



## IAPD Report

# COREY NEIL CALLAWAY

CRD# 1279194

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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

### COREY NEIL CALLAWAY (CRD# 1279194)

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 **06/23/2020**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	CALLAWAY FINANCIAL SERVICES	CRD# 172117	08/21/2014

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** 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	CALLAWAY FINANCIAL SERVICES, INC.	104003	ARLINGTON, TX	08/22/2000 - 06/23/2020
B	NORTHSTAR SECURITIES, INC.	11247	DALLAS, TX	06/08/1998 - 09/13/2000
B	DOMINION CAPITAL CORPORATION	18837	DALLAS, TX	03/24/1994 - 12/09/1998

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	1



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

#### Employment 1 of 1

Firm Name: **CALLAWAY FINANCIAL SERVICES**

Main Address: 301 S CENTER ST  
SUITE 420  
ARLINGTON, TX 76010

Firm ID#: 172117

Regulator	Registration	Status	Date
IA Texas	Investment Adviser Representative	Approved	08/21/2014

#### Branch Office Locations

##### **CALLAWAY FINANCIAL SERVICES**

301 S CENTER ST  
SUITE 420  
ARLINGTON, TX 76010



## 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, 2 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
 Municipal Securities Principal Examination (S53)	Series 53	09/11/2002
 Financial and Operations Principal Examination (S27)	Series 27	05/15/2000
 General Securities Sales Supervisor Examination (Options Module & General Module) (S8)	Series 8	05/23/1988
 General Securities Principal Examination (S24)	Series 24	04/18/1986

#### General Industry/Product Exams

Exam	Category	Date
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 General Securities Representative Examination (S7)	Series 7	08/18/1984

#### State Securities Law Exams

Exam	Category	Date
 Uniform Securities Agent State Law Examination (S63)	Series 63	08/31/1984

### 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	08/22/2000 - 06/23/2020	CALLAWAY FINANCIAL SERVICES, INC.	CRD# 104003	ARLINGTON, TX
B	06/08/1998 - 09/13/2000	NORTHSTAR SECURITIES, INC.	CRD# 11247	DALLAS, TX
B	03/24/1994 - 12/09/1998	DOMINION CAPITAL CORPORATION	CRD# 18837	DALLAS, TX
B	10/29/1987 - 04/05/1994	NORTHWESTERN MUTUAL INVESTMENT SERVICES, INC.	CRD# 2881	MILWAUKEE, WI
B	10/29/1987 - 04/05/1994	ROBERT W. BAIRD & CO. INCORPORATED	CRD# 8158	MILWAUKEE, WI
B	05/29/1986 - 12/31/1987	PHILADELPHIA LIFE ASSET PLANNING COMPANY	CRD# 629	
B	01/30/1986 - 11/13/1987	INVESTORS DISCOUNT BROKERAGE, INC.	CRD# 14610	
B	02/26/1987 - 03/04/1987	NORTH TEXAS ASSET MANAGEMENT, INC.	CRD# 18830	
B	08/09/1985 - 02/24/1986	FSC SECURITIES CORPORATION	CRD# 7461	
B	08/22/1984 - 08/12/1985	H.D. VEST INVESTMENT SECURITIES, INC.	CRD# 13686	

### 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
07/2014 - Present	CFS ADVISORS LLC DBA CALLAWAY FINANCIAL SERVICES	CCO	Y	ARLINGTON, TX, United States
01/2000 - Present	CALLAWAY FINANCIAL SERVICES, INC	PRESIDENT	Y	ARLINGTON, TX, United States
01/2000 - Present	CALLAWAY INSURANCE AGENCY	PRESIDENT	Y	ARLINGTON, TX, United States



## Registration & Employment History

### EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
11/2000 - 10/2016	CALLAWAY FINANCIAL SERVICES	SOLE PROPRIETORSHIP INVESTMENT ADVISOR	Y	ARLINGTON, TX, 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.

1. CFS Advisors LLC; investment related - IA Firm; Arlington, TX; Managing Member; 80 hrs/month; 2. CFS Holdings, Inc.; not investments related- Insurance Agency; Arlington, TX; President; 1 hr/month 3. Arlington Today Magazine; not investment related - Magazine; Arlington, TX; 15% Owner; 10 hrs/month.



## 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

### 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

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	05/17/2011
<b>Docket/Case Number:</b>	<a href="#">2009016264701</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CALLAWAY FINANCIAL SERVICES, INC.
<b>Product Type:</b>	Penny Stock Other: LOW-PRICED STOCKS, AND RESTRICTED STOCKS
<b>Allegations:</b>	NASD RULES 2110, 3011(A) AND (B): DURING THE PERIOD FROM MARCH 2005 TO DECEMBER 2007, CALLAWAY'S MEMBER FIRM, ACTING THROUGH CALLAWAY, ITS PRINCIPAL, FAILED TO ESTABLISH AND IMPLEMENT AN ADEQUATE AML COMPLIANCE PROGRAM. DURING THE RELEVANT PERIOD, THE FIRM'S AML PROGRAM REQUIRED IT TO MONITOR FOR POTENTIALLY SUSPICIOUS ACTIVITY AND AML RED FLAGS, INVESTIGATE POTENTIALLY SUSPICIOUS ACTIVITY, AND REPORT SUSPICIOUS ACTIVITY BY FILING A SAR-SF AS APPROPRIATE. THROUGHOUT THE SAME TIME PERIOD, THE FIRM'S WRITTEN AML PROGRAM REQUIRED CALLAWAY TO MONITOR FOR POTENTIALLY SUSPICIOUS ACTIVITY AND AML RED FLAGS, INVESTIGATE POTENTIALLY SUSPICIOUS ACTIVITY, AND REPORT SUSPICIOUS ACTIVITY BY FAILING A SAR-SF AS APPROPRIATE. HOWEVER, THE FIRM AND CALLAWAY FAILED TO ADEQUATELY IMPLEMENT OR ENFORCE THE FIRM'S AML PROGRAM AND TO OTHERWISE COMPLY WITH THEIR AML OBLIGATIONS, AS THEY DID NOT DOCUMENT ANY IDENTIFICATION OR REVIEW OF NUMEROUS TRANSACTIONS TO DETERMINE IF THEY WERE IN



FACT SUSPICIOUS AND WERE REQUIRED TO BE REPORTED ON A SAR-SF. IN ADDITION, THE FIRM'S AML PROGRAM REQUIRED THAT THE FIRM EITHER CONDUCT AUTOMATED MONITORING WITH EXCEPTION REPORTS PROVIDED BY THE FIRM'S CLEARING FIRM OR MANUALLY MONITOR A SUFFICIENT AMOUNT OF ACCOUNT ACTIVITY TO PERMIT IDENTIFICATION OF PATTERNS OF UNUSUAL SIZE, VOLUME, PATTERN OR TYPE OF TRANSACTIONS, OR ANY OF THE RED FLAGS INCLUDED IN THE WRITTEN AML PROGRAM; BUT THE FIRM AND CALLAWAY DID NEITHER. THE FIRM'S AML PROGRAM FURTHER PROVIDES THAT THE AML COMPLIANCE OFFICER WILL BE RESPONSIBLE FOR THIS MONITORING, WILL DOCUMENT WHEN AND HOW IT IS CARRIED OUT, AND WILL REPORT SUSPICIOUS ACTIVITIES TO THE APPROPRIATE AUTHORITIES; THE FIRM AND CALLAWAY DID NOT DOCUMENT SUCH REVIEW AND DID NOT REPORT WHAT WERE CLEARLY SUSPICIOUS ACTIVITIES. FOR EXAMPLE, CALLAWAY AND THE FIRM LEARNED THAT A CUSTOMER, HAD A CRIMINAL RECORD, YET MADE NO INQUIRY INTO THE NATURE OF THE CRIMES; THIS KNOWLEDGE SHOULD HAVE CAUSED CALLAWAY AND THE FIRM TO GIVE HEIGHTENED SCRUTINY TO ALL FUTURE ACTIVITY IN THE ACCOUNTS. THERE WAS EXTENSIVE ACTIVITY INVOLVING PENNY STOCKS AND LOW-PRICED STOCKS WHERE SHARES WERE DELIVERED INTO THE ACCOUNT, QUICKLY SOLD, AND THE PROCEEDS WIRED TO BANK ACCOUNTS BELONGING TO THE CUSTOMER. THE PENNY STOCK DEPOSITS AND LIQUIDATIONS AND THE EXTENSIVE WIRE TRANSFERS OF FUNDS OUT OF THE CUSTOMER'S ACCOUNTS WERE RED FLAGS THAT THE FIRM AND CALLAWAY FAILED TO EITHER DETECT OR INVESTIGATE. THE FIRM AND CALLAWAY ALSO FAILED TO INQUIRE INTO THE SPECIFICS OF THE CUSTOMER'S BUSINESS, EVEN AS THEY WERE FACILITATING THE REMOVAL OF RESTRICTED LEGENDS FROM THE SHARES PURPORTEDLY GIVEN TO THE CUSTOMER FOR HIS WORK; NOTABLY, THE FIRM DID NOT ASK FOR, AND THE CUSTOMER DID NOT PROVIDE, AN EXPLANATION OF WHY THE CUSTOMER HAD ACCOUNTS IN THE NAMES OF MULTIPLE CORPORATE ENTITIES THAT WERE RECEIVING SHARES OF THE SAME RESTRICTED STOCKS.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver &amp; 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:**

05/17/2011

**Sanctions Ordered:**Civil and Administrative Penalty(ies)/Fine(s)  
Suspension**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?**

No



**(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?**

**(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**

**(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 of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

#### **Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** A PRINCIPAL CAPACITY

**Duration:** TWO MONTHS

**Start Date:** 06/06/2011



<b>End Date:</b>	08/05/2011
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	06/06/2011
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Regulator Statement</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, CALLAWAY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$10,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN A PRINCIPAL CAPACITY FOR TWO MONTHS. THE SUSPENSION IS IN EFFECT FROM JUNE 6, 2011, THROUGH AUGUST 5, 2011.
<hr/>	
<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	05/17/2011
<b>Docket/Case Number:</b>	<a href="#">2009016264701</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CALLAWAY FINANCIAL SERVICES, INC.
<b>Product Type:</b>	Penny Stock Other: LOW-PRICED STOCKS, AND RESTRICTED STOCKS
<b>Allegations:</b>	NASD RULES 2110, 3011(A) AND (B): DURING THE PERIOD FROM MARCH 2005 TO DECEMBER 2007, THE FIRM, ACTING THROUGH ITS PRINCIPAL, FAILED TO ESTABLISH AND IMPLEMENT AN ADEQUATE AML COMPLIANCE PROGRAM. DURING THE RELEVANT PERIOD, THE FIRM'S AML PROGRAM REQUIRED IT TO MONITOR FOR POTENTIALLY SUSPICIOUS ACTIVITY AND AML RED FLAGS, INVESTIGATE POTENTIALLY SUSPICIOUS ACTIVITY, AND REPORT SUSPICIOUS ACTIVITY BY FILING A SAR-SF AS APPROPRIATE. THROUGHOUT THE SAME TIME PERIOD, THE FIRM'S WRITTEN AML PROGRAM REQUIRED THE PRINCIPAL TO MONITOR FOR POTENTIALLY SUSPICIOUS ACTIVITY AND AML RED FLAGS, INVESTIGATE POTENTIALLY SUSPICIOUS ACTIVITY, AND REPORT SUSPICIOUS ACTIVITY BY FAILING A SAR-SF AS APPROPRIATE. HOWEVER, THE FIRM AND THE PRINCIPAL FAILED TO ADEQUATELY IMPLEMENT OR ENFORCE THE FIRM'S AML PROGRAM AND TO OTHERWISE COMPLY WITH THEIR AML OBLIGATIONS, AS THEY DID NOT DOCUMENT ANY IDENTIFICATION OR REVIEW OF NUMEROUS TRANSACTIONS TO DETERMINE IF THEY WERE IN FACT



SUSPICIOUS AND WERE REQUIRED TO BE REPORTED ON A SAR-SF. IN ADDITION, THE FIRM'S AML PROGRAM REQUIRED THAT THE FIRM EITHER CONDUCT AUTOMATED MONITORING WITH EXCEPTION REPORTS PROVIDED BY THE FIRM'S CLEARING FIRM OR MANUALLY MONITOR A SUFFICIENT AMOUNT OF ACCOUNT ACTIVITY TO PERMIT IDENTIFICATION OF PATTERNS OF UNUSUAL SIZE, VOLUME, PATTERN OR TYPE OF TRANSACTIONS, OR ANY OF THE RED FLAGS INCLUDED IN THE WRITTEN AML PROGRAM; THE FIRM AND THE PRINCIPAL DID NEITHER. THE FIRM'S AML PROGRAM FURTHER PROVIDES THAT THE AML COMPLIANCE OFFICER WILL BE RESPONSIBLE FOR THIS MONITORING, WILL DOCUMENT WHEN AND HOW IT IS CARRIED OUT, AND WILL REPORT SUSPICIOUS ACTIVITIES TO THE APPROPRIATE AUTHORITIES; THE FIRM AND THE PRINCIPAL DID NOT DOCUMENT SUCH REVIEW AND DID NOT REPORT WHAT WERE CLEARLY SUSPICIOUS ACTIVITIES. FOR EXAMPLE, THE PRINCIPAL AND THE FIRM LEARNED THAT A CUSTOMER, HAD A CRIMINAL RECORD, YET MADE NO INQUIRY INTO THE NATURE OF THE CRIMES; THIS KNOWLEDGE SHOULD HAVE CAUSED THE PRINCIPAL AND THE FIRM TO GIVE HEIGHTENED SCRUTINY TO ALL FUTURE ACTIVITY IN THE ACCOUNTS. THERE WAS EXTENSIVE ACTIVITY INVOLVING PENNY STOCKS AND LOW-PRICED STOCKS WHERE SHARES WERE DELIVERED INTO THE ACCOUNT, QUICKLY SOLD, AND THE PROCEEDS WIRED TO BANK ACCOUNTS BELONGING TO THE CUSTOMER. THE PENNY STOCK DEPOSITS AND LIQUIDATIONS AND THE EXTENSIVE WIRE TRANSFERS OF FUNDS OUT OF THE CUSTOMER'S ACCOUNTS WERE RED FLAGS THAT THE FIRM AND THE PRINCIPAL FAILED TO EITHER DETECT OR INVESTIGATE. THE FIRM AND THE PRINCIPAL ALSO FAILED TO INQUIRE INTO THE SPECIFICS OF THE CUSTOMER'S BUSINESS, EVEN AS THEY WERE FACILITATING THE REMOVAL OF RESTRICTED LEGENDS FROM THE SHARES PURPORTEDLY GIVEN TO THE CUSTOMER FOR HIS WORK. NOTABLY, THE FIRM DID NOT ASK FOR, AND THE CUSTOMER DID NOT PROVIDE, AN EXPLANATION OF WHY THE CUSTOMER HAD ACCOUNTS IN THE NAMES OF MULTIPLE CORPORATE ENTITIES THAT WERE RECEIVING SHARES OF THE SAME RESTRICTED STOCKS.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver &amp; 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:**

05/17/2011

**Sanctions Ordered:**Civil and Administrative Penalty(ies)/Fine(s)  
Suspension**Sanction 1 of 1****Sanction Type:**

Suspension

**Capacities Affected:**

A PRINCIPAL CAPACITY

**Duration:**

TWO MONTHS

**Start Date:**

06/06/2011

**End Date:**

08/05/2011

**Monetary Sanction 1 of 1**



<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	No
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Broker Statement</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AND COREY CALLAWAY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS.



## End of Report

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