



IAPD Report

BUDDIE CLOYS BALLARD JR

CRD# 1580166

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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

BUDDIE CLOYS BALLARD JR (CRD# 1580166)

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 **12/18/2024**.

CURRENT EMPLOYERS

| | Firm | CRD# | Registered Since |
|----|--------------------------|-------------|------------------|
| IA | ALPHA CAPITAL MANAGEMENT | CRD# 121703 | 09/19/2002 |

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 |
|----|---------------------------|-------|---------------|-------------------------|
| IA | WACHOVIA SECURITIES, INC. | 19616 | AUSTIN, TX | 11/25/1998 - 09/23/2002 |
| B | WACHOVIA SECURITIES, INC. | 19616 | ST. LOUIS, MO | 11/24/1998 - 09/23/2002 |
| B | SALOMON SMITH BARNEY INC. | 7059 | NEW YORK, NY | 04/11/1994 - 11/18/1998 |

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 |
|------------------|-------|
| Customer Dispute | 8 |



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: **ALPHA CAPITAL MANAGEMENT**

Main Address: 5407 PARKCREST DRIVE
2ND FLOOR
AUSTIN, TX 78731

Firm ID#: 121703

| Regulator | Registration | Status | Date |
|-----------|-----------------------------------|----------|------------|
| IA Texas | Investment Adviser Representative | Approved | 09/19/2002 |

Branch Office Locations

ALPHA CAPITAL MANAGEMENT

5407 PARKCREST DRIVE
2ND FLOOR
AUSTIN, TX 78731



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

Principal/Supervisory Exams

| Exam | Category | Date |
|--|----------|------------|
|  General Securities Sales Supervisor Examination (Options Module & General Module) (S8) | Series 8 | 04/15/1999 |

General Industry/Product Exams

| Exam | Category | Date |
|--|----------|------------|
|  General Securities Representative Examination (S7) | Series 7 | 02/21/1987 |

State Securities Law Exams

| Exam | Category | Date |
|--|-----------|------------|
|  Uniform Investment Adviser Law Examination (S65) | Series 65 | 01/06/1999 |
|  Uniform Securities Agent State Law Examination (S63) | Series 63 | 01/12/1987 |

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported 1 professional designation(s).

Chartered Financial Analyst

This representative holds or did hold 1 professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



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 | 11/25/1998 - 09/23/2002 | WACHOVIA SECURITIES, INC. | CRD# 19616 | AUSTIN, TX |
| B | 11/24/1998 - 09/23/2002 | WACHOVIA SECURITIES, INC. | CRD# 19616 | ST. LOUIS, MO |
| B | 04/11/1994 - 11/18/1998 | SALOMON SMITH BARNEY INC. | CRD# 7059 | NEW YORK, NY |
| B | 09/04/1990 - 03/28/1994 | EVEREN SECURITIES, INC. | CRD# 19616 | ST. LOUIS, MO |
| B | 07/19/1990 - 09/04/1990 | LOVETT UNDERWOOD NEUHAUS & WEBB, INC. | CRD# 22540 | |
| B | 11/06/1989 - 07/09/1990 | MASTERSON MORELAND SAUER WHISMAN, INC. | CRD# 16815 | |
| B | 01/13/1989 - 11/11/1989 | UNDERWOOD, NEUHAUS & CO., INCORPORATED | CRD# 839 | HOUSTON, TX |
| B | 07/14/1987 - 01/18/1989 | PAINEWEBBER INCORPORATED | CRD# 8174 | |
| B | 02/24/1987 - 08/25/1987 | NEW ENGLAND SECURITIES CORPORATION | CRD# 615 | |

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 |
|-------------------|--------------------------|--------------------|--------------------|---------------------------|
| 09/2002 - Present | ALPHA CAPITAL MANAGEMENT | INVESTMENT ADVISOR | Y | AUSTIN, 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.

No information reported.



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 |
|------------------|-------|
| Customer Dispute | 8 |

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 8

| | |
|--|---|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | WACHOVIA SECURITIES, INC. |
| Allegations: | COUNSEL, ON BEHALF OF THE TEXAS RESIDENT, CLAIMED THAT THE FA "PROMISED IN WRITING INFLATED EXPECTATIONS AND THEN VIOLATED THE PRIVATE INVESTMENT MANAGEMENT ("PIM") ACCOUNT GUIDELINES IN LOSING SUBSTANTIAL ASSETS IN HIS ACCOUNT(S)". THE ACCOUNT(S) WAS/WERE A WRAP-FEE MANAGED ACCOUNT(S). THE CLIENT SEEKS FULL REIMBURSEMENT OF THE LOSSES IN HIS PIM ACCOUNT(S). NO TIME PERIOD WAS SPECIFIED FOR THE ACTIVITY IN QUESTION BUT THE ACCOUNT(S) WERE OPENED IN DECEMBER 1999. LOSSES ARE BELIEVED TO BE IN EXCESS OF \$5,000. |

| | |
|-------------------------------|---------------------------|
| Product Type: | Other |
| Other Product Type(s): | WRAP/FEE MANAGED ACCOUNTS |
| Alleged Damages: | \$5,001.00 |

Customer Complaint Information

| | |
|---------------------------------|--------------|
| Date Complaint Received: | 05/19/2003 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 01/08/2004 |
| Settlement Amount: | \$100,000.00 |



| | |
|--|--|
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | SETTLED IN THE INTEREST OF CLIENT RELATIONS AND TO AVOID COSTLY AND TIME CONSUMING FORMAL PROCEEDINGS, WITHOUT ADMITTING LIABILITY, IN THE AMOUNT OF \$100,000.00. |

Disclosure 2 of 8

| | |
|--|---|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | WACHOVIA SECURITIES INC |
| Allegations: | COUNSEL, ON BEHALF OF THE TEXAS RESIDENT, CLAIMED THAT THE FA "PROMISED IN WRITING INFLATED EXPECTATIONS AND THEN VIOLATED THE PRIVATE INVESTMENT MANAGEMENT ("PIM") ACCOUNT GUIDELINES IN LOSING SUBSTANTIAL ASSETS IN HIS ACCOUNT(S)". THE ACCOUNT(S) WAS/WERE A WRAP-FEE MANAGED ACCOUNT(S). THE CLIENT SEEKS FULL REIMBURSEMENT OF THE LOSSES IN HIS PIM ACCOUNT(S). NO TIME PERIOD WAS SPECIFIED FOR THE ACTIVITY IN QUESTION BUT THE ACCOUNT(S) WERE OPENED IN NOVEMBER 1998. LOSSES ARE BELIEVED TO BE IN EXCESS OF \$5,000. |

Customer Complaint Information

| | |
|--|--|
| Date Complaint Received: | 02/10/2003 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 12/22/2003 |
| Settlement Amount: | \$350,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | SETTLED IN THE INTEREST OF CLIENT RELATIONS AND TO AVOID COSTLY AND TIME CONSUMING FORMAL PROCEEDINGS, WITHOUT ADMITTING LIABILITY, IN THE AMOUNT OF \$350,000.00. |

Disclosure 3 of 8

| | |
|--|--|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | WACHOVIA SECURITIES INC |
| Allegations: | COUNSEL, ON BEHALF OF THE TEXAS RESIDENT, CLAIMED THAT THE FA "PROMISED IN WRITING INFLATED EXPECTATIONS AND THEN VIOLATED THE PRIVATE INVESTMENT MANAGEMENT ("PIM") ACCOUNT GUIDELINES IN LOSING SUBSTANTIAL ASSETS IN HER ACCOUNT(S)". THE ACCOUNT(S) WAS/WERE A WRAP-FEE MANAGED ACCOUNT(S). THE CLIENT SEEKS FULL REIMBURSEMENT OF THE LOSSES IN HER PIM ACCOUNT(S). NO TIME PERIOD WAS SPECIFIED FOR THE ACTIVITY IN QUESTION BUT THE |



ACCOUNT(S) WERE OPENED IN NOVEMBER 1998. LOSSES ARE BELIEVED TO BE IN EXCESS OF \$5,000

Product Type: Other
Other Product Type(s): WRAP ACCOUNTS
Alleged Damages: \$5,001.00

Customer Complaint Information

Date Complaint Received: 02/10/2003

Complaint Pending? No

Status: Settled

Status Date: 12/22/2003

Settlement Amount: \$45,000.00

Individual Contribution Amount: \$0.00

Firm Statement SETTLED IN THE INTEREST OF CLIENT RELATIONS AND TO AVOID COSTLY AND TIME CONSUMING FORMAL PROCEEDINGS, WITHOUT ADMITTING LIABILITY, IN THE AMOUNT OF \$45,000.00.

Disclosure 4 of 8

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: WACHOVIA SECURITIES INC

Allegations: COUNSEL, ON BEHALF OF THE TEXAS RESIDENT, CLAIMED THAT THE FA "PROMISED IN WRITING INFLATED EXPECTATIONS AND THEN VIOLATED THE PRIVATE INVESTMENT MANAGEMENT ("PIM") ACCOUNT GUIDELINES IN LOSING SUBSTANTIAL ASSETS IN HER ACCOUNT(S)". THE ACCOUNT(S) WAS/WERE A WRAP-FEE MANAGED ACCOUNT(S). THE CLIENT SEEKS FULL REIMBURSEMENT OF THE LOSSES IN HER PIM ACCOUNT(S). NO TIME PERIOD WAS SPECIFIED FOR THE ACTIVITY IN QUESTION BUT THE ACCOUNT(S) WERE OPENED IN AUGUST 2000. LOSSES ARE BELIEVED TO BE IN EXCESS OF \$5,000.

Product Type: Other
Other Product Type(s): WRAP ACCOUNTS
Alleged Damages: \$5,001.00

Customer Complaint Information

Date Complaint Received: 02/10/2003

Complaint Pending? No

Status: Settled

Status Date: 12/22/2003

Settlement Amount: \$57,475.00

Individual Contribution Amount: \$0.00

Firm Statement SETTLED IN THE INTEREST OF CLIENT RELATIONS AND TO AVOID COSTLY



AND TIME CONSUMING FORMAL PROCEEDINGS, WITHOUT ADMITTING LIABILITY, IN THE AMOUNT OF \$57,475.00.

Disclosure 5 of 8

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: FIRST UNION SECURITIES INC. (CURRENTLY KNOWN AS WACHOVIA SECURITIES INC.)
Allegations: TEXAS RESIDENTS ALLEGED THAT THE FINANCIAL ADVISOR BOUGHT 1000 SHARES OF TYCO INTERNATIONAL STOCK ON MAY 23, 2002 FOR THEIR MANAGED ACCOUNT AFTER THEY HAD PREVIOUSLY EXPRESSED A DESIRE NOT TO OWN TYCO STOCK. THEY REQUEST COMPENSATION FOR THE \$10,090.41 LOSS INCURRED WHEN THE TYCO STOCK WAS SUBSEQUENTLY SOLD ON JUNE 14, 2002.
Product Type: Other
Other Product Type(s): WRAP/FEE MANAGED ACCOUNTS (IN-HOUSE MONEY MANAGER)
Alleged Damages: \$10,090.41

Customer Complaint Information

Date Complaint Received: 07/26/2002
Complaint Pending? No
Status: Settled
Status Date: 10/18/2002
Settlement Amount: \$10,090.41
Individual Contribution Amount: \$0.00
Firm Statement FOR BUSINESS PURPOSES, AND WITHOUT ADMITTING ANY LIABILITY ON THE PART OF THE FIRM, THE MATTER WAS SETTLED IN THE AMOUNT OF \$10,090.41.

Disclosure 6 of 8

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: FIRST UNION SECURITIES, INC. (CURRENTLY KNOWN AS WACHOVIA SECURITIES, INC.)
Allegations: TEXAS RESIDENT VERBALLY COMPLAINED TO THE BOM THAT HER INVESTMENTS OVER THE LAST COUPLE OF YEARS HAVE PERFORMED POORLY. THE CLIENT ACKNOWLEDGED THAT SHE SPOKE TO FA AT LEAST ONCE A MONTH AND WAS INVOLVED IN THE INVESTMENT DECISIONS MADE FOR HER ACCOUNT, HOWEVER, THAT SHE HAD MISGIVINGS ABOUT THE INVESTMENTS. CLIENT MARGINED ACCOUNT IN MAY AND BOUGHT TYCO WITH REMAINDER OF FUNDS IN THE ACCOUNT. TYCO FELL AND CLIENT HAD FORCED SELL-OUT. CLIENT INDICATED SHE UNDERSTOOD HOW MARGIN WORKED. CLIENT ALSO COMPLAINED ABOUT THE QUALITY OF THE FIRM'S RESEARCH--SEVERAL STOCKS THAT HAD BEEN RECOMMENDED BY THE FIRM PERFORMED POORLY. ACCOUNT DOWN APPROXIMATELY \$30,500 SINCE IT WAS OPENED IN 1998. CLIENT WAS WITH THE FA AT HIS PRIOR FIRM. CLIENT SOUGHT DAMAGES OF \$55,000.



Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$55,000.00

Customer Complaint Information

Date Complaint Received: 06/21/2002

Complaint Pending? No

Status: Settled

Status Date: 09/30/2002

Settlement Amount: \$35,981.07

Individual Contribution Amount: \$0.00

Firm Statement FOR BUSINESS PURPOSES, AND WITHOUT ADMITTING ANY LIABILITY ON THE PART OF THE FIRM, THE MATTER WAS SETTLED IN THE AMOUNT OF \$35,981.07.

Disclosure 7 of 8

Reporting Source: Regulator

Employing firm when activities occurred which led to the complaint: FIRST UNION SECURITIES, INC.

Allegations: MISREPRESENTATION, UNAUTHORIZED MARGIN TRADING, BREACH OF FIDUCIARY DUTY, AND BREACH OF CONTRACT.

Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES

Alleged Damages: \$1,400,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASD - CASE #01-06890](#)

Date Notice/Process Served: 12/19/2001

Arbitration Pending? No

Disposition: Award

Disposition Date: 01/14/2003

Disposition Detail: RESPONDENT IS JOINTLY AND SEVERALLY LIABLE FOR AND SHALL PAY TO THE CLAIMANTS THE SUM OF \$582,674.00 AS COMPENSATORY DAMAGES, PLUS INTEREST.

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: FIRST UNION SECURITIES, INC.

Allegations: CLAIMANTS ALLEGE THAT THEIR PIM ACCOUNTS WERE EXCESSIVELY MARGINED AND OVERLY CONCENTRATED IN RISKY TECH STOCKS CAUSING THEM LOSSES.



Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$1,400,000.00

Customer Complaint Information

Date Complaint Received: 01/07/2002

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 01/07/2002

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASDR CASE # 01-06890](#)

Date Notice/Process Served: 01/07/2002

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 01/14/2003

Monetary Compensation Amount: \$612,674.00

Individual Contribution Amount: \$0.00

Firm Statement THE NASD ARBITRATION PANEL AWARDED CLIENT \$612,674.00.

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: FIRST UNION SECURITIES, INC.

Allegations: CLAIMANTS ALLEGE THAT THEIR PIM ACCOUNTS WERE EXCESSIVELY MARGINED AND OVERLY CONCENTRATED IN RISKY TECH STOCKS CAUSING THEM LOSSES.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$1,400,000.00

Customer Complaint Information

Date Complaint Received: 01/07/2002

Complaint Pending? No

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

Status Date: 01/07/2002

Settlement Amount:

Individual Contribution Amount:



Arbitration Information

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

FINRA

Docket/Case #: [01-06890](#)

Date Notice/Process Served: 01/07/2002

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 01/14/2003

Monetary Compensation Amount: \$612,674.00

Individual Contribution Amount: \$0.00

Broker Statement THE FINRA ARBITRATION PANEL AWARDED CLIENT \$612,674. PAYMENT WAS MADE BY FIRST UNION.

Disclosure 8 of 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: SALOMON SMITH BARNEY INC.

Allegations: THE SMITH BARNEY CLIENT ALLEGED THAT THE TRADING IN HIS ACCOUNT WAS UNSUITABLE-EQUITIES. ALLEGED DAMAGES - UNSPECIFIED

Product Type:

Alleged Damages:

Customer Complaint Information

Date Complaint Received: 04/01/1998

Complaint Pending? No

Status: Settled

Status Date: 11/12/1998

Settlement Amount: \$29,966.77

Individual Contribution Amount:

Firm Statement THE CLAIM WAS SETTLED FOR \$29,966.77
NOT PROVIDED

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: SALOMON SMITH BARNEY INC.

Allegations: THE SMITH BARNEY CLIENT ALLEGED THAT THE TRADING IN HIS ACCOUNT WAS UNSUITABLE. EQUITIES ALLEGED



DAMAGES UNSPECIFIED.

Product Type:**Alleged Damages:****Customer Complaint Information**

Date Complaint Received: 04/01/1998

Complaint Pending? No

Status: Settled

Status Date: 11/12/1998

Settlement Amount: \$29,966.77

Individual Contribution**Amount:****Broker Statement**

THE CLAIM WAS SETTLED FOR \$29,966.77
AFTER OBTAINING [CUSTOMER'S] INVESTMENT
OBJECTIVES, I RECOMMENDED HE PURCHASE SHARES OF GARDEN
RIDGE
CORP (A SMITH BARNEY RECOMMENDED SECURITY). THE SHARES OF
GARDEN RIDGE DECLINED IN PRICE. HE PURCHASED ADDITIONAL
SHARES
ON MARGIN. THE SHARES DECLINED IN PRICE AGAIN WHICH CRESTED A
MARGIN CALL. [CUSTOMER] REFUSED TO DEPOSIT ADDITIONAL FUNDS
AND
WAS SUBSEQUENTLY SOLD OUT. EVEN THOUGH [CUSTOMER] SIGNED ALL
REQUIRED MARGIN DOCUMENTS AND UNDERSTOOD THE ASSOCIATED
RISKS,
HE CLAIMED AFTER THE FACT, THAT MARGINING HIS ACCOUNT WAS AN
UNSUITABLE INVESTMENT STRATEGY.



End of Report

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