INCLUDES AN ADMINISTRATIVE FEE OF \$750 AND TRANSCRIPT COSTS OF \$2,397.16. HEARING PANEL DECISION APPEALED TO THE NAC ON FEBRUARY 2, 2005.

Reporting Source: Firm

Current Status: Pending



Allegations: A COMPLAINT WAS FILED BY THE NASD ALLEGING FAILURE TO MAKE CERTAIN DISCLOSURES REQUIRED BY CONDUCT RULE 2711 AND RULE 2210.

Initiated By: NASD REGULATION, INC.

Date Initiated: 02/06/2004

Docket/Case Number: CAF030067

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Disclosure 3 of 7

Reporting Source: Regulator

Current Status: Final

Allegations: 11-21-00, NASD RULES 2110,2210(B)(2),2210(C)(3)(A),2210(D)(2)(A),2210 (D) (2)(B)(II),2210(D)(1)(A) AND (B),2210(D)(2)(B)(III),3010,3370,6130(D) - RESPONDENT MEMBER FAILED TO KEEP WRITTEN RECORDS OF AFFIRMATIVE DETERMINATIONS IN CONNECTION WITH TRANSACTIONS IN WHICH THE FIRM SOLD SECURITIES SHORT FOR ITS OWN ACCOUNT OR THE ACCOUNTS OF ITS CUSTOMERS,FAILED TO MAKE AFFIRMATIVE DETERMINATIONS, AND ORDER TICKETS INDICATED THAT AN AFFIRMATIVE DETERMINATION HAD BEEN MADE BUT HAD NO RECORD OF ANY PERSON OR ENTITY ALLEGEDLY CONTACTED IN CONNECTION WITH THE DETERMINATION;REPORTED SALES TRANSACTIONS TO ACT WITHOUT INDICATING THEY WERE SHORT SALES;FAILED TO FILE WEB SITE ADVERTISEMENTS WITH THE NASD ADVERTISING REGULATION DEPARTMENT OR FILED THEM LATE, FAILED TO RETAIN COPIES OF INTERNET BULLETIN BOARD POSTINGS, THROUGH AN INDIVIDUAL'S ACCOUNT FAILED TO DISCLOSE THE FIRM NAME ON BULLETIN BOARD POSTINGS,FAILED TO PROVIDE THE PRICE OF A SECURITY AT THE TIME OF RECOMMENDATIONS ON THE WEB SITE,FAILED TO DISCLOSE RISKS ASSOCIATED WITH SHORT SELLING.THE FIRM'S WEB SITE "SELECTED PERFORMANCES" CONTAINED GRAPHS THAT FAILED TO PROVIDE A SOUND BASIS FOR EVALUATION,OMITTED MATERIAL FACTS OR MADE MISLEADING STATEMENTS OR CLAIMS AND FAILED TO INCLUDE ALL RELEVANT PAST RECOMMENDATIONS; AND THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE PROCEDURES REASONABLY



DESIGNED TO ACHIEVE COMPLIANCE WITH THE ADVERTISING RULES AND RULES RELATING TO SHORT SELLING AND TRADE REPORTING.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 11/13/2000

Docket/Case Number: CAF000044

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/13/2000

Sanctions Ordered: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: CENSURED, FINED \$75,000, JOINTLY AND SEVERALLY, TO BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF AWC BY THE NAC;AGREE TO RETAIN WITHIN 30 DAYS OF ACCEPTANCE OF THIS AWC, AN OUTSIDE CONSULTANT TO REVIEW AND MAKE RECOMMENDATIONS CONCERNING THE ADEQUACY OF THE FIRM'S CURRENT POLICIES AND PROCEDURES AS THEY RELATE TO THE MATTERS DESCRIBED IN THIS AWC.WITHIN THREE MONTHS AFTER DATE OF ACCEPTANCE OF AWC, THE CONSULTANT WILL PROVIDE AN INITIAL REPORT TO THE FIRM AND TO THE NASD CONTAINING RECOMMENDATIONS FOR THE ADOPTION OF POLICIES AND PROCEDURES BY THE FIRM WITH RESPECT TO THE MATTERS DESCRIBED IN THE AWC. WITHIN THREE MONTHS AFTER THE REPORT IS DELIVERED, THE FIRM SHALL EITHER ADOPT ALL RECOMMENDATIONS OR PROPOSE ALTERNATIVE PROCEDURES AND SUBMIT THEM IN WRITING TO THE CONSULTANT AND THE NASDR STAFF. THE CONSULTANT SHALL REASONABLY EVALUATE ANY ALTERNATIVE PROCEDURE AND PROVIDE THE FIRM WITH A WRITTEN DECISION BY WHICH THE FIRM WILL ABIDE. WITHIN THREEE MONTHS AFTER THE ISSUANCE OF THE LATER OR THE CONSULTANT'S INITIAL REPORT, THE FIRM WILL PROVIDE NASDR STAFF WITH A REPORT SETTING FORTH THE DETAILS OF THE CONSULTANT'S RECOMMENDATIONS. THE FIRM SHALL ALSO REMOVE ALL ADVERTISEMENTS WHICH ARE THE SUBJECT OF THIS AWC FROM THE FIRM'S WEB SITE AND AND OTHER WEB SITES UNDER THE CONTROL OF THE FIRM. BEFORE ANY ADVERTISEMENT CAN BE



USED, IT MUST BE PRE-FILED WITH THE NASD'S ADVERTISING
REGULATION DEPARTMENT 15 DAYS PRIOR TO USE.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FOLLOWING NASDR FINDINGS WERE ACCEPTED: VIOLATION OF CONDUCT RULES 2110, 2210(C)(3)(A), 2210(B)(2), 2210(D)(2)(A), 2210(D)(2)(B)(II), 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(B)(III), 3370, 3010 AND MARKETPLACE RULE 6130 (D).

Initiated By: NASD REGULATION, INC.

Date Initiated: 07/03/2000

Docket/Case Number: CAF000044

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

Other Product Type(s): EQUITY- OTC

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/13/2000

Sanctions Ordered: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered: REMOVE AND REFILE ALL ADVERTISEMENTS ON TE FIRM'S INTERNET WEBSITE WITH THE ADVERTISING REGULATION DEPARTMENT OF NASDR. FIFTEEN DAYS AFTER FILING, ADVERTISEMENTS MAY BE USED IN THE ABSENSE OF COMMENTS FROM NASDR.

Sanction Details: CANSURE AND FINE OF \$75,000 TO BE PAID JOINTLY AND SEVERALLY WITH MANUEL P. ASENSIO.

Disclosure 4 of 7

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULE 6130(B) - ACT TRADING VIOLATIONS - TRADES WERE NOT



ACCEPTED/DECLINED WITHIN THE REQUIRED 20 MINUTE TIME PERIOD.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 03/23/2000
Docket/Case Number: C02000005
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/20/2000
Sanctions Ordered: Monetary/Fine \$2,000.00
Other Sanctions Ordered:
Sanction Details: FINE \$2000.00

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO ACCEPT/DECLINE TRADES WITHIN TWENTY MINUTES AS REQUIRED BY NASD MARKETPLACE RUL 6130(B).
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 04/26/1999
Docket/Case Number: C020000005
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/24/2000



Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details: ASENSIO & COMPANY ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATION OF MARKETPLACE RULES 6130(B). ASENSIO CONSENTED TO PAY A FINE OF \$2,000.00.

Summary: LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED ON MARCH 24, 2000 BY NASD REGULATION, INC.

Disclosure 5 of 7

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 10/13/1998

Docket/Case Number: C02980059

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/13/1998

Sanctions Ordered: Censure
Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details:

Summary: ON OCTOBER 13, 1998, DISTRICT NO. 2 NOTIFIED RESPONDENTS ASENSIO & COMPANY, INC. AND MANUEL P. ASENSIO THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C02980059 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$2,500, JOINTLY AND SEVERALLY - (NASD RULE 2110 - RESPONDENT MEMBER, ACTING UNDER THE DIRECTION AND CONTROL OF RESPONDENT ASENSIO, FAILED TO DEVELOP AND MAINTAIN A CONTINUING AND CURRENT EDUCATION



PROGRAM
FOR ITS REGISTERED PERSONS FOR TWO YEARS, AND RESPONDENT
MEMBER
FAILED TO DEVELOP A WRITTEN TRAINING PLAN FOR TWO YEARS, IN
VIOLATION OF MEMBERSHIP AND REGISTRATION RULE 1120(b)).

**** \$2,500 PAID J&S ON 11/19/98, INVOICE NO. 98-02-863 ***

Reporting Source: Firm

Current Status: Final

Allegations: IN CONTRAVENTION OF MEMBERSHIP AND REGISTRATION RULE 1120(B), ACI, ACTING UNDER THE DIRECTION AND CONTROL OF ASENSIO, FAILED TO DEVELOP AND MAINTAIN A CONTINUING AND CURRENT EDUCATION PROGRAM FOR ITS REGISTERED PERSONS FOR THE YEARS 1996 AND 1997. FURTHER, ACI FAILED TO DEVELOP A WRITTEN TRAINING PLAN FOR THE YEARS 1996 AND 1997.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 09/08/1998

Docket/Case Number: C02980059

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

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/11/1998

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: FINE PAID ON 9/11/1998

Summary: FINE PAID ON 9/11/1998

Disclosure 6 of 7

Reporting Source: Regulator



Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/13/1997

Docket/Case Number: C10960192

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/13/1997

Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details:

Summary: ON MARCH 13, 1997, DISTRICT NO. 10 NOTIFIED RESPONDENT ASENSIO & COMPANY, INCORPORATED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10960192 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$1,000 - (MSRB RULE G-37 - RESPONDENT MEMBER FAILED TO FILE FORM G-37 WITH THE MSRB).

\$1,000.00 PAID ON 4/11/97, INVOICE #97-10-237

Reporting Source: Firm

Current Status: Final

Allegations: ASENSIO FAILED TO FILE G-37 WITH THE MSRB FOR A NOVEMBER 2, 1995 NEGOTIATED DEAL, WHICH WAS DUE NO LATER THAN JANUARY 31, 1996.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 03/19/1996



Docket/Case Number: C10960192
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 09/18/1996
Sanctions Ordered: Monetary/Fine \$1,000.00
Other Sanctions Ordered:
Sanction Details: FINE PAID ON 9/18/1996
Summary: FINE PAID ON 9/18/1996

Disclosure 7 of 7

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 01/28/1994
Docket/Case Number: C10940010
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 05/23/1994
Sanctions Ordered: Censure
 Monetary/Fine \$7,500.00

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

ON MAY 23, 1994, DISTRICT NO. 10 NOTIFIED ASENSIO & COMPANY, INC. AND MANUEL P. ASENSIO THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10940010 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$7,500, JOINTLY AND SEVERALLY - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE AND SCHEDULE C, PART I, SECTION 1(e) OF THE NASD'S BY-LAWS - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT ASENSIO, FAILED TO COMPLY WITH ITS RESTRICTION AGREEMENT WITH THE NASD).

\$7,500 J&S PAID ON 6/23/94 INVOICE #94-10-363

Reporting Source:

Firm

Current Status:

Final

Allegations:

FAILURE TO COMPLY WITH SCHEDULE C, PART I, SECTION 1(E) OF THE NASD'S BY-LAWS & ARTICLE III, SECTION 1 OF RULES OF FAIR PRACTICE:
 A) EFFECTING MORE THAN TEN PRINCIPAL TRADES AS A \$5,000 BROKER/DEALER
 B) PARTICIPATING AS SELLING GROUP MEMBER IN TWO MUNICIPAL SECURITIES UNDERWRITINGS IN VIOLATION OF RESTRICTION LETTER.

Initiated By:

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated:

01/28/1994

Docket/Case Number:

C10940010

Principal Product Type:

Equity Listed (Common & Preferred Stock)

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

Civil and Administrative Penalt(ies) /Fine(s)

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

Acceptance, Waiver & Consent(AWC)

Resolution Date:

05/26/1994

Sanctions Ordered:

Monetary/Fine \$7,500.00



Other Sanctions Ordered:

Sanction Details: FINE PAID ON 05/26/1994

Summary: FINE PAID ON 05/26/1994



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