

## BrokerCheck Report

# GREAT EASTERN SECURITIES, INC.

CRD# 2061

Report #63074-31473, data current as of Thursday, March 20, 2014.

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BrokerCheck offers information on all current-and many former-FINRA-registered securities brokers, and all current and former FINRA-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.nasaa.org>.

- **Are there other resources I can use to check the background of investment professionals?**

FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.



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

[brokercheck.finra.org](http://brokercheck.finra.org)



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

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

**Thank you for using FINRA BrokerCheck.**



## Report Summary for this Firm

### GREAT EASTERN SECURITIES, INC.

CRD# 2061

SEC# 8-16880

#### Main Office Location

50 BROAD STREET  
SUITE 1401  
NEW YORK, NY 10004

#### Mailing Address

50 BROAD STREET  
SUITE 1401  
NEW YORK, NY 10004

#### Business Telephone Number

(212) 213-5700

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 New York on 11/18/1971.

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 brokerage firm is no longer registered with FINRA.

#### 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 | 10    |
| Arbitration      | 5     |
| Financial        | 1     |



# Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.

**This firm terminated or  
withdrew registration on:** 12/28/2006

**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 11/18/1971.

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.

### GREAT EASTERN SECURITIES, INC.

Doing business as GREAT EASTERN SECURITIES, INC.

CRD# 2061

SEC# 8-16880

### Main Office Location

50 BROAD STREET  
SUITE 1401  
NEW YORK, NY 10004

### Mailing Address

50 BROAD STREET  
SUITE 1401  
NEW YORK, NY 10004

### Business Telephone Number

(212) 213-5700



## 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):** GREAT EASTERN HOLDINGS, INC.

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

**Position** SHAREHOLDER

**Position Start Date** 08/2004

**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):** SHANI, YEHESUEL HARRY 4413381

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

**Position** BRANCH MANAGER

**Position Start Date** 06/2006

**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):** ZADIKOW, IRA MARCROBERT 1385075

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

**Position** SCROP / CROP

**Position Start Date** 03/2006

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? | No           |
| Is this a public reporting company?                            | No           |

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**Firm Profile**

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

**Indirect Owners**

**Legal Name & CRD# (if any):** RAMSON, JEFFREY SCOTT

1574903

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

GREAT EASTERN HOLDINGS, INC.

**Company through which indirect ownership is established**

SHAREHOLDER

**Relationship to Direct Owner** 08/2004

**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



## 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 no longer registered with FINRA.**

**The firm's registration with FINRA was from 01/30/1980 to 05/21/2007.**



# 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 7 types of businesses.**

### Types of Business

|   |
|---|
| Broker or dealer retailing corporate equity securities over-the-counter                 |
| Underwriter or selling group participant (corporate securities other than mutual funds) |
| Mutual fund retailer  |
| Broker or dealer selling variable life insurance or annuities                           |
| Put and call broker or dealer or option writer  |
| Non-exchange member arranging for transactions in listed securities by exchange member  |
| Private placements of securities  |



## 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:**

FIRST SOUTHWEST COMPANY

**Business Address:**

1700 PACIFIC AVE  
SUITE 500  
DALLAS, TN 75201

**Effective Date:**

12/21/2001

**Description:**

GREAT EASTERN SECURITIES OCCUPIED THE OFFICE OF GRADY & HATCH - THEY FILED A FORM BDW, OUR FIRM ASSUMED THEIR CLEARING AGREEMENT WITH FIRST SOUTHWEST COMPANY.

**Name:**

PENSON FINANCIAL SERVICES, INC.

**Business Address:**

1700 PACIFIC AVENUE, SUITE 1400  
DALLAS, TX 75201

**Effective Date:**

08/23/2000

**Description:**

WE ENTERED INTO AN ARRANGEMENT WHERE GREAT EASTERN SECURITIES, INC. WILL INTRODUCE ITS CUSTOMER ACCOUNTS TO PENSON FINANCIAL SERVICES, INC.

## **Firm Operations**

### **Industry Arrangements**



**This firm does not have books or records maintained by a third party.**

**This firm does not have accounts, funds, or securities maintained by a third party.**

**This firm does not have customer accounts, funds, or securities maintained by a third party.**

#### **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.

**PRO ACTIVE PARTNERS** is under common control with the firm.

**Business Address:** 6800 JERICHO TURNPIKE  
SUITE 101W  
SYOSSET, NY 11791

**Effective Date:** 01/05/2004

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** PRO ACTIVE PARTNERS IS MANAGED BY PRO ACTIVE TRADING, WHICH IS OWNED BY JEFFREY RAMSON. GREAT EASTERN SECURITIES IS OWNED BY GREAT EASTERN HOLDINGS, WHICH IS OWNED BY JEFFREY RAMSON.

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 | 0       | 10    | 0         |
| Arbitration      | N/A     | 5     | N/A       |
| Financial        | 0       | 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 10

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:**

FAILED TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO AN NASD REQUEST TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE.

**Initiated By:**

NASD

**Date Initiated:**

04/05/2007

**Docket/Case Number:**

04-07592

**Principal Product Type:**

No Product

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

Suspension

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

Other

**Resolution Date:**

04/05/2007

**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:**

Suspension

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

PURSUANT TO ARTICLE VI, SECTION 3 OF THE NASD BY-LAWS, GREAT EASTERN SECURITIES MEMBERSHIP IS SUSPENDED IMMEDIATELY FOR FAILURE TO COMPLY WITH AN ARBITRATION AWARD, SETTLEMENT AGREEMENT OR TO RESPOND TO NASD'S REQUEST FOR INFORMATION.

**Disclosure 2 of 10****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

GREAT EASTERN SECURITIES, INC. FAILED TO PAY ARBITRATION FEES THAT WERE ASSESSED IN NASD ARBITRATION CASE NO. 06-02423-SF WITHIN 21 DAYS AFTER SERVICE IF THE NOTICE OF INTENT TO SUSPEND GREAT EASTERN'S MEMBERSHIP DATED FEBRUARY 23, 2007.

**Initiated By:**

NASD

|   |  |
|---|--|
| <b>Date Initiated:</b>  | 03/20/2007   |
| <b>Docket/Case Number:</b>  | 06-02423-SF  |
| <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>  | Other  |
| <b>Resolution Date:</b>   | 05/21/2007   |
| <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>   | CANCELLATION OF MEMBERSHIP   |
| <b>Other Sanctions Ordered:</b>   |  |
| <b>Sanction Details:</b>  | GREAT EASTERN'S MEMBERSHIP WITH NASD IS CANCELLED PURSUANT TO NASD RULE 9553 FOR FAILURE TO PAY FEES ASSESSED AS PART OF AN ARBITRATION. |
| <b>Summary:</b>   | PURSUANT TO NASD RULE 9553, GREAT EASTERN SECURITIES. MEMBERSHIP WITH NASD IS SUSPENDED EFFECTIVE MARCH 20, 2007.                        |

### Disclosure 3 of 10

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

ON JANUARY 26, 2007, THE BANKING COMMISSIONER ISSUED A NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER, ORDER SUMMARILY SUSPENDING REGISTRATION, ORDER DENYING WITHDRAWAL OF REGISTRATION AS BROKER-DEALER AND NOTICE OF INTENT TO FINE (DOCKET NO. RSDf-2007-7309-S) AGAINST GREAT EASTERN SECURITIES, INC., A BROKER-DEALER REGISTERED UNDER THE CONNECTICUT UNIFORM SECURITIES ACT. THE ACTION WAS BASED ON ALLEGATIONS THAT 1) FROM AT LEAST SEPTEMBER 2005 FORWARD, THE FIRM EMPLOYED SIX UNREGISTERED AGENTS IN CONTRAVENTION OF SECTION 36B-6(B) OF THE ACT; 2) THE FIRM VIOLATED SECTION 36B-16 OF

**Initiated By:****Date Initiated:****Docket/Case Number:****Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:**

THE ACT BY SELLING SECURITIES OF AFV SOLUTIONS, INC., AD VENTURE PARTNERS, INC., FIDELIS ENERGY, INC., PRODUCE SAFETY AND SECURITY INTERNATIONAL, INC. AND YOBET.COM, INC. WHEN SUCH SECURITIES WERE NOT REGISTERED UNDER THE ACT OR THE SUBJECT OF AN EXEMPTIVE CLAIM OR CLAIM OF COVERED SECURITY STATUS; 3) THE RESPONDENT VIOLATED SECTION 36B-31-6F(B) OF THE REGULATIONS BY FAILING TO ENFORCE AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES; 4) THE RESPONDENT VIOLATED SECTION 36B-31-14A(A) OF THE REGULATIONS UNDER THE ACT BY FAILING TO KEEP TRUE, ACCURATE AND CURRENT RECORDS; AND 5) THE FIRM VIOLATED SECTION 36B-14(D) OF THE ACT AND SECTION 36B-31-14F(B)(3) OF THE REGULATIONS BY NOT PROVIDING COPIES OR COMPUTER PRINTOUTS OF RECORDS REQUESTED BY THE COMMISSIONER.

CONNECTICUT

01/26/2007

RSDf-2007-7309-S

Other

STOCK (UNSPECIFIED)

Revocation

1. NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER ISSUED 1/26/07
2. ORDER SUMMARILY SUSPENDING REGISTRATION AS BROKER-DEALER ENTERED 1/26/07
3. ORDER DENYING WITHDRAWAL OF REGISTRATION AS BROKER-DEALER ENTERED 1/26/07
4. NOTICE OF INTENT TO FINE ISSUED 1/26/07

Order

06/22/2007

No

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

**Sanctions Ordered:**

Monetary/Fine \$600,000.00  
Revocation/Expulsion/Denial

**Other Sanctions Ordered:**

ON JUNE 22, 2007, THE BANKING COMMISSIONER ENTERED AN ORDER IMPOSING FINE (DOCKET NO. RSDf-2007-7309-S) WITH RESPECT TO

**Sanction Details:**

GREAT EASTERN SECURITIES, INC. THE ORDER IMPOSING FINE HAD BEEN PRECEDED BY A JANUARY 26, 2007 NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER, ORDER SUMMARILY SUSPENDING REGISTRATION, ORDER DENYING WITHDRAWAL OF REGISTRATION AS BROKER-DEALER AND NOTICE OF INTENT TO FINE. THE FIRM'S BROKER-DEALER REGISTRATION WAS REVOKED ON MARCH 22, 2007. IN FINING THE FIRM \$600,000, THE COMMISSIONER FOUND THAT 1) THE RESPONDENT EMPLOYED UNREGISTERED AGENTS IN VIOLATION OF SECTION 36B-6(B) OF THE CONNECTICUT UNIFORM SECURITIES ACT; 2) THE RESPONDENT VIOLATED SECTION 36B-16 OF THE ACT BY SELLING UNREGISTERED SECURITIES; 3) THE RESPONDENT VIOLATED SECTION 36B-31-6F(B) OF THE REGULATIONS UNDER THE ACT BY FAILING TO ENFORCE AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES; 4) THE RESPONDENT VIOLATED SECTION 36B-31-14A(A) OF THE REGULATIONS BY FAILING TO KEEP TRUE, ACCURATE AND CURRENT RECORDS; AND 5) THE FIRM VIOLATED SECTION 36B-14(D) OF THE ACT AND SECTION 36B-31-14F(B)(3) OF THE REGULATIONS BY NOT PROVIDING RECORDS REQUESTED BY THE COMMISSIONER. GREAT EASTERN SECURITIES, INC. DID NOT APPEAR OR CONTEST THE IMPOSITION OF THE FINE.

SEE RESPONSE TO ITEM 13.B.

**Summary:**

THE REGISTRATION OF GREAT EASTERN SECURITIES, INC. WAS SUMMARILY SUSPENDED EFFECTIVE JANUARY 26, 2007, AND THE FIRM'S JANUARY 22, 2007 APPLICATION TO WITHDRAW ITS REGISTRATION WAS DENIED PENDING RESOLUTION OF THE MATTERS ALLEGED IN THE ACTION. THE RESPONDENT WAS AFFORDED AN OPPORTUNITY TO REQUEST A HEARING ON THE NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER. A HEARING ON THE NOTICE OF INTENT TO FINE HAS BEEN SCHEDULED FOR MARCH 27, 2007. UPDATE: BROKER-DEALER REGISTRATION REVOKED 3/22/07; THE RESPONDENT DID NOT APPEAR OR CONTEST THE REVOCATION. UPDATE: ORDER IMPOSING FINE (OF \$600,000) ENTERED 6/22/07.

**Disclosure 4 of 10****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

NASD RULES 2110, 3010 - GREAT EASTERN SECURITIES, INC. FAILED TO ADEQUATELY SUPERVISE A REGISTERED REPRESENTATIVE BY FAILING TO CONDUCT INSPECTIONS OF HIS OFFICE, REVIEW RECORDS RELATING TO HIS OUTSIDE BUSINESS ACTIVITIES, REVIEW HIS CUSTOMERS' DAILY TRANSACTIONS, AND REVIEW HIS CUSTOMERS' ACCOUNT STATEMENTS; FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF ITS REGISTERED REPRESENTATIVES THAT WAS

REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES REGARDING MONITORING OFF-SITE OFFICES, SUPERVISING OUTSIDE BUSINESS ACTIVITIES, REVIEWING SECURITIES TRANSACTIONS AND CUSTOMER ACCOUNTS, AND ASSIGNING REPRESENTATIVES TO A QUALIFIED SUPERVISOR AND ASSIGNING AN APPROPRIATE PRINCIPAL TO SUPERVISE EACH TYPE OF BUSINESS THE FIRM CONDUCTED; AND FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES TO SUPERVISE THE TYPES OF BUSINESS ACTIVITIES IN WHICH IT ENGAGED, TO SUPERVISE ADEQUATELY OFF-SITE ACTIVITIES, AND TO CLEARLY IDENTIFY THE INDIVIDUAL ASSIGNED TO CONDUCT SUPERVISORY REVIEWS, THE STEPS TO BE TAKEN IN SUCH REVIEWS, THE FREQUENCY OF THE REVIEWS, OR HOW THE REVIEWS WERE TO BE DOCUMENTED.

**Initiated By:**

NASD

**Date Initiated:**

09/05/2006

**Docket/Case Number:**

20042000053-02

**Principal Product Type:**

No Product

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

Decision &amp; Order of Offer of Settlement

**Resolution Date:**

11/08/2006

**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 \$100,000.00

**Other Sanctions Ordered:**

UNDERTAKING

**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 FINED \$100,000, JOINTLY AND SEVERALLY, AND REQUIRED TO RETAIN, WITHIN 90 DAYS OF THE DATE

## Summary:

OF ACCEPTANCE OF THIS OFFER, AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES (WRITTEN OR OTHERWISE) AND TRAINING RELATING TO ALL AREAS OF SUPERVISORY DEFICIENCIES INCLUDING, BUT NOT LIMITED TO, SUPERVISION OF ALL LINES OF BUSINESS ACTIVITIES, SUPERVISION OF ALL REGISTERED PERSONS, INSPECTION OF ALL BUSINESS LOCATIONS, OUTSIDE BUSINESS ACTIVITIES, DAILY REVIEW OF ALL TRADING ACTIVITY, CALCULATION AND PAYMENTS OF COMMISSIONS, CUSTOMER COMPLAINTS, QUALIFICATIONS, REGISTRATION AND TRAINING OF ALL EMPLOYEES, AND MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES. WITHIN 30 DAYS AFTER ISSUANCE OF THE CONSULTANT'S WRITTEN REPORT OR WRITTEN DETERMINATION REGARDING ALTERNATIVE PROCEDURES (IF ANY), THE FIRM SHALL PROVIDE NASD WITH A WRITTEN IMPLEMENTATION REPORT OF THE CONSULTANT'S RECOMMENDATIONS.

COMPLAINT ISSUED 4/10/06: NASD RULES 2110, 3010 - GREAT EASTERN SECURITIES, INC. FAILED TO ADEQUATELY SUPERVISE A REGISTERED REPRESENTATIVE BY FAILING TO CONDUCT INSPECTIONS OF HIS OFFICE, REVIEW RECORDS RELATING TO HIS OUTSIDE BUSINESS ACTIVITIES, REVIEW HIS CUSTOMERS' DAILY TRANSACTIONS, AND REVIEW HIS CUSTOMERS' ACCOUNT STATEMENTS; FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF ITS REGISTERED REPRESENTATIVES THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES REGARDING MONITORING OFF-SITE OFFICES, SUPERVISING OUTSIDE BUSINESS ACTIVITIES, REVIEWING SECURITIES TRANSACTIONS AND CUSTOMER ACCOUNTS, AND ASSIGNING REPRESENTATIVES TO A QUALIFIED SUPERVISOR AND ASSIGNING AN APPROPRIATE PRINCIPAL TO SUPERVISE EACH TYPE OF BUSINESS THE FIRM CONDUCTED; AND FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES TO SUPERVISE THE TYPES OF BUSINESS ACTIVITIES IN WHICH IT ENGAGED, TO SUPERVISE ADEQUATELY OFF-SITE ACTIVITIES, AND TO CLEARLY IDENTIFY THE INDIVIDUAL ASSIGNED TO CONDUCT SUPERVISORY REVIEWS, THE STEPS TO BE TAKEN IN SUCH REVIEWS, THE FREQUENCY OF THE REVIEWS, OR HOW THE REVIEWS WERE TO BE DOCUMENTED.

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## Reporting Source:

## Current Status:

## Allegations:

|  |  |
|--|--|
| Firm   | Final  |
| NASD RULES 2110, 3010 - GREAT EASTERN SECURITIES, INC. FAILED TO ADEQUATELY SUPERVISE A REGISTERED REPRESENTATIVE BY FAILING | NASD RULES 2110, 3010 - GREAT EASTERN SECURITIES, INC. FAILED TO ADEQUATELY SUPERVISE A REGISTERED REPRESENTATIVE BY FAILING |

TO CONDUCT INSPECTIONS OF HIS OFFICE, REVIEW RECORDS RELATING TO HIS OUTSIDE BUSINESS ACTIVITIES, REVIEW HIS CUSTOMERS' DAILY TRANSACTIONS, AND REVIEW HIS CUSTOMERS' ACCOUNT STATEMENTS; FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF ITS REGISTERED REPRESENTATIVES THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES REGARDING MONITORING OFF-SITE OFFICES, SUPERVISING OUTSIDE BUSINESS ACTIVITIES, REVIEWING SECURITIES TRANSACTIONS AND CUSTOMER ACCOUNTS, AND ASSIGNING REPRESENTATIVES TO A QUALIFIED SUPERVISOR AND ASSIGNING AN APPROPRIATE PRINCIPAL TO SUPERVISE EACH TYPE OF BUSINESS THE FIRM CONDUCTED; AND FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES TO SUPERVISE THE TYPES OF BUSINESS ACTIVITIES IN WHICH IT ENGAGED, TO SUPERVISE ADEQUATELY OFF-SITE ACTIVITIES, AND TO CLEARLY IDENTIFY THE INDIVIDUAL ASSIGNED TO CONDUCT SUPERVISORY REVIEWS, THE STEPS TO BE TAKEN IN SUCH REVIEWS, THE FREQUENCY OF THE REVIEWS, OR HOW THE REVIEWS WERE TO BE DOCUMENTED.

**Initiated By:**

NASD

**Date Initiated:**

04/10/2006

**Docket/Case Number:**

20042000053-02

**Principal Product Type:**

No Product

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

Disgorgement

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

CONTROL AFFILIATE JEFFREY RAMSON HAS BEEN PERMANENTLY BARRED FROM ACTING IN ANY SUPERVISORY CAPACITY AND IS SUSPENDED FROM ANY GENERAL SECURITIES ACTIVITIES FOR A PERIOD OF SIX MONTHS, EFFECTIVE 12/1/2006.

**Resolution:**

Acceptance, Waiver &amp; Consent(AWC)

**Resolution Date:**

11/21/2006

**Sanctions Ordered:**

Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

UNDERTAKING

**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 FINED \$100,000, JOINTLY AND SEVERALLY, AND REQUIRED TO RETAIN, WITHIN 90 DAYS OF THE DATE



OF ACCEPTANCE OF THIS OFFER, AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES (WRITTEN OR OTHERWISE) AND TRAINING RELATING TO ALL AREAS OF SUPERVISORY DEFICIENCIES INCLUDING, BUT NOT LIMITED TO, SUPERVISION OF ALL LINES OF BUSINESS ACTIVITIES, SUPERVISION OF ALL REGISTERED PERSONS, INSPECTION OF ALL BUSINESS LOCATIONS, OUTSIDE BUSINESS ACTIVITIES, DAILY REVIEW OF ALL TRADING ACTIVITY, CALCULATION AND PAYMENTS OF COMMISSIONS, CUSTOMER COMPLAINTS, QUALIFICATIONS, REGISTRATION AND TRAINING OF ALL EMPLOYEES, AND MAINTENANCE OF WRITTEN SUPERVISORY PROCEDURES. WITHIN 30 DAYS AFTER ISSUANCE OF THE CONSULTANT'S WRITTEN REPORT OR WRITTEN DETERMINATION REGARDING ALTERNATIVE PROCEDURES (IF ANY), THE FIRM SHALL PROVIDE NASD WITH A WRITTEN IMPLEMENTATION REPORT OF THE CONSULTANT'S RECOMMENDATIONS.

## Disclosure 5 of 10

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

NASD MEMBERSHIP AND REGISTRATION RULE 1120(A) AND NASD CONDUCT RULES 2110, 2440 - GREAT EASTERN SECURITIES, INC. PERMITTED ITS PRESIDENT TO CONDUCT A SECURITIES BUSINESS WHILE HIS REGISTRATION WAS INACTIVE DUE TO HIS FAILURE TO TIMELY SATISFY THE CONTINUING EDUCATION/REGULATORY ELEMENT. THE FIRM ALSO PERMITTED EXCESSIVE COMMISSIONS TO BE CHARGED IN AGENCY TRANSACTIONS. IN ADDITION, THE FIRM, ACTING THROUGH, A AN INDIVIDUAL, FAILED TO TIMELY REPORT TWO CUSTOMER COMPLAINTS ON REGISTERED REPRESENTATIVES' FORMS U4, WHICH COMPLAINTS ALLEGE ONE OR MORE SALES PRACTICE VIOLATIONS AND CONTAINED A CLAIM FOR COMPENSATORY DAMAGES OF \$5,000 OR MORE. THE FIRM, ACTING THROUGH AN INDIVIDUAL, FAILED TO TIMELY REPORT ON REGISTERED REPRESENTATIVES' FORM U4 A SETTLEMENT OF A CUSTOMER COMPLAINT WHICH ALLEGED ONE OR MORE SALES PRACTICE VIOLATIONS AND WHICH WAS SETTLE FOR AN AMOUNT OF \$10,000 OR MORE. BY REASON OF THE FOREGOING THE FIRM AND ACTED IN CONTRAVENTION OF ARTICLE V, SECTION 2 OF NASD'S BY-LAWS.

### Initiated By:

NASD

### Date Initiated:

08/04/2005

### Docket/Case Number:

[ELI2002004801](#)

### Principal Product Type:

Options



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

Acceptance, Waiver &amp; Consent(AWC)

**Resolution Date:**

08/04/2005

**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 \$15,000.00**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GREAT EASTERN SECURITIES, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$15,000, OF WHICH \$10,000 IS JOINT AND SEVERAL.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

1. DURING THE PERIOD OF NOVEMBER 2001 UNTIL JANUARY 2002 GREAT EASTERN ALLOWED THE FIRM'S PRESIDENT TO CONDUCT BUSINESS WHILE HIS REGISTRATION WAS INACTIVE DUE TO HIS FAILURE TO SATISFY CONTINUING EDUCATION REQUIREMENTS.
  2. DURING THE PERIOD SEPTEMBER 2002 UNTIL NOVEMBER 2002 GREAT EASTERN PERMITTED EXCESSIVE COMMISSIONS ON A MERE 11 TRANSACTIONS.
  3. DURING THE PERIOD JANUARY 2000 UNTIL OCTOBER 2002 GREAT EASTERN FAILED TO TIMELY REPORT TWO CUSTOMER COMPLAINTS.
- NASD DEPARTMENT OF ENFORCEMENT

**Initiated By:****Date Initiated:**

08/04/2005

**Docket/Case Number:**

ELI20020048-01

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** A FINE OF \$15,000

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

**Resolution Date:** 08/04/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** IN ADDITION TO THE ABOVE, ALPHONSE MEKALAINAS WAS SUSPENDED FIVE-DAYS.

**Summary:** THE FIRM HAS SINCE TAKEN CORRECTIVE MEASURE TO ADDRESS LAPSES IN REGISTRATION DUE TO CONTINUING EDUCATION REQUIREMENTS. THE FIRM HAS ALSO IMPLEMENTED STRINGENT COMMISSION POLICIES FIRM WIDE TO ADDRESS EXCESSIVE COMMISSIONS.

## Disclosure 6 of 10

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

ON OR ABOUT DECEMBER 3, 2002 TO THE PRESENT, GREAT EASTERN SECURITIES, INC. HAS NOT HAD A QUALIFIED DESIGNATED OFFICER REGISTERED WITH THE SECURITIES COMMISSIONER, AND HAS NOT SUBMITTED TO THE SECURITIES COMMISSIONER THE INFORMATION CONCERNING THIS CHANGE IN ITS DESIGNATED OFFICER AS REFLECTED ON ITS CERTIFICATE OF REGISTRATION, WITH THE FEE.

**Initiated By:**

TEXAS

**Date Initiated:**

05/04/2005

**Docket/Case Number:**

IC05-CAF-12

**Principal Product Type:**

Other

**Other Product Type(s):**

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

Reprimand

|   |   |
|---|---|
| <b>Other Sanction(s)/Relief Sought:</b>   | ADMINISTRATIVE FINE   |
| <b>Resolution:</b>  | Order   |
| <b>Resolution Date:</b>   | 05/04/2005  |
| <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>   | Monetary/Fine \$4,000.00  |
| <b>Other Sanctions Ordered:</b>   | REPRIMAND   |
| <b>Sanction Details:</b>  | PURSUANT TO SECTION 23-1 OF THE TEXAS SECURITIES ACT, GREAT EASTERN SECURITIES, INC. IS HEREBY ASSESSED AN ADMINISTRATIVE FINE OF \$4,000 AND IS ALSO HEREBY REPRIMANDED. |
| <b>Reporting Source:</b>  | Firm  |
| <b>Current Status:</b>  | Final   |
| <b>Allegations:</b>   | THE FIRM FAILED TO MAINTAIN A DESIGNATED PRINCIPAL FOR THE STATE OF TEXAS THAT SATISFIED STATE REQUIREMENTS.<br>TEXAS STATE SECURITIES BOARD                              |
| <b>Initiated By:</b>  |   |
| <b>Date Initiated:</b>  | 10/25/2004  |
| <b>Docket/Case Number:</b>  |   |
| <b>Principal Product Type:</b>  | No Product  |
| <b>Other Product Type(s):</b>   |   |
| <b>Principal Sanction(s)/Relief Sought:</b>   | Reprimand   |
| <b>Other Sanction(s)/Relief Sought:</b>   | ASSESSED A FINE OF \$4000   |
| <b>Resolution:</b>  | Order   |
| <b>Resolution Date:</b>   | 05/04/2005  |
| <b>Sanctions Ordered:</b>   | Monetary/Fine \$4,000.00  |
| <b>Other Sanctions Ordered:</b>   |   |

**Sanction Details:**

REPRIMANDED

**Summary:**

ON MAY 4, 2005 WE SIGNED A DISCIPLINARY ORDER AND SENT IN \$4000 AS PAYMENT FOR THE FINE.

**Disclosure 7 of 10****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

SEC RULE 15C3-1(D), NASD RULE 2110 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, ALLOWED ITS DEBT-EQUITY RATIO TO EXCEED 70% FOR LONGER THAN A 90 DAY PERIOD.

**Initiated By:**

NASD

**Date Initiated:**

11/06/2003

**Docket/Case Number:**

CL1030026

**Principal Product Type:**

No Product

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

Acceptance, Waiver &amp; Consent(AWC)

**Resolution:**

11/06/2003

**Resolution Date:**

No

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

**Sanctions Ordered:**

Monetary/Fine \$2,000.00

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

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GREAT EASTERN SECURITIES, INC. CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$2,000, JOINTLY AND SEVERALLY.

|   |  |
|---|--|
| <b>Reporting Source:</b>                    | Firm   |
| <b>Current Status:</b>                      | Final  |
| <b>Allegations:</b>                         | THE DEBT TO EQUITY RATIO ON TWO SUBORDINATED LOANS EXCEEDED THE 70/30 RATIO FOR OVER 90 DATS<br>NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. |
| <b>Initiated By:</b>                        |  |
| <b>Date Initiated:</b>                      | 11/06/2003   |
| <b>Docket/Case Number:</b>                  | CL1030026  |
| <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>     |  |
| <b>Resolution:</b>                          | Acceptance, Waiver & Consent(AWC)  |
| <b>Resolution Date:</b>                     | 11/06/2003   |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$2,000.00   |
| <b>Other Sanctions Ordered:</b>             | NONE   |
| <b>Sanction Details:</b>                    | NONE   |
| <b>Summary:</b>                             | IT WAS A CLERICAL MISTAKE. ONCE NOTICED IT WAS PROMPTLY CORRECTED. IT HAD NO EFFECT ON OPERATION OF THE FIRM.                                    |

## Disclosure 8 of 10

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

NASD RULES 2110, 3010, NASD MARKETPLACE RULES 6955(A), 6955(B)(1) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT SUBMITTED REPORTS TO OATS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET NOT IN THE ELECTRONIC FORM PRESCRIBED BY THE NASD. THE REPORTS WERE REJECTED BY OATS, NOTICE OF REJECTION WAS MADE AVAILABLE TO THE FIRM ON THE OATS WEB SITE, AND THE FIRM FAILED TO CORRECT OR REPLACE THE REPORTS AND TO CORRECTLY REPORT SUCH INFORMATION TO OATS. THE FIRM FAILED TO SUBMIT INFORMATION TO OATS ON 23 BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM FAILED TO PORVIDE FOR



SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS CONCERNING OATS.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 01/02/2002

**Docket/Case Number:** CMS010206

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

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

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

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

**Resolution Date:** 01/02/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

CENSURED AND FINED \$7,500. THE FIRM HAS SUBMITTED REVISED WRITTEN SUPERVISORY PROCEDURES TO THE NASD WHICH THE STAFF MAY REVIEW. SAID REVIEW SHALL IN NO WAY CONSTITUTE APPROVAL OF THE REVISED PROCEDURES. THE FAILURE OF THE NASD TO ALERT RESPONDENT MEMBER TO ANY DEFICIENCIES IN THE REVISED PROCEDURES SHALL NOT PRECLUDE THE NASD FROM INSTITUTING A SUBSEQUENT DISCIPLINARY ACTION AS A RESULT OF DEFICIENCIES IN THE REVISED PROCEDURES.

**Summary:**

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

DURING THE PERIOD OCTOBER 1, 2000 TO DECEMBER 31,2000, THE FIRM FAILED TO SUBMIT INFORMATION TO OATS ON 23 BUSINESS DAYS.

**Initiated By:**

NASD REGULATION, INC.

**Date Initiated:**

10/29/2001

**Docket/Case Number:**

CMS010206

|   |  |
|---|--|
| <b>Principal Product Type:</b>              | Other  |
| <b>Other Product Type(s):</b>               | OATS REPORTING   |
| <b>Principal Sanction(s)/Relief Sought:</b> | Expulsion  |
| <b>Other Sanction(s)/Relief Sought:</b>     |  |
| <b>Resolution:</b>                          | Acceptance, Waiver & Consent(AWC)  |
| <b>Resolution Date:</b>                     | 01/02/2002   |
| <b>Sanctions Ordered:</b>                   | Censure<br>Monetary/Fine \$7,500.00  |
| <b>Other Sanctions Ordered:</b>             |  |
| <b>Sanction Details:</b>                    | THE FIRM WAS CENSURE AND FINED \$7500.00.  |
| <b>Summary:</b>                             | A SERVICE BUREAU WE TRUSTED TO REPORT OR TRADES TO OATS FAILED TO REPORT THEM AS REQUIRED. WE HAVE TAKEN STEPS TO ASSURE THAT THIS IS NOT A PROBLEM IN THE FUTURE. |

|   |  |
|---|--|
| <b>Disclosure 9 of 10</b>                   |  |
| <b>Reporting Source:</b>                    | Regulator  |
| <b>Current Status:</b>                      | Final  |
| <b>Allegations:</b>                         |  |
| <b>Initiated By:</b>                        | NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. |
| <b>Date Initiated:</b>                      | 05/11/1971                                       |
| <b>Docket/Case Number:</b>                  | NY-1390  |
| <b>Principal Product Type:</b>              |  |
| <b>Other Product Type(s):</b>               |  |
| <b>Principal Sanction(s)/Relief Sought:</b> |  |
| <b>Other Sanction(s)/Relief Sought:</b>     |  |
| <b>Resolution:</b>                          | Decision   |
| <b>Resolution Date:</b>                     | 11/04/1971                                       |
| <b>Sanctions Ordered:</b>                   | Censure  |

Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Summary:**

#NY-1390 FILED 05/11/71. DEC. 11/04/71  
RESP'S CENSURED FINED \$2,500  
FINAL 11/04/71. FINE PAID 11/15/71

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

THE FIRM AND MR. WHALEN VIOLATED A RULE OF THE NASD.

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:**

11/15/1971

**Docket/Case Number:**

NY-1390

**Principal Product Type:**

Other

**Other Product Type(s):**

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

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

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

**Resolution:**

Settled

**Resolution Date:**

11/15/1971

**Sanctions Ordered:**

Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**

GREAT EASTERN SECURITIES, INC. PAID A FINE OF \$2,500 FOR VIOLATING A RULE OF THE NASD. NO OTHER ACTION WAS TAKEN.

**Disclosure 10 of 10**

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.



|   |  |
|---|--|
| <b>Date Initiated:</b>  | 11/01/1961   |
| <b>Docket/Case Number:</b>  | MV-20  |
| <b>Principal Product Type:</b>  |  |
| <b>Other Product Type(s):</b>   |  |
| <b>Principal Sanction(s)/Relief Sought:</b>   |  |
| <b>Other Sanction(s)/Relief Sought:</b>   |  |
| <b>Resolution:</b>  | Other  |
| <b>Resolution Date:</b>   | 12/02/1961   |
| <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>   |  |
| <b>Other Sanctions Ordered:</b>   |  |
| <b>Sanction Details:</b>  | COMPL. #MV-20 DISTRICT 12 FILED 11/01/61 UNDER DATE 11/02/61 ACCEPTED MV PROCEED FINAL 12/02/61 UNDER DATE OF 11/27/61 B/G CALLED UP ABOVE COMPL. FOR REVIEW DBCC DECISION STAYED. |
| <b>Reporting Source:</b>  | Firm   |
| <b>Current Status:</b>  | Final  |
| <b>Allegations:</b>   | DUE TO THE FACT THAT THIS FILING DEALS WITH A MATTER THAT IS FORTY YEARS OLD, NO INFORMATION IS AVAILABLE AS TO THE ALLEGATIONS INVOLVED.  |
| <b>Initiated By:</b>  | NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.   |
| <b>Date Initiated:</b>  | 07/01/1961   |
| <b>Docket/Case Number:</b>  | MV-20  |
| <b>Principal Product Type:</b>  | Other  |
| <b>Other Product Type(s):</b>   | DUE TO THE FACT THAT THIS FILING DEALS WITH A MATTER THAT IS FORTY YEARS OLD, NO INFORMATION IS AVAILABLE AS TO THE SPECIFIC   |

|   |   |
|---|---|
| <b>Principal Sanction(s)/Relief Sought:</b> | PRODUCT INVOLVED, IF ANY.<br><br>Other  |
| <b>Other Sanction(s)/Relief Sought:</b>     | DUE TO THE FACT THAT THIS FILING DEALS WITH A MATTER THAT IS FORTY YEARS OLD, NO INFORMATION ABOUT THE COMPLAINT (MV-20)IS AVAILABLE IN ORDER FOR THE APPLICANT TO FORMULATE A SPECIFIC RESPONSE. |
| <b>Resolution:</b>                          | Other   |
| <b>Resolution Date:</b>                     | 04/30/1998  |
| <b>Sanctions Ordered:</b>                   | Monetary/Fine \$0.00  |
| <b>Other Sanctions Ordered:</b>             | NONE TO APPLICANT'S KNOWLEDGE.  |
| <b>Sanction Details:</b>                    | DUE TO THE FACT THAT THIS FILING DEALS WITH A MATTER THAT IS FORTY YEARS OLD, NO INFORMATION IS AVAILABLE TO AS TO THE EXACT NATURE OF ANY SANCTIONS, IF ANY.                                     |
| <b>Summary:</b>                             | DUE TO THE FACT THAT THIS FILING DEALS WITH A MATTER THAT IS FORTY YEARS OLD, NO INFORMATION IS AVAILABLE TO THE APPLICANT IN ORDER TO PERMIT A SUMMARY OF THE DETAILS OF THIS PROCEEDING.        |

## 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 FINRA-registered 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 5

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-CHURNING

**Arbitration Forum:** NASD

**Case Initiated:** 07/24/2002

**Case Number:** [02-03928](#)

**Disputed Product Type:** UNKNOWN TYPE OF SECURITIES

**Sum of All Relief Requested:** \$69,126.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 03/22/2005

**Sum of All Relief Awarded:** \$10,000.00

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 5

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLENCE; FRAUDULENT ACTIVITY-OTHER; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 11/20/2002

**Case Number:** [02-06716](#)

**Disputed Product Type:** COMMON STOCK

**Sum of All Relief Requested:** \$170,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 05/12/2004

**Sum of All Relief Awarded:** \$79,245.01

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 5

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF FACTS

**Arbitration Forum:** NASD

**Case Initiated:** 11/23/2005

**Case Number:** [05-05919](#)

**Disputed Product Type:** COMMON STOCK

**Sum of All Relief Requested:** \$1,480,000.01

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 12/28/2007

**Sum of All Relief Awarded:** \$675,725.27

There may be a non-monetary award associated with this arbitration.

Please select the Case Number above to view more detailed information.

### Disclosure 4 of 5

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 12/14/2006

**Case Number:** [06-05246](#)

**Disputed Product Type:** COMMON STOCK; MUNICIPAL BOND FUNDS; MUTUAL FUNDS

**Sum of All Relief Requested:** \$129,208.82

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/17/2008

**Sum of All Relief Awarded:** \$90,000.00

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

## Disclosure 5 of 5

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; FRAUDULENT  
ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT  
ACTIVITY-UNSUITABILITY; FRAUDULENT ACTIVITY-UNAUTHORIZED  
TRADING

**Arbitration Forum:** NASD

**Case Initiated:** 02/27/2007

**Case Number:** [07-00476](#)

**Disputed Product Type:** COMMON STOCK

**Sum of All Relief Requested:** \$62,850.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 04/29/2008

**Sum of All Relief Awarded:** \$55,686.26

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

## Bankruptcy/Financial Proceeding - Final

This type of disclosure event involves a final bankruptcy or Securities Investor Protection Corporation liquidation filed within the last 10 years.

### Disclosure 1 of 1

|   |  |
|---|--|
| <b>Reporting Source:</b>  | Regulator  |
| <b>Organization Investment-Related?</b>   | Yes  |
| <b>Action Pending?</b>  | No   |
| <b>Financial Event:</b>   | Liquidated   |
| <b>Date Initiated:</b>  | 09/03/2008   |
| <b>Court Details:</b>   | UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, ADV. NO. 08-01400 (REG)  |
| <b>Disposition:</b>   | Discharged   |
| <b>Disposition Date:</b>  | 09/14/2011   |
| <b>Summary of Events:</b>   | SIPC NOTICE OF COMMENCEMENT OF LIQUIDATION PROCEEDINGS, OCTOBER 31, 2008: ON SEPTEMBER 3, 2008, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK ENTERED AN ORDER GRANTING SIPC'S APPLICATION FOR ISSUANCE OF A PROTECTIVE ORDER ADJUDICATING THE CUSTOMERS OF GREAT EASTERN SECURITIES, TO BE IN NEED OF THE PROTECTION AFFORDED BY THE SECURITIES INVESTOR PROTECTION ACT OF 1970. |
| <b>Details regarding SIPA trustee appointment or direct payment procedures:</b> | SECURITIES INVESTOR PROTECTION CORPORATION (SIPC), 805 15TH STREET, N.W., SUITE 800, WASHINGTON, D.C. 20005  |
| <b>Currently Open?</b>  | No   |
| <b>Date Direct Payment Initiated/Filed or Trustee Appointed:</b>                | 09/03/2008   |

## End of Report

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