



IAPD Report

DAVID STANLEY KAPLAN

CRD# 1176065

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD 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 representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

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

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

DAVID STANLEY KAPLAN (CRD# 1176065)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **12/02/2022**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	MADISON GLOBAL PARTNERS LLC	CRD# 285406	08/24/2017
IA	MADISON GLOBAL ADVISORS LLC	CRD# 288894	03/06/2020

QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **16** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
IA	MADISON GLOBAL ADVISORS LLC	288894	HAUPPAUGE, NY	05/09/2018 - 12/31/2019
IA	TRIDENT ADVISORS LLC	145231	WOODBURY, NY	02/02/2016 - 01/05/2018
B	TRIDENT PARTNERS LTD.	41258	Hauppauge, NY	10/16/2015 - 01/05/2018

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	4



Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **16** jurisdiction(s) and 1 SRO(s) through his or her employer(s).

Employment 1 of 2

Firm Name: **MADISON GLOBAL PARTNERS LLC**
Main Address: 350 VANDERBILT MOTOR PARKWAY, SUITE 205
HAUPPAUGE, NY 11788
Firm ID#: 285406

Regulator	Registration	Status	Date
B FINRA	General Securities Principal	Approved	08/24/2017
B FINRA	General Securities Representative	Approved	08/24/2017
B FINRA	General Securities Sales Supervisor	Approved	08/24/2017
B FINRA	Investment Banking Representative	Approved	08/24/2017
B FINRA	Securities Trader	Approved	08/24/2017
B FINRA	Investment Banking Principal	Approved	10/01/2018
B Arizona	Agent	Approved	04/12/2018
B California	Agent	Approved	01/03/2018
B Connecticut	Agent	Approved	01/18/2018
B Florida	Agent	Approved	01/16/2018
B Georgia	Agent	Approved	01/16/2018
B Indiana	Agent	Approved	01/16/2023
B Maryland	Agent	Approved	01/16/2018



Qualifications

Regulator	Registration	Status	Date
B Michigan	Agent	Approved	01/17/2018
B New Jersey	Agent	Approved	04/16/2018
B New York	Agent	Approved	03/19/2018
B North Carolina	Agent	Approved	03/22/2018
B Ohio	Agent	Approved	01/15/2018
B Pennsylvania	Agent	Approved	03/28/2018
B South Carolina	Agent	Approved	04/05/2018
B Texas	Agent	Approved	04/10/2018
B Virginia	Agent	Approved	01/16/2018

Branch Office Locations

350 VANDERBILT MOTOR PARKWAY, SUITE 205
HAUPPAUGE, NY 11788

350 VANDERBILT MOTOR PARKWAY
Suite 205
HAUPPAUGE, NY 11788

14 East 38th Street
7th floor
New York, NY 10016

Employment 2 of 2

Firm Name: **MADISON GLOBAL ADVISORS LLC**
 Main Address: 350 MOTOR PARKWAY
 SUITE 205
 HAUPPAUGE, NY 11788
 Firm ID#: 288894

Regulator	Registration	Status	Date
IA New York	Investment Adviser Representative	Approved	11/15/2021



Qualifications

Branch Office Locations

MADISON GLOBAL ADVISORS LLC
350 MOTOR PARKWAY
SUITE 205
HAUPPAUGE, NY 11788







Qualifications

PASSED INDUSTRY EXAMS






This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

This individual has passed 4 principal/supervisory exams, 5 general industry/product exams, and 2 state securities law exams.



Principal/Supervisory Exams

Exam	Category	Date
 General Securities Sales Supervisor - General Module Examination (S10)	Series 10	01/02/2023
 General Securities Sales Supervisor - Options Module Examination (S9)	Series 9	01/02/2023
 General Securities Principal Examination (S24)	Series 24	06/12/1995
 General Securities Sales Supervisor Examination (Options Module & General Module) (S8)	Series 8	04/10/1986

General Industry/Product Exams

Exam	Category	Date
 Securities Trader Exam (S57TO)	Series 57TO	01/02/2023
 Investment Banking Registered Representative Examination (S79TO)	Series 79TO	01/02/2023
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 Limited Representative-Equity Trader Exam (S55)	Series 55	05/19/1999
 General Securities Representative Examination (S7)	Series 7	08/20/1983

State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	02/10/2014
 Uniform Securities Agent State Law Examination (S63)	Series 63	04/25/1984



PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	05/09/2018 - 12/31/2019	MADISON GLOBAL ADVISORS LLC	CRD# 288894	HAUPPAUGE, NY
IA	02/02/2016 - 01/05/2018	TRIDENT ADVISORS LLC	CRD# 145231	WOODBURY, NY
B	10/16/2015 - 01/05/2018	TRIDENT PARTNERS LTD.	CRD# 41258	Hauppauge, NY
IA	09/23/2014 - 10/27/2015	GILFORD FINANCIAL CORP.	CRD# 126593	NEW YORK, NY
B	01/07/1991 - 10/27/2015	GILFORD SECURITIES INCORPORATED	CRD# 8076	MELVILLE, NY
B	05/18/1993 - 11/21/1994	CARNEGIE INVESTOR SERVICES INC.	CRD# 8295	NEW YORK, NY
B	03/02/1990 - 12/03/1990	THE STUART-JAMES COMPANY, INCORPORATED	CRD# 11691	DENVER, CO
B	01/31/1989 - 03/06/1990	BEST INVESTORS GROUP, INC.	CRD# 19883	HAUPPAUGE, NY
B	11/29/1988 - 01/01/1989	MARKETFIELD SECURITIES LIMITED	CRD# 7682	
B	04/12/1988 - 06/16/1988	FAHNESTOCK & CO., INC.	CRD# 249	
B	04/01/1988 - 04/12/1988	FAHNESTOCK INTERNATIONAL INC.	CRD# 279	
B	01/27/1987 - 04/01/1988	FAHNESTOCK & CO., INC.	CRD# 249	
B	04/09/1984 - 02/03/1987	ROONEY, PACE INC.	CRD# 6218	
B	08/23/1983 - 04/06/1984	BLINDER, ROBINSON & CO.,INC.	CRD# 5096	

EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
03/2018 - Present	Madison Global Advisors LLC	Advisor	Y	Happauge, NY, United States



Registration & Employment History

EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
08/2017 - Present	Madison Global Partners LLC	CEO	Y	Hauppauge, NY, United States
10/2015 - 08/2017	Trident Partners LTD	Registered Representative	Y	Woodbury, NY, United States

OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

Insurance-American National life Insurance Co of NY
 Life, travel accident
 On an as needed basis.

MGP Consultants, business development and consulting, non securities related; time dedicated as needed

Madison III LLC, non securities related consulting business, on an as needed basis

Madison Global Insurance Agency, non-securities related, owner & licensed agent, hours are on an as needed basis, minimal if any during market hours



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure 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 represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	4

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Other: N/A
Date Initiated:	09/30/2011
Docket/Case Number:	3-14574
Employing firm when activity occurred which led to the regulatory action:	GILFORD SECURITIES, INCORPORATED
Product Type:	No Product
Allegations:	SEC ADMIN RELEASE 33-9264, 34-65450, SEPTEMBER 30, 2011: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST A BROKER-DEALER (THE "BD"), DAVID S. KAPLAN ("KAPLAN"), AND TWO FORMER PRINCIPAL OFFICERS (COLLECTIVELY "RESPONDENTS"). THE MATTER INVOLVES THE FAILURE TO SUPERVISE A FORMER REGISTERED REPRESENTATIVE ("RR") ENGAGED IN UNREGISTERED DISTRIBUTIONS OF SECURITIES IN CONNECTION WITH INTERNATIONAL PUMP-AND-DUMP SCHEMES, BY HIS EMPLOYER, A BD, AND THE BD'S CHIEF EXECUTIVE OFFICER AND THE TRADING DESK SUPERVISOR, AND KAPLAN, THE RR'S SUPERVISOR AND THE SALES MANAGER OF THE BD'S NEW YORK OFFICE. ON FEBRUARY 1, 2011, THE COMMISSION FILED A CIVIL INJUNCTIVE ACTION AGAINST THE



RR, ALLEGING THAT THE RR, ALONG WITH TEN OTHER INDIVIDUALS AND ENTITIES, ENGAGED IN SCHEMES TO PUMP AND DUMP THE SECURITIES OF AT LEAST EIGHT U.S. MICROCAP STOCKS OF ISSUERS, PRIMARILY HEADQUARTERED IN THE PEOPLE'S REPUBLIC OF CHINA, ISRAEL AND CANADA, AND FACILITATED UNREGISTERED SALES OF MILLIONS OF SHARES OF THESE ISSUERS' STOCKS THAT GENERATED PROCEEDS IN EXCESS OF \$33 MILLION. ALSO ON FEBRUARY 1, 2011, A SUPERSEDING INDICTMENT AGAINST THE RR WAS UNSEALED CHARGING HIM WITH ONE COUNT OF CONSPIRACY TO COMMIT SECURITIES FRAUD AND WIRE FRAUD IN VIOLATION OF 18 U.S.C. SECTIONS 1343, 1348 AND 1349 BASED ON THE SAME CONDUCT DESCRIBED IN THE COMMISSION'S COMPLAINT. ON APRIL 21, 2011, THE RR PLEADED GUILTY TO THE CONSPIRACY CHARGE.

FROM AT LEAST JANUARY 2005 THROUGH MAY 2006 ("RELEVANT PERIOD"), THE RR RESOLD OVER 30 MILLION SHARES OF SECURITIES THROUGH AT LEAST 20 CUSTOMER ACCOUNTS AT THE BD WHEN THERE WAS NO RESALE REGISTRATION STATEMENT ON FILE OR IN EFFECT WITH THE COMMISSION WITH RESPECT TO THOSE SECURITIES AND THERE WAS NO VALID EXEMPTION AVAILABLE FOR THE REALES. RR'S FACILITATION OF THE UNREGISTERED SALES WENT UNDETECTED BY THE BD AS A RESULT OF ITS FAILURE TO DEVELOP REASONABLE SYSTEMS TO IMPLEMENT ITS POLICIES AND PROCEDURES REGARDING SUPERVISION OF REGISTERED REPRESENTATIVES AT THE FIRM WITH RESPECT TO FACILITATING CUSTOMERS' UNREGISTERED SALES OF SECURITIES. DURING THE RELEVANT TIME PERIOD, THE CEO HAD ULTIMATE AUTHORITY AND RESPONSIBILITY FOR DEVELOPING THE BD'S SUPERVISORY POLICIES, PROCEDURES AND IMPLEMENTATION OF THESE POLICIES AND PROCEDURES. KAPLAN HAD ULTIMATE RESPONSIBILITY FOR SUPERVISING THE RR. THE BD, CEO, AND KAPLAN ALL FAILED REASONABLY TO SUPERVISE THE RR'S UNREGISTERED SALES OF SECURITIES. THE BD'S DEFICIENCIES WERE NOT CONFINED TO ITS FAILURE REASONABLY TO SUPERVISE THE RR. THE BD ALSO VIOLATED THE FEDERAL SECURITIES LAWS BY: (A) PERMITTING CUSTOMERS TO DELIVER IN AND SELL MILLIONS OF SHARES OF STOCK WITHOUT THE REGISTERED REPRESENTATIVES AND OFFICERS AT THE FIRM CONDUCTING REASONABLE INQUIRY INTO THE SOURCE OF THE STOCK BEING SOLD TO THE PUBLIC; (B) NOT FULFILLING ITS OBLIGATIONS UNDER THE CURRENCY AND FINANCIAL TRANSACTIONS REPORTING ACT OF 1970 (COMMONLY REFERRED TO AS THE BANK SECRECY ACT ("BSA")), 12 U.S.C. § 1829B, 12 U.S.C. §§ 1951-1959, AND 31 U.S.C. §§ 5311, WITH REGARD TO SUSPICIOUS ACTIVITY REPORTS ("SARS"); (C) ALLOWING EMPLOYEES TO IMPROPERLY EXECUTE CUSTOMER ORDERS WITHOUT THE REQUISITE TRADING LICENSES; (D) FAILING TO MAKE AND KEEP CURRENT EITHER A QUESTIONNAIRE OR APPLICATION FOR EMPLOYMENT FOR THESE EMPLOYEES; AND (E) VIOLATING REGULATION S-P BY SHARING NONPUBLIC CUSTOMER INFORMATION WITH UNAUTHORIZED THIRD PARTIES. THE CEO AND KAPLAN AIDED AND ABETTED SOME OF THE BD'S VIOLATIONS. IN ADDITION, THE BD'S CHIEF COMPLIANCE OFFICER ("CCO") AND ANTI-MONEY LAUNDERING ("AML") OFFICER, AIDED AND ABETTED THE BD'S SARS VIOLATION.

Current Status: Final

Resolution: Order



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

Yes

Resolution Date:

09/30/2011

Sanctions Ordered:

Cease and Desist
Civil and Administrative Penalty(ies)/Fine(s)
Disgorgement
Monetary Penalty other than Fines
Suspension
Other: PROVIDE TO THE COMMISSION, WITHIN 15 DAYS AFTER THE END OF THE TWELVE MONTH SUSPENSION PERIOD DESCRIBED BELOW, AN AFFIDAVIT THAT HE HAS COMPLIED FULLY WITH THE SANCTIONS

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

Yes

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

No

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

Yes



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Yes

Sanction 1 of 1**Sanction Type:**

Suspension

Capacities Affected:

ASSOCIATION IN A SUPERVISORY CAPACITY WITH ANY BROKER OR DEALER

Duration:

TWELVE MONTHS

Start Date:

10/10/2011

End Date:

10/09/2012

Monetary Sanction 1 of 3**Monetary Related Sanction:**

Disgorgement

Total Amount:

\$225,000.00

Portion Levied against individual:

\$225,000.00

Payment Plan:**Is Payment Plan Current:**

No

Date Paid by individual:**Was any portion of penalty waived?**

No

Amount Waived:**Monetary Sanction 2 of 3****Monetary Related Sanction:**

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

Total Amount:

\$30,000.00

Portion Levied against individual:

\$30,000.00

Payment Plan:**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?**

No

**Amount Waived:****Monetary Sanction 3 of 3****Monetary Related Sanction:** Monetary Penalty other than Fines**Total Amount:** \$63,092.00**Portion Levied against individual:** \$63,092.00**Payment Plan:****Is Payment Plan Current:** No**Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Regulator Statement**

DURING THE RELEVANT PERIOD, KAPLAN WAS THE SALES MANAGER AT THE BD'S HEADQUARTERS IN NEW YORK, AND HE WAS ULTIMATELY RESPONSIBLE FOR SUPERVISING ALL OF THE REGISTERED REPRESENTATIVES IN THAT OFFICE, INCLUDING THE RR. KAPLAN FAILED TO FOLLOW THE BD'S POLICIES AND PROCEDURES RELATING TO THE REVIEW OF INTERNAL E-MAIL CORRESPONDENCE. THE BD'S WRITTEN SUPERVISORY PROCEDURES REQUIRED KAPLAN TO REVIEW INTERNAL E-MAIL CORRESPONDENCE ON A DAILY BASIS. KAPLAN DID NOT PERFORM THE REQUIRED REVIEW. INSTEAD HE ASSIGNED THAT RESPONSIBILITY TO ANOTHER BD EMPLOYEE, BUT ULTIMATELY RETAINED RESPONSIBILITY FOR THE REVIEW. DESPITE THIS, HE ONLY REVIEWED E-MAIL CORRESPONDENCE OCCASIONALLY - TYPICALLY ON A WEEKLY BASIS OR IF CORRESPONDENCE WAS SHOWN TO HIM. HAD KAPLAN REVIEWED THE FIRM'S INTERNAL E-MAIL CORRESPONDENCE ON A REGULAR BASIS, HE COULD HAVE PREVENTED AND DETECTED THE RR'S REPEATED SHARING NONPUBLIC CUSTOMER INFORMATION WITH UNAUTHORIZED THIRD PARTIES WHO WERE ALSO DEPOSITING STOCK INTO THE CUSTOMER ACCOUNTS AND PROVIDING THE RR WITH WIRE INSTRUCTIONS. KAPLAN ALSO FAILED REASONABLY TO SUPERVISE THE RR BECAUSE HE FAILED TO RESPOND TO RED FLAGS THAT COULD HAVE ALERTED HIM TO THE RR'S MISCONDUCT. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, THE BD, CEO AND KAPLAN FAILED REASONABLY TO SUPERVISE THE RR WITH A VIEW TO DETECTING AND PREVENTING HIS VIOLATIONS OF SECTIONS 5(A) AND 5(C) OF THE SECURITIES ACT. AS A RESULT OF THE CONDUCT IN WHICH THE RR USED THE BD'S COMPUTER SYSTEM TO DISSEMINATE CONFIDENTIAL CUSTOMER INFORMATION TO UNAUTHORIZED THIRD PARTIES, THE BD WILLFULLY VIOLATED RULE 10(A) OF REGULATION S-P. KAPLAN ALSO AIDED AND ABETTED AND CAUSED THE BD'S VIOLATIONS BECAUSE HE KNEW, OR SHOULD HAVE KNOWN, THAT THE RR WAS IMPROPERLY SHARING THIS INFORMATION. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENTS SUBMITTED OFFERS OF SETTLEMENT (THE "OFFERS") WHICH THE COMMISSION DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER THEM AND THE SUBJECT MATTER OF THE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENTS CONSENT TO THE ENTRY OF THE ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS



PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ("ORDER"). THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENTS' OFFERS. ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT AND SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT RESPONDENT KAPLAN SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 10(A) OF REGULATION S-P. RESPONDENT KAPLAN BE SUSPENDED FROM ASSOCIATION IN A SUPERVISORY CAPACITY WITH ANY BROKER OR DEALER FOR A PERIOD OF TWELVE MONTHS, EFFECTIVE ON THE SECOND MONDAY FOLLOWING THE ENTRY OF THIS ORDER. RESPONDENT KAPLAN SHALL, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF \$225,000, PREJUDGMENT INTEREST OF \$63,092 AND A CIVIL PENALTY OF \$30,000 TO THE UNITED STATES TREASURY.

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Reporting Source:	Individual
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist Censure Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Suspension Undertaking
Date Initiated:	09/30/2011
Docket/Case Number:	3-14574
Employing firm when activity occurred which led to the regulatory action:	GILFORD SECURITIES INCORPORATED
Product Type:	Equity-OTC
Allegations:	VIOLATIONS OF SECTIONS 15CB7(4)AND 15(B)(6)OF THE EXCHANGE ACT WITH A VIEW TO PREVENTING VIOLATIONS OF SECTION 5(A) AND 5(C) AND REGULATION S-P.
Current Status:	Final
Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	09/30/2011
Sanctions Ordered:	Cease and Desist Censure Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Suspension



Undertaking

Sanction 1 of 1

Sanction Type: Suspension
Capacities Affected: SERIES 9-10, SERIES 24
Duration: 12 MONTHS
Start Date: 10/10/2011
End Date: 10/09/2012

Monetary Sanction 1 of 2

Monetary Related Sanction: Disgorgement
Total Amount: \$288,092.00
Portion Levied against individual: \$288,092.00
Payment Plan: PAYMENT DUE BY 10/30/2011
Is Payment Plan Current:
Date Paid by individual:
Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$30,000.00
Portion Levied against individual: \$30,000.00
Payment Plan: PAYMENT DUE BY 10/30/2011
Is Payment Plan Current:
Date Paid by individual:
Was any portion of penalty waived? No

Amount Waived:



Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

Disclosure 1 of 4

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	GILFORD SECURITIES
Allegations:	"REPRESENTATIVE NAMED AS A RESPONDENT IN THE ARBITRATION BASED UPON 'CONTROL PERSON' LIABILITY FOR THE ALLEGED WRONGFUL ACTS OF ONE OF THE FIRM'S BROKERS. THE REPRESENTATIVE DENIES ALL OF CLAIMANT'S CLAIMS, DENIES ANY CONNECTION WITH THE ALLEGED WRONGFUL ACTS, AND DENIES ANY LIABILITY AS A CONTROL PERSON OR OTHERWISE. RESPONDENT INTENDS TO VIGOROUSLY DEFEND AGAINST CLAIMANT'S BASELESS CLAIMS AND WILL SEEK ALL APPROPRIATE REMEDIES AGAINST CLAIMANT".
Product Type:	No Product
Alleged Damages:	\$875,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	14-02418
Filing date of arbitration/CFTC reparation or civil litigation:	11/26/2014

Customer Complaint Information

Date Complaint Received:	12/02/2014
Complaint Pending?	No
Status:	Settled
Status Date:	06/03/2016
Settlement Amount:	\$50,000.00
Individual Contribution Amount:	\$0.00

Disclosure 2 of 4

Reporting Source:	Individual
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Employing firm when activities occurred which led to the complaint: GILFORD SECURITIES, INC.

Allegations: FAILURE TO SUPERVISE A BROKER WHO ALLEGEDLY MADE UNSUITABLE RECOMMENDATIONS.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$500,000.00

Customer Complaint Information

Date Complaint Received: 03/11/2009

Complaint Pending? No

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

Status Date: 03/11/2009

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: [09-01057](#)

Date Notice/Process Served: 03/11/2009

Arbitration Pending? No

Disposition: Settled

Disposition Date: 06/24/2010

Monetary Compensation Amount: \$90,000.00

Individual Contribution Amount: \$0.00

Broker Statement BROKER WAS PROPERLY SUPERVISD. THE CLAIMANT WAS THE FIDUCIARY OVER THE ACCOUNTS. ALL TRANSACTIONS WERE AT CLAIMANTS INSTRUCTIONS.

Disclosure 3 of 4

Reporting Source: Regulator

Employing firm when activities occurred which led to the complaint:

Allegations: SUITABILITY; ACCOUNT RELATED-NEGLIGENCE; MISREPRESENTATION; ACCOUNT RELATED - FAILURE TO SUPERVISE

Product Type:

Alleged Damages: \$800,000.00

Arbitration Information



Arbitration/Reparation Claim filed with and Docket/Case No.: NASD - CASE #92-01688

Date Notice/Process Served: 06/15/1992

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/12/1993

Disposition Detail: CASE IS CLOSED, SETTLED
Not Provided

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Reporting Source: Individual

Employing firm when activities occurred which led to the complaint:

Allegations: ALLEGED DAMAGES OF \$800,000 FROM UNAUTHORIZED TRADES, UNSUITABLE TRADES, MISAPPROPRIATORY FUNDS, GUARANTEES ALL DATING BACK TO 1983.

Product Type:

Alleged Damages: \$800,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: National Association of Securities Dealers, Inc.; 92-01688

Date Notice/Process Served: 06/15/1992

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/12/1993

Monetary Compensation Amount: \$27,001.00

Individual Contribution Amount: \$1.00

Broker Statement PAYMENT OF \$1 IN SETTLEMENT.
APPROXIMATELY 3 YEARS AFTER THE LAST TRANSACTION
WAS MADE IN CLIENTS ACCOUNT THE CLIENT CLAIMED UNAUTHORIZED



TRADING LACK OF INVESTMENT EXPERIENCE, UNSUITABLE TRANSACTIONS AND EVERY OTHER POSSIBLE COMPLAINT I COULD THINK OF IN AN ATTEMPT TO GAIN A WINDFALL OF \$800,000. WITH THE CLIENT BEARING NO RISK AND RELATIVELY ZERO CASH OUTLAY, WHY NOT TAKE THE SHOT. AFTER ENOUGH OF THE FACTS WERE REVEALED THE CLIENT SETTLED WITH \$1 FROM ME AND \$27,000.00 FROM OTHER PARTIES.

Disclosure 4 of 4

Reporting Source: Regulator
Employing firm when activities occurred which led to the complaint: GILFORD SECURITIES, INC.

Allegations: SUITABILITY; MISREPRESENTATION; OMISSION OF FACTS; OTHER

Product Type:

Alleged Damages: \$34,604.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD - CASE #93-03141

Date Notice/Process Served: 08/20/1993

Arbitration Pending? No

Disposition: Settled

Disposition Date: 09/22/1994

Disposition Detail: CASE IS CLOSED, SETTLED ACTUAL/COMPENSATORY DAMAGES, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; INTEREST, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; OTHER COSTS, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; ATTORNEY'S FEES, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; OTHER MONETARY RELIEF, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: GILFORD SECURITIES, INC.

Allegations: ALLEGED CLAIM 34,604.00 FAILURE TO SUPERVISE

Product Type:

Alleged Damages: \$34,604.00

Customer Complaint Information



Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: National Association of Securities Dealers, Inc.; 93-03141

Date Notice/Process Served: 08/20/1993

Arbitration Pending? No

Disposition: Settled

Disposition Date: 09/22/1994

Monetary Compensation Amount: \$28,000.00

Individual Contribution Amount: \$0.00

Broker Statement NOT RESOLVED
CLIENT COMPLAINED THAT A BROKER IN MY OFFICE
FAILED TO RECOMMEND SUITABLE INVESTMENTS AND WOULD NOT
ACCEPT A
SELL ORDER. I WAS ALSO NAMED IN THE COMPLAINT



End of Report

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