



IAPD Report

LAWRENCE ST JOHN YORK

CRD# 1264745

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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

LAWRENCE ST JOHN YORK (CRD# 1264745)

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 **01/03/2022**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	PROACTIVE ADVISORS, LLC	CRD# 147332	09/21/2012

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **2** 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
B	SECURITIES SERVICE NETWORK, INC.	13318	LEXINGTON, KY	12/14/2005 - 06/30/2008
B	INTERACTIVE PLANNING CORP.	40261	LEXINGTON, KY	01/11/1999 - 12/31/2005
B	B/D HOLDINGS, INC.	16076	CLEVELAND, OH	09/14/1998 - 12/31/1998

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	2





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 **2** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **PROACTIVE ADVISORS, LLC**
Main Address: 836 EUCLID AVE.
SUITE 306
LEXINGTON, KY 40502
Firm ID#: 147332

	Regulator	Registration	Status	Date
	Kentucky	Investment Adviser Representative	Approved	09/21/2012
	Texas	Investment Adviser Representative	Restricted Approval	12/28/2017

Branch Office Locations

PROACTIVE ADVISORS, LLC
836 Euclid Ave.
Suite 306
Lexington, KY 40502






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 3 principal/supervisory exams, 1 general industry/product exam, and 2 state securities law exams.



Principal/Supervisory Exams

	Exam	Category	Date
	Municipal Securities Principal Examination (S53)	Series 53	03/28/2003
	Introducing Broker/Dealer Financial Operations Principal Examination (S28)	Series 28	04/10/1995
	General Securities Principal Examination (S24)	Series 24	03/23/1989

General Industry/Product Exams

	Exam	Category	Date
	General Securities Representative Examination (S7)	Series 7	05/19/1984

State Securities Law Exams

	Exam	Category	Date
	Uniform Investment Adviser Law Examination (S65)	Series 65	09/11/2012
	Uniform Securities Agent State Law Examination (S63)	Series 63	05/25/1984

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
B	12/14/2005 - 06/30/2008	SECURITIES SERVICE NETWORK, INC.	CRD# 13318	LEXINGTON, KY
B	01/11/1999 - 12/31/2005	INTERACTIVE PLANNING CORP.	CRD# 40261	LEXINGTON, KY
B	09/14/1998 - 12/31/1998	B/D HOLDINGS, INC.	CRD# 16076	CLEVELAND, OH
B	01/11/1994 - 09/22/1998	R. H. YORK & COMPANY, INC.	CRD# 30099	COVINGTON, KY
B	01/01/1989 - 02/17/1994	LINSCO/PRIVATE LEDGER CORP.	CRD# 6413	FORT MILL, SC
B	11/24/1987 - 12/20/1988	J.C. BRADFORD & CO.	CRD# 1287	
B	06/06/1986 - 12/15/1987	E. F. HUTTON & COMPANY INC	CRD# 235	
B	06/04/1984 - 06/13/1986	DEAN WITTER REYNOLDS INC.	CRD# 7556	

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
06/2008 - Present	PROACTIVE ADVISORS, LLC	MANAGING DIRECTOR	Y	LEXINGTON, KY, 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.

Other business activities: Lawrence York has equity interest in six limited liability companies two of which are investment related. All but one of the companies own real estate. Mr. York's ownership in these companies is the percentage amount shown in parenthesis. The following is a list of Lawrence York's outside business interest:

ProActive Partners, LLC, a company wholly owned by Lawrence York, was formed in September 2015 to provide business consulting and financial management services to Mr. York's closely held private company investments. ProActive Partners owns a commercial office suite located on Shaker Drive, Lexington, KY. ProActive Partners provides services to four affiliated limited liability companies in which Mr. York is an owner/partner including: 7168 Falcons Glen, LLC (50%) which owns a real estate



Registration & Employment History



OTHER BUSINESS ACTIVITIES

property in Naples FL purchased April 2018 with a realtor partner; AM Partners, LLC (50%) formed in March 2013 by Mr. York to be a leasing company for a KY based manufacturing company. It owns a residential real estate property in Lexington, KY; Equity Income Group, LLC (50%) company formed in April 2015 that owns a commercial office suite with a physician partner in Lexington, KY. The administrative office addresses of these companies are at 836 Euclid Ave., Suite 306 Lexington KY 40502. Mr. York restricts his managerial and administrative duties provided to these companies to times before and after market trading hours and weekends as necessary. The time involved in these duties averages approximately 2 hours per month for each LLC as leasing services are outsourced. Mr. York additionally owns an equity interest in two investment-related limited liability companies: the first, Resurrection Treatment Clinics, LLC, (27%) a substance abuse treatment clinic was formed in September 2015. Resurrection is a Lexington, KY based business and is managed by a physician partner. Mr. York and ProActive Partners do not receive compensation and no longer provide business management services to Resurrection. Mr. York now only reviews the banking statements and stays abreast of how the clinic is performing which is all done after market hours. The second investment-related limited liability company is 2101, LLC, (4%) a company formed in October 2014 to purchase 67 acres of land in Versailles, KY that was entering foreclosure. ProActive Advisors has been engaged to provide limited management services to the company to assist with rezoning of the property and to oversee financial matters including tax filings for which the firm is compensated.



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	2

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 2

Reporting Source: Regulator

Regulatory Action Initiated By: NASD

Sanction(s) Sought:

Date Initiated: 07/22/2005

Docket/Case Number: [E052003037401](#)

Employing firm when activity occurred which led to the regulatory action: INTERACTIVE PLANNING CORP.

Product Type: No Product

Allegations: NASD BY-LAWS ARTICLE V, SECTION 2(C), NASD RULES 2110, 3070(A)(2) AND IM-3110-(D) - RESPONDENT ACTING ON BEHALF OF HIS MEMBER FIRM, ENTERED INTO AN ACCOUNT PURCHASE CONTRACT WITH A PUBLIC CUSTOMER THAT CONTAINED RESTRICTIVE LANGUAGE PROHIBITING CUSTOMER FROM DISCLOSING ANY INFORMATION REGARDING THE CONTRACT TO SECURITIES REGULATORS. THE FINDINGS ALSO STATED THAT YORK, ACTING THROUGH HIS MEMBER FIRM, FAILED AND NEGLECTED TO MAINTAIN A RECORD OF THE COMPLAINTS FILED BY A CUSTOMER, FAILED AND NEGLECTED TO FILE CUSTOMER'S COMPLAINT WITH NASD WITHIN 10 BUSINESS DAYS, AND FAILED AND NEGLECTED TO AMEND HIS UNIFORM APPLICATION FOR REGISTRATION (U4) AS A SECURITIES REPRESENTATIVE TO DISCLOSE A CUSTOMER'S COMPLAINT.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)



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

Resolution Date: 07/22/2005

Sanctions Ordered: Censure
Civil and Administrative Penalty(ies)/Fine(s)

Regulator Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, YORK, CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS CENSURED AND FINED \$10,000, JOINTLY AND SEVERALLY. FINE PAID.

Reporting Source: Individual

Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Sanction(s) Sought: Censure
Monetary Penalty other than Fines
Other: MONETARY FINE JOINTLY AND SEVERALLY AGAINST INTERACTIVE PLANNING CORP AND LAWRENCE S. YORK

Date Initiated: 09/15/2003

Docket/Case Number: [E052003037401](#)

Employing firm when activity occurred which led to the regulatory action: INTERACTIVE PLANNING CORP.

Product Type: Other: MUTUAL FUNDS, EQUITIES AND MUNICIPAL BONDS

Allegations: MR. YORK WAS THE PRESIDENT AND PRINCIPAL OF BROKER DEALER (BD) INTERACTIVE PLANNING CORP. AND CAPITAL ADVISORS GROUP, HIS STATE REGISTERED ADVISORY FIRM, HAD ENTERED INTO AN ACCOUNT PURCHASE CONTRACT WITH A CUSTOMER OF THE BD THAT CONTAINED A CONFIDENTIALITY CLAUSE PROHIBITING DISCLOSURE ABOUT DETAILS OF THE CONTRACT. THE NASD (NOW FINRA) DEEMED THE LANGUAGE TOO RESTRICTIVE AS IT PREVENTED DISCLOSURE EVEN TO REGULATORS. THE NASD ALSO ALLEGED YORK AS PRINCIPAL OF THE BD HAD FAILED TO MAINTAIN A RECORD OF A CUSTOMER COMPLAINT IN THE BD'S COMPLAINT FILE AND FAILED TO FILE THE COMPLAINT WITHIN 10 BUSINESS DAYS AS REQUIRED BY MEMBERSHIP RULES. RESPONDENT YORK HAD MAINTAINED THE COMPLAINT BUT ONLY IN THE FIRM'S CORRESPONDENCE FILE BECAUSE IT WAS WITHDRAWN WHEN THE CUSTOMER UNDERSTOOD THE FEES CHARGED WERE NOT MANAGEMENT FEES ON AN ADVISORY CONTRACT THAT WAS TERMINATED, BUT MUNICIPAL BOND REDEMPTION CALL FEE CHARGES BY THE CUSTODIAN. VIEWING THE WITHDRAWN COMPLAINT AS CORRESPONDENCE, THE FIRM ALSO DID NOT AMEND FORM U-4 TO MAKE A COMPLAINT DISCLOSURE WHICH YORK DEEMED UNNECESSARY. THE PARTIES SETTLED THE MATTER IN A WAIVER AND CONSENT DECREE WITHOUT YORK OR HIS BD ADMITTING OR DENYING FAULT AND THEM PAYING A CIVIL PENALTY FINE TO THE NASD.

Current Status: Final



Resolution: Acceptance, Waiver & Consent(AWC)

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

Resolution Date: 07/22/2005

Sanctions Ordered: Censure
Other: NONE

Broker Statement

MR. YORK WAS THE PRESIDENT AND PRINCIPAL OF BROKER DEALER (BD) (INTERACTIVE PLANNING CORP). AND CAPITAL ADVISORS GROUP, HIS STATE REGISTERED ADVISORY FIRM, HAD ENTERED INTO AN ACCOUNT PURCHASE CONTRACT WITH A CUSTOMER OF THE BD THAT CONTAINED A CONFIDENTIALITY CLAUSE PROHIBITING DISCLOSURE ABOUT DETAILS OF THE CONTRACT. THE NASD (NOW FINRA) DEEMED THE LANGUAGE TOO RESTRICTIVE AS IT PREVENTED DISCLOSURE EVEN TO REGULATORS. THE NASD ALSO ALLEGED YORK AS PRINCIPAL OF THE BD HAD FAILED TO MAINTAIN A RECORD OF A COMPLAINT IN THE FIRM'S COMPLAINT FILE AND FAILED TO FILE THE COMPLAINT WITHIN 10 BUSINESS DAYS AS REQUIRED BY MEMBERSHIP RULES. RESPONDENT YORK HAD MAINTAINED THE COMPLAINT BUT IN THE FIRM'S CORRESPONDENCE FILE BECAUSE IT WAS WITHDRAWN WHEN THE CUSTOMER UNDERSTOOD THE FEES CHARGED WERE NOT MANAGEMENT FEES ON AN ADVISORY CONTRACT THAT WAS TERMINATED, BUT MUNICIPAL BOND CALL REDEMPTION CHARGES BY THE CUSTODIAN. VIEWING THE WITHDRAWN COMPLAINT AS CORRESPONDENCE, THE FIRM ALSO DID NOT AMEND FORM U-4 TO MAKE A COMPLAINT DISCLOSURE WHICH YORK DEEMED UNNECESSARY. THE PARTIES SETTLED THE MATTER IN A WAIVER AND CONSENT DECREE WITHOUT YORK OR HIS BD ADMITTING OR DENYING FAULT AND THEM PAYING A CIVIL PENALTY FINE TO THE NASD.

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: KENTUCKY DIVISION OF SECURITIES

Sanction(s) Sought: Cease and Desist

Other Sanction(s) Sought: REVOCATION

Date Initiated: 10/15/2003

Docket/Case Number: 03-AH-015

Employing firm when activity occurred which led to the regulatory action: CAPTIAL ADVISERS GROUP, INC. & INTERACTIVE PLANNING CORPORATION

Product Type: No Product

Other Product Type(s):

Allegations: 1. INSOLVENCY OF INVESTMENT ADVISER, CAPITAL ADVISORS GROUP, INC. 2. A DISHONEST AND UNETHICAL PRACTICE BY ENTERING INTO AN ACCOUNT PURCHASE AGREEMENT WHICH AMOUNTED TO A LOAN OWED A CLIENT. 3. FRAUD BY HAVING THE CLIENT SIGN A CONTRACT AGREEING



NOT TO SPEAK WITH OR COOPERATE WITH ANY REGULATORS. 4. FAILURE TO MAINTAIN REQUIRED RECORDS.

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: 04/23/2004

Sanctions Ordered:

Other Sanctions Ordered: THE RESPONDENTS ENTERED INTO A SETTLEMENT AGREEMENT WITH THE DIVISION UNDER WHICH YORK VOLUNTARILY WITHDREW THE INVESTMENT ADVISER REGISTRATION OF CAPITAL ADVISORS GROUP, INC. AND OFFERED RESCISSION TO HIS CLIENT. YORK ALSO AGREED TO NOT ACCEPT A LOAN FROM A CLIENT OR ISSUE A PROMISSORY NOTE TO A CLIENT. THE TERMS OF THE SETTLEMENT AGREEMENT ARE INCORPORATED BY REFERENCE INTO A FINAL ORDER AGAINST THE RESPONDENTS

Sanction Details: THE RESPONDENTS ENTERED INTO A SETTLEMENT AGREEMENT WITH THE DIVISION UNDER WHICH YORK VOLUNTARILY WITHDREW THE INVESTMENT ADVISER REGISTRATION OF CAPITAL ADVISORS GROUP, INC. AND OFFERED RESCISSION TO HIS CLIENT. YORK ALSO AGREED TO NOT ACCEPT A LOAN FROM A CLIENT OR ISSUE A PROMISSORY NOTE TO A CLIENT. THE TERMS OF THE SETTLEMENT AGREEMENT ARE INCORPORATED BY REFERENCE INTO A FINAL ORDER AGAINST THE RESPONDENTS

Reporting Source: Individual

Regulatory Action Initiated By: COMMONWEALTH OF KENTUCKY THE DEPARTMENT OF FINANCIAL INSTITUTIONS

Sanction(s) Sought: Undertaking

Date Initiated: 10/15/2003

Docket/Case Number: 03-AH-015

Employing firm when activity occurred which led to the regulatory action: CAPITAL ADVISORS GROUP, INC.

Product Type: Other: INVESTMENT ADVISORY SERVICES

Allegations: IN 2003 UPON SEEING A LONG TERM LIABILITY ON THE BALANCE SHEET OF CAPITAL ADVISORS GROUP, INC., A STATE REGISTERED ADVISORY FIRM OWNED BY YORK, THE KY DEPT OF FINANCIAL INSTITUTIONS (DFI) ALLEGED THE LIABILITY MADE THE ADVISOR INSOLVENT AND THE ACCOUNT PURCHASE CONTRACT ENTERED INTO BY THE ADVISOR WITH A FORMER CLIENT WAS A DISGUISED LOAN AND THEREFORE A DISHONEST AND UNETHICAL ACT AND BREACH OF FIDUCIARY DUTY. YORK DISPUTED THE ALLEGATIONS ARGUING THE CONTRACT WAS DULY EXECUTED, NOTARIZED, COLLATERIALIZED, AND A UCC FILING OF COLLATERAL WAS



OF RECORD, NOT A LOAN AND THAT THE FIRM'S CONTRACT REQUIRED NO PRINCIPAL OR INTEREST PAYMENTS UNTIL THE END OF ITS FIVE YEAR TERM SO HIS FIRM WAS NOT INSOLVENT. YORK ADDITIONALLY ARGUED THERE COULD BE NO BREACH OF FIDUCIARY DUTY WHEN THE ADVISORY RELATIONSHIP WITH THE CLIENT HAD ENDED LONG AGO. YORK SOUGHT TO APPEASE THE SITUATION BY VOLUNTARILY OFFERING RECISSION OF THE CONTRACT AND LATER VOLUNTARILY WITHDRAWING HIS STATE ADVISORY REGISTRATION AS THE SEC HAD ASKED HIM TO CONSOLIDATE HIS STATE ADVISORY FIRM WITH HIS FEDERAL ONE. THE PARTIES FINALLY SETTLED THEIR ALLEGATIONS WITH THE STATE RECOGNIZING THE FORTHRIGHT ACTIONS TAKEN BY YORK BY AN UNDERTAKING SETTLEMENT AGREEMENT STATING: "THEIR ARE NO FACTS, ONLY ALLEGATIONS AND DENIALS AND AT THIS JUNCTURE NETIHER SIDE CAN CLAIM ITS POSITION IS ANYTHING BUT A SERIES OF ALLEGATIONS, NO MATTER HOW FIRMLY IT BELIEVES ITS POSITION" AND YORK AGREEING NOT TO ACCEPT A LOAN OR ISSUE A NOTE TO A CLIENT. THE NASD (NOW FINRA) AND THE SEC WHO ALSO REVIEWED THE MATTER AT THE STATE'S INVITATION AND BOTH CONCLUDED THE CONTRACT WAS NOT DISGUISED LOAN AND THERE WAS NO BREACH OF FIDUCIARY DUTY, ALTHOUGH THE NASD DID ALEGE YORK AND HIS BROKER DEALER HAD VIOLATED SOME MEMBERSHIP RULES WHICH LED TO A RELATED SETTLEMENT WITH THE NASD (NOW FINRA) OVER THIS SAME MATTER.

Current Status: Final

Resolution: Settled

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

Resolution Date: 04/20/2004

Sanctions Ordered: Undertaking

Broker Statement IN 2003 MR. YORK WAS THE PRESIDENT OF A BROKER DEALER AND OWNER OF TWO ADVISORY FIRMS, ONE REGISTERED WITH THE STATE AND ONE WITH THE SEC. UPON SEEING A LONG TERM LIABILITY ON THE BALANCE SHEET OF CAPTIAL ADVISORS GROUP, INC., THE STATE REGISTERED ADVISORY FIRM , THE KY DEPT OF FINANCIAL INSTITUTIONS (DFI) ALLEGED THE LIABILITY MADE THE ADVISOR NSOLVENT AND THE ACCOUNT PURCHASE CONTRACT ENTERED INTO WITH A FORMER CLIENT WAS A DESGUISED LOAN AND THEREFORE A DISHONEST AND UNETHICAL ACT AND BREACH OF FIDUCIARY DUTY. YORK DISPUTED THE ALLEGATIONS ARGUING THE CONTRACT WAS DULY EXECUTED, NOTARIZED, COLLATERIALIZED, AND A UCC FILING OF COLLATERAL WAS OF RECORD, AND FURTHER THAT NO PRINCIPAL OR INTEREST WERE REQUIRED UNTIL THE END OF A FIVE YEAR TERM SO HIS FIRM COULD NOT BE DEEMED INSOLVENT. YORK ADDITIONALLY ARGUED THERE COULD BE NO BREACH OF FIDUCIARY DUTY WHEN THE ADVISORY RELATIONSHIP WITH THE CLIENT HAD ENDED LONG BEFORE. YORK APPEASED THE SITUATION BY VOLUNTARILY OFFERING RECISSION OF THE CONTRACT AND LATER VOLUNTARILY WITHDREW HIS STATE ADVISORY REGISTRATION AS THE SEC HAD ASKED HIM TO CONSOLIDATE HIS STATE ADVISORY FIRM WITH HIS FEDERAL ONE. THE PARTIES FINALLY SETTLED THE DISPUTE BY AN UNDERTAKING SETTLEMENT AGREEMENT WHICH STATED: "THEIR ARE NO FACTS, ONLY ALLEGATIONS AND DENIALS AND AT THIS JUNCTURE NETIHER SIDE CAN CLAIM ITS POSITION IS ANYTHING BUT A SERIES OF



ALLEGATIONS, NO MATTER HOW FIRMLY IT BELIEVES ITS POSITION" AND WITH YORK AGREEING TO ACCEPT A LOAN OR ISSUE A NOTE TO CLIENTS. AT THE STATE'S INVITATION, THE NASD (NOW FINRA) AND THE SEC ALSO REVIEWED THE MATTER WITH BOTH CONCLUDING THE CONTRACT WAS NOT DISGUISED LOAN AND THERE WAS NO BREACH OF FIDUCIARY DUTY, ALTHOUGH THE NASD DID ALLEGY YORK AND HIS BROKER DEALER HAD VIOLATED SOME MEMBERSHIP RULES. SEE THE SUBSEQUENT SETTLEMENT WITH THE THE NASD WHEREBY YORK AND HIS BROKER DEALER PAID A FINE WITHOUT ADMITTING OR DENYING FAULT.



End of Report

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