



## IAPD Report

# MICHAEL KEITH MCDONOUGH

CRD# 1511844

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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

### MICHAEL KEITH MCDONOUGH (CRD# 1511844)

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 **12/19/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	PRINCIPAL SECURITIES, INC.	CRD# 1137	10/04/2010
<b>IA</b>	PRINCIPAL SECURITIES, INC.	CRD# 1137	10/10/2017

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **5** 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>B</b>	BMA SECURITIES	108219	ALAMEDA, CA	04/07/2009 - 09/16/2010
<b>IA</b>	FINANCIAL WEST GROUP	16668	SAN FRANCISCO, CA	07/16/2008 - 04/02/2009
<b>B</b>	FINANCIAL WEST GROUP	16668	RENO, NV	06/25/2008 - 04/02/2009

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	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 5 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **PRINCIPAL SECURITIES, INC.**  
Main Address: 711 HIGH STREET  
DES MOINES, IA 50392  
Firm ID#: 1137

	Regulator	Registration	Status	Date
B	FINRA	General Securities Principal	Approved	10/04/2010
B	FINRA	General Securities Representative	Approved	10/04/2010
B	FINRA	Municipal Securities Principal	Approved	10/04/2010
B	FINRA	Municipal Securities Representative	Approved	10/04/2010
B	FINRA	Registered Options Principal	Approved	10/04/2010
B	California	Agent	Approved	10/04/2010
IA	California	Investment Adviser Representative	Approved	10/10/2017
B	Florida	Agent	Approved	01/16/2024
B	Tennessee	Agent	Approved	06/09/2025
B	Texas	Agent	Approved	04/13/2023
IA	Texas	Investment Adviser Representative	Restricted Approval	04/13/2023
B	Utah	Agent	Approved	01/14/2021

### Branch Office Locations



## Qualifications

**PRINCIPAL SECURITIES, INC.**

1070 Marina Village Pkwy

Ste 101B

Alameda, CA 94501






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



#### Principal/Supervisory Exams

Exam	Category	Date
 Municipal Securities Principal Examination (S53)	Series 53	10/01/2002
 Registered Options Principal Examination (S4)	Series 4	04/04/2000
 General Securities Principal Examination (S24)	Series 24	07/12/1990

#### General Industry/Product Exams

Exam	Category	Date
 Municipal Securities Representative Examination (S52TO)	Series 52TO	09/25/2025
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 General Securities Representative Examination (S7)	Series 7	06/21/1986

#### State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	05/27/1998
 Uniform Securities Agent State Law Examination (S63)	Series 63	08/15/1986

### 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	04/07/2009 - 09/16/2010	BMA SECURITIES	CRD# 108219	ALAMEDA, CA
IA	07/16/2008 - 04/02/2009	FINANCIAL WEST GROUP	CRD# 16668	SAN FRANCISCO, CA
B	06/25/2008 - 04/02/2009	FINANCIAL WEST GROUP	CRD# 16668	RENO, NV
B	03/25/2002 - 07/15/2008	THE SHEMANO GROUP, INC.	CRD# 35528	SAN FRANCISCO, CA
B	12/06/2000 - 05/29/2002	INTERFIRST CAPITAL CORPORATION	CRD# 7659	LOS ANGELES, CA
B	01/26/2000 - 12/21/2000	KIRLIN SECURITIES INC.	CRD# 21210	SYOSSET, NY
B	11/17/1998 - 01/24/2000	FIRST SECURITY VAN KASPER, INC.	CRD# 7665	SAN FRANCISCO, CA
B	02/02/1988 - 10/05/1998	H.J. MEYERS & CO., INC.	CRD# 15609	ROCHESTER, NY
B	04/29/1987 - 02/10/1988	PRINCIPAL SECURITIES, INC.	CRD# 14819	
B	12/17/1986 - 05/05/1987	AMERICAN HERITAGE SECURITIES CORPORATION	CRD# 16130	
B	04/10/1987 - 04/27/1987	VALUE EQUITIES CORPORATION	CRD# 13316	

### 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
07/2019 - Present	MK McDonough Financial & Insurance Services	Agent	Y	Alameda, CA, United States
10/2010 - Present	PRINCIPAL SECURITIES INC	REG REP	Y	Alameda, CA, United States
01/2010 - Present	COLONIAL LIFE	BENEFITS COUNSELOR	Y	ALAMEDA, CA, United States



### Registration & Employment History

#### EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
06/2008 - Present	ARTFORMS ENTERTAINMENT	CEO	Y	ALAMEDA, CA, United States
03/2008 - Present	MK MCDONOUGH LLC	CEO	Y	ALAMEDA, CA, United States
10/2010 - 02/2017	PRINCIPAL LIFE INS CO	AGENT	Y	Alameda, CA, 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.

\*\*COLONIAL LIFE, I WILL REMAIN APPOINTED WITH COLONIAL LIFE AS AN EMPLOYEE BENEFITS COUNSELOR,10/10.

\*\*MASTERING ACTION PLANS FOR SUCCESS (MAPS), OWNER AND DEVELOPER OF PROPRIETARY GOAL PLANNING SYSTEM THAT I HAD PACKAGED FOR SALE/DISTRIBUTION. AVAILABLE FOR SALE VIA INTERNET OR THROUGH SPEAKING ENGAGEMENTS, 6/17/15.

\*\*GROUP BENEFITS, SELLS GROUP BENEFITS, 7/26/11.

\*\*ART FORMS ENTERTAINMENT, PAINTING, SALE OF MARKETING MATERIALS TO SPEAKERS, CREATION OF TALK SHOT TO HELP ENTREPRENEURS, CEO/ARTIST, 7/8/15.

\*\*Outside Insurance; Investment Related; Broker; LI, DI, LTC; Start Date: 11/01/2018; 10 hrs per month; 10 during trading hours.

\*\*M K McDonough Financial and Insurance Services; Not Investment Related; Alameda, CA; Owner; pass through entity for business expense purposes; Start Date: 10/01/2019; 160 hrs per month; 160 during trading hours.

\*\*Fixed Insurance; Investment Related; Alameda, CA; Broker; Annuities; Start Date: 12/29/2020; 1 hrs per month; 1 during trading hours.

\*\*Alameda Boys and Girls Club; Not Investment Related; Alameda, CA; Board Member; Helping govern the operations of the organization, attend a minimum of 4 board meetings, committee meetings, and volunteer at special events.; Start Date: 11/19/2013; 3 hrs per month; 1 during trading hours.

#### \*\*PROPERTY & CASUALTY INSURANCE

POSITION: Broker NATURE: null INVESTMENT RELATED: Yes NUMBER OF HOURS: 10 SECURITIES TRADING HOURS: 8 START DATE: 09/07/2021

ADDRESS: 1070 Marina Village Pkwy, Suite 101B, Alameda CA 94501, United States

DESCRIPTION: Sales and service of Property & Casualty insurance from various carriers. Products to include Workers Comp, E&O, D&O, General Liability, Employment Practice, Cyber insurance and other insurance that services the business market

#### \*\*M K MCDONOUGH LLC

POSITION: Owner NATURE: Investor (LLC, LP, REIT) INVESTMENT RELATED: No NUMBER OF HOURS: 2 SECURITIES TRADING HOURS: 1 START DATE: 03/24/2008

ADDRESS: 1070 Marina Village Pkwy, Suite 101B, Alameda CA 94501, United States

DESCRIPTION: Pass through entity for business expense purposes.

#### \*\*INSURANCE (DBA: MK McDonough Financial & Insurance Services)

POSITION: M K McDonough Financial & Insurance Servi NATURE: DI/A&H Insurance Fee-based Financial Planning Financial Strategies/Needs Analysis Group/Health Insurance Life Insurance/Annuities Mutual Funds/Securities/ VA / VL INVESTMENT RELATED: Yes NUMBER OF HOURS: 130 SECURITIES TRADING HOURS: 6 START DATE: 07/15/2019



## Registration & Employment History



### OTHER BUSINESS ACTIVITIES

ADDRESS: 1070 Marina Village Pkwy, Suite 101B, Alameda CA 94501, United States

DESCRIPTION: Through this DBA I offer employee benefits including group health & wellness plans and retirement plans. Additional services include individual fixed life, variable life, indexed life, health, disability and long-term care, fixed annuities, indexed annuities.

**\*\*ALAMEDA NETWORKING & REFERRAL GROUP (FORMERLY ALAMEDA BUSINESS NETWORK)**

POSITION: President NATURE: Board Member/Officer/Director of an Organization INVESTMENT RELATED: No NUMBER OF HOURS: 4 SECURITIES TRADING HOURS: 2 START DATE: 01/06/2025

ADDRESS: 1070 Marina Village Pkwy, Suite 101B, Alameda CA 94501, United States

DESCRIPTION: This is an informal business networking group where local business owners attend regular meetings to exchange referrals and meet other business professionals. I will plan and facilitate meetings. No products of any kind are sold.



## 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	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 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:**

**Date Initiated:** 06/12/2006

**Docket/Case Number:** [2005000172703](#)

**Employing firm when activity occurred which led to the regulatory action:** THE SHEMANO GROUP

#### Product Type:

**Allegations:** SECTION 15(F) OF THE SEA OF '34, ARTICLE III, SECTION 3 OF NASD BYLAWS, NASD RULES 2110, 3010, INTERPRETATIVE MATERIAL 8310 - MICHAEL K. MCDONOUGH'S MEMBER FIRM'S WRITTEN SUPERVISORY PROCEDURES REQUIRED THE FIRM TO MAINTAIN A RESTRICTED LIST OF SECURITIES AND REQUIRED MCDONOUGH, AS THE CHIEF COMPLIANCE OFFICER, TO CONDUCT A DAILY REVIEW OF EMPLOYEE TRADING TO IDENTIFY TRANSACTIONS IN RESTRICTED SECURITIES AND TO MAINTAIN A RECORD OF THE REVIEW BUT HE INFORMALLY DELEGATED THE REVIEW TO ANOTHER MEMBER OF THE COMPLIANCE STAFF AND RETAINED RESPONSIBILITY FOR TAKING CORRECTIVE ACTION WHEN TRANSACTIONS OCCURRED ON THE RESTRICTED LIST. MCDONOUGH FAILED TO DETECT EMPLOYEE SALES OF A RESTRICTED STOCK AND FAILED TO ENFORCE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES RELATING TO THE MISUSE OF MATERIAL NONPUBLIC INFORMATION BY THE FIRM'S EMPLOYEES. MCDONOUGH, ON BEHALF OF HIS MEMBER FIRM, SIGNED CHECKS PAYABLE TO AN INDIVIDUAL, UNBEKNOWNST TO



MCDONOUGH, WHO WAS STATUTORILY DISQUALIFIED FROM NASD MEMBERSHIP, IN RESPONSE TO INVOICES APPROVED BY HIS SUPERVISORS. MCDONOUGH FAILED TO SUPERVISE THE PREPARATION OF RESEARCH REPORTS REGARDING A PUBLICLY-TRADED COMPANY THAT WERE PREPARED BY THE STATUTORILY DISQUALIFIED INDIVIDUAL AND FAILED TO INCLUDE MATERIAL INFORMATION.

**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:** 06/12/2006

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

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, MCDONOUGH CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$20,000 AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER AS A GENERAL SECURITIES PRINCIPAL FOR NINE MONTHS. THE SUSPENSION IN A GENERAL SECURITIES PRINCIPAL CAPACITY IS IN EFFECT FROM OCTOBER 16, 2006 THROUGH JULY 15, 2007. FINES PAID.

**Reporting Source:** Individual

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:** Suspension

**Other Sanction(s) Sought:** FINE

**Date Initiated:** 06/12/2006

**Docket/Case Number:** CASE NO. 2005000172703

**Employing firm when activity occurred which led to the regulatory action:** THE SHEMANO GROUP, INC.

**Product Type:** No Product

**Other Product Type(s):**

**Allegations:** THAT MR. MCDONOUGH AS THE CCO FAILED TO IDENTIFY EMPLOYEE TRADING IN A RESTRICTED SECURITY THAT HAD NOT BEEN PLACED ON THE FIRM'S RESTRICTED LIST, AND SIGNED CHECKS MADE PAYABLE TO A CONSULTANT WHO, UNBEKNOWNST TO MCDONOUGH, WAS STATUTORILY DISQUALIFIED FROM ASSOCIATION WITH ANY NASD MEMBER.

**Current Status:** Final

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

**Resolution Date:** 06/12/2006

**Sanctions Ordered:** Monetary/Fine \$20,000.00



Suspension

**Other Sanctions Ordered:**

**Sanction Details:**

A SUSPENSION FROM ASSOCIATING WITH ANY NASD MEMBER FIRM AS A GENERAL SECURITIES PRINCIPAL FOR A PERIOD OF 9 MONTHS COMMENCING OCTOBER 16, 2006. THE FINE OF \$20,000 WAS PAID IN JULY, 2006.

**Broker Statement**

MR. MCDONOUGH, AS CCO, WAS NOT MADE AWARE OF THE FACT THAT A SECURITY SHOULD HAVE BEEN PLACED ON THE FIRM'S RESTRICTED LIST AND ALLOWED EMPLOYEE TRADING IN THAT SECURITY. HE SIGNED CHECKS IN RESPONSE TO INVOICES APPROVED BY HIS SUPERIORS TO A PERSON, WHO UNBEKNOWNST TO MCDONOUGH, WAS A STATUTORILY DISQUALIFIED INDIVIDUAL.



### 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 2

**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** THOMAS JAMES ASSOCIATES

**Allegations:** SUITABILITY; OMISSION OF FACTS; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED - FAILURE TO SUPERVISE

**Product Type:**

**Alleged Damages:**

#### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD - CASE #93-01193](#)

**Date Notice/Process Served:** 06/02/1993

**Arbitration Pending?** No

**Disposition:** Other

**Disposition Date:** 01/18/1994

**Disposition Detail:** AWARD AGAINST PARTY  
\*\* RESPONDENTS ARE JOINTLY AND SEVERALLY  
LIABLE AND SHALL PAY TO CLAIMANTS \$10,000.00 IN ACTUAL DAMAGES  
\*\*

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** THOMAS JAMES ASSOCIATES

**Allegations:** FRAUD, OMISSION OF MATERIAL FACTS, DECEIT, BREACH OF WRITTEN CONTRACT, BREACH OF FIDUCIARY DUTY AND VIOLATIONS OF RULES 342, 401, AND 405. I HAD DIVERSIFIED MR. [CUSTOMER]ASSETS BETWEEN MUNICIPAL BONDS, A CONVERTIBLE BOND FUND AND STOCKS RECOMMENDED BY MY FIRM, (H.J.MEYERS). IT WAS H.J.MEYERS STOCK RECOMMENDATIONS THAT WERE ALLEGED TO BE UNSUITABLE FOR MR. [CUSTOMER].

**Product Type:** Equity - OTC

**Alleged Damages:**

#### Customer Complaint Information

**Date Complaint Received:** 06/02/1993

**Complaint Pending?** No



**Status:** Arbitration/Reparation

**Status Date:** 01/18/1994

**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.; 93-01193](#)

**Date Notice/Process Served:** 06/02/1993

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 01/18/1994

**Monetary Compensation Amount:** \$10,150.00

**Individual Contribution Amount:** \$5,000.00

**Broker Statement** THE AWARD AMOUNT WAS \$10,000 JOINTLY AND SEVERALLY. OTHER MONETARY RELIEF AWARDED, \$150 JOINTLY AND SEVERALLY OF WHICH MR. MCDONOUGH PAID \$5,000. MR. MCDONOUGH WAS EMPLOYED AT THOMAS JAMES ASSOCIATES, WHICH LATER MERGED WITH H.J. MEYERS.

**Disclosure 2 of 2**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** FIRST SECURITY VAN KASPER, INC.

**Allegations:** CUSTOMER ALLEGES UNAUTHORIZED TRADING IN OPTIONS CONTRACTS AND EQUITY SECURITIES.

**Product Type:** Options

**Other Product Type(s):** EQUITY - OTC

**Alleged Damages:** \$44,000.00

**Customer Complaint Information**

**Date Complaint Received:** 09/23/1999

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/30/2000

**Settlement Amount:** \$14,000.00

**Individual Contribution Amount:** \$14,000.00

**Firm Statement** N/A



**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** FIRST SECURITY VAN KASPER, INC.

**Allegations:** CUSTOMER ALLEGES UNAUTHORIZED TRADING IN OPTIONS CONTRACTS AND EQUITY SECURITIES.

**Product Type:** Options

**Other Product Type(s):** EQUITY - OTC

**Alleged Damages:** \$44,000.00

**Customer Complaint Information**

**Date Complaint Received:** 09/23/1999

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/30/2000

**Settlement Amount:** \$14,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

IT SHOULD BE NOTED THAT [CUSTOMER] DID HAVE A SIGNED OPTION AGREEMENT ON FILE. HE HAD VERBALLY AGREED TO SIGN A DISCRETIONARY TRADING AGREEMENT AND GAVE VERBAL APPROVAL FOR ME TO TRADE WITH DISCRETION IN HIS ACCOUNTS. HE THEN INTENTIONALLY DID NOT SIGN THE WRITTEN AUTHORIZATION WITHOUT INFORMING ME. I HAD RELIED HEAVILY ON MY FORMER ASSISTANT, WHO HAD ASSURED ME THAT THE AGREEMENT HAD BEEN RECEIVED. THE PAPERWORK DEFICIENCY WAS NOT REPORTED TO ME ON THE PERIODIC MISSING PAPERWORK NOTIFICATION FORM. THEREFORE, MY ACTIONS WERE TAKEN UNDER THE BELIEF THAT ALL REGULATIONS WERE BEING COMPLIED WITH. I DO NOT EXPECT TO BE HELD SOLELY RESPONSIBLE FOR THE WAY EVENTS TRANSPIRED.



## End of Report

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