



IAPD Report

JUAN CARLOS MARTINEZ SR

CRD# 2039655

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Qualifications	2 - 3
Registration and Employment History	4 - 5
Disclosure Information	6



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

JUAN CARLOS MARTINEZ SR (CRD# 2039655)

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 **05/28/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	CRESCENT SECURITIES GROUP, INC.	CRD# 114993	12/08/2010
IA	CRESCENT ADVISOR GROUP, INC.	CRD# 115974	09/07/2022

QUALIFICATIONS

This representative is currently registered in **1** 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
IA	CRESCENT ADVISOR GROUP, INC.	115974	DALLAS, TX	07/10/2006 - 12/31/2008
B	CRESCENT SECURITIES GROUP, INC.	114993	DALLAS, TX	01/24/2006 - 12/31/2008
B	FLEXVEST SECURITIES GROUP, INC.	20728	DALLAS, TX	02/02/1999 - 06/26/2001

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

DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	4
Termination	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 2 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

Employment 1 of 2

Firm Name: **CRESCENT SECURITIES GROUP, INC.**
Main Address: 4975 PRESTON PARK BLVD. SUITE 820
PLANO, TX 75093
Firm ID#: 114993


	Regulator	Registration	Status	Date
	FINRA	General Securities Representative	Approved	12/08/2010
	Arizona	Agent	Approved	06/06/2025
	Texas	Agent	Approved	12/13/2010

Branch Office Locations

4975 PRESTON PARK BLVD. SUITE 820
PLANO, TX 75093

Employment 2 of 2

Firm Name: **CRESCENT ADVISOR GROUP, INC.**
Main Address: 4975 PRESTON PARK BLVD.
SUITE 820
PLANO, TX 75093
Firm ID#: 115974

	Regulator	Registration	Status	Date
	Texas	Investment Adviser Representative	Approved	09/07/2022

Branch Office Locations

CRESCENT ADVISOR GROUP, INC.
4975 PRESTON PARK BLVD.
SUITE 820
PLANO, TX 75093



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

Principal/Supervisory Exams

Exam	Category	Date
------	----------	------

No information reported.

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B General Securities Representative Examination (S7)	Series 7	01/23/2006

State Securities Law Exams

Exam	Category	Date
IA B Uniform Combined State Law Examination (S66)	Series 66	02/01/2006
IA Uniform Investment Adviser Law Examination (S65)	Series 65	06/07/2001
B Uniform Securities Agent State Law Examination (S63)	Series 63	06/28/1990



PROFESSIONAL DESIGNATIONS

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

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	07/10/2006 - 12/31/2008	CRESCENT ADVISOR GROUP, INC.	CRD# 115974	DALLAS, TX
B	01/24/2006 - 12/31/2008	CRESCENT SECURITIES GROUP, INC.	CRD# 114993	DALLAS, TX
B	02/02/1999 - 06/26/2001	FLEXVEST SECURITIES GROUP, INC.	CRD# 20728	DALLAS, TX
B	09/29/1997 - 12/23/1998	DILLON - GAGE SECURITIES, INC.	CRD# 10821	ADDISON, TX
B	07/10/1996 - 09/05/1997	FLEXVEST SECURITIES GROUP, INC.	CRD# 20728	DALLAS, TX
B	06/12/1991 - 07/25/1995	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	NEW YORK, NY
B	04/02/1991 - 07/14/1992	REED SECURITIES COMPANY, INC.	CRD# 21548	MARBLE FALLS, TX
B	05/24/1990 - 12/31/1990	T.L. REED SECURITIES, INC.	CRD# 19875	

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
08/2007 - Present	Dallas College	PROFESSOR	N	DALLAS, 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.

DALLAS COLLEGE. NOT INVESTMENT RELATED. 12800 ABRAMS RD. DALLAS, TX 75243 (DCCCD) 800 W. CAMPBELL RD, RICHARDSON, TX 75080 (UTD). EDUCATION. PROFESSOR. 08/2007. 60 HOURS/MONTH, 25 DURING TRADING HOURS. TEACHING. The 3525 Condominium. Not investment related. 3525 Turtle Creek Blvd. #50, Dallas, TX 75219. Non profit. Officer. 10 hours/month, none during trading hours. The 3525 Condominium is a non profit setup for managing the affairs of the building. All funds come from HOA dues and charges for services to residents. Positions are elected. As Treasurer/Secretary I help oversee the budget and make certain obligations are met. Crescent Securities Group, Investment related. 4975 Preston



Registration & Employment History



OTHER BUSINESS ACTIVITIES

Park Blvd. #820, Plano, TX 75093. 12/2010 Registered Rep. 20 hours/month, all during trading hours.



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

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

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

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

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

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

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

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



DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	4
Termination	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

Reporting Source:	Regulator
Regulatory Action Initiated By:	TEXAS STATE SECURITIES BOARD
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	11/13/1996
Docket/Case Number:	SUS/FIN/CEN-1152
Employing firm when activity occurred which led to the regulatory action:	FLEXVEST SECURITIES GROUP, INC.
Product Type:	
Other Product Type(s):	
Allegations:	Not Provided
Current Status:	Final
Resolution:	Consent
Resolution Date:	11/13/1996
Sanctions Ordered:	Monetary/Fine \$5,000.00 Suspension
Other Sanctions Ordered:	
Sanction Details:	ON NOVEMBER 13, 1996, THE SECURITIES COMMISSIONER



ENTERED A CONSENT ORDER AGAINST FLEXVEST SECURITIES GROUP, INC., MOHAMED NABIL RASHAD & JUAN CARLOS MARTINEZ. FLEXVEST ALLOWED BOTH RASHAD & MARTINEZ TO PARTICIPATE IN THE OFFER AND SALE OF SECURITIES BEFORE THEY WERE REGISTERED WITH THE COMMISSIONER TO DO SO. PURSUANT TO SECTIONS 14 AND 23-1 OF THE SECURITIES ACT AN ORDER IS ISSUED TO REPRIMAND ALL THREE, MARTINEZ TO BE SUSPENDED FOR A PERIOD OF 7 DAYS FROM ENTRY DATE OF ORDER, MARTINEZ FINED \$5,000.00 AND FLEXVEST FINED \$15,000.00. RASHAD WAS CENSURED.

Regulator Statement

CONTACT: JOYCE MILLER (512) 305-8390

.....

Reporting Source: Firm

Regulatory Action Initiated By: TEXAS

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 11/13/1996

Docket/Case Number: SUS/FIN/CEN-1152

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

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Consent

Resolution Date: 11/13/1996

Sanctions Ordered: Monetary/Fine \$5,000.00
Suspension

Other Sanctions Ordered:

Sanction Details:

.....

Reporting Source: Individual

Regulatory Action Initiated By: STATE OF TEXAS

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 11/13/1996

Docket/Case Number: SUS/FIN/CEN-1152



Employing firm when activity occurred which led to the regulatory action:

FLEXVEST SECURITIES GROUP, INC.

Product Type:

Other Product Type(s):

Allegations:

PARTICIPATING IN THE OFFER AND SALE OF SECURITIES WITHIN THE STATE OF TEXAS ON BEHALF OF FLEXVEST SECURITIES GROUP PRIOR TO REGISTRATION WITH THE STATE SECURITIES COMMISSION AS AN AGENT.

Current Status:

Final

Resolution:

Consent

Resolution Date:

11/13/1996

Sanctions Ordered:

Monetary/Fine \$5,000.00
Suspension

Other Sanctions Ordered:

Sanction Details:

REGISTRATION IN TEXAS WAS GRANTED, HOWEVER, AGENT RECEIVED AN ADMINISTRATIVE FINE OF \$5000. REGISTRATION AS AN AGENT OF FLEXVEST SECURITIES GROUP WAS SUSPENDED FOR A PERIOD OF SEVEN (7) DAYS BEGINNING NOVEMBER 13, 1996, AND ENDING NOVEMBER 19, 1996.

Broker Statement

MR. MARTINEZ WAS UNDER THE MISTAKEN BELIEF THAT HE WAS REGISTERED WITH THE SECURITIES BOARD OF TEXAS. UPON NOTIFICATION FROM THE STATE SECURITIES BOARD THAT SUCH WAS NOT THE CASE, MR. MARTINEZ IMMEDIATELY CEASED CONDUCTING ANY SALES ACTIVITY. NO HARM TO ANY CUSTOMER HAD BEEN ALLEDGED AGAINST MR. MARTINEZ BY THE STATE SECURITIES BOARD OR ANY CUSTOMER. MR. MARTINEZ COOPORATED FULLY WITH THE SECURITIES BOARD FROM INCEPTION OF THE INQUIRY UNTIL THE CONCLUSION OF THE MATTER.



Customer Dispute

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

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

Disclosure 1 of 4

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: FLEXVEST SECURITIES GROUP

Allegations: THE CLAIMANT HAS ALLEGED VARIOUS VIOLATIONS OF FEDERAL AND STATE SECURITIES LAWS, INCLUDING BUT NOT LIMITED TO BREACH OF FIDUCIARY DUTY AND COMMON LAW FRAUD. THE ALLEGATIONS INVOLVED ARE FOR ACTIONS AND EVENTS THAT OCCURRED IN 2000. RESPONDENT DENIES ALL LIABILITY.

Product Type: Equity - OTC

Other Product Type(s): EQUITY - LISTED

Alleged Damages:

Customer Complaint Information

Date Complaint Received: 07/31/2001

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 07/31/2001

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD 01-03962

Date Notice/Process Served: 07/31/2001

Arbitration Pending? No

Disposition: Settled

Disposition Date: 10/22/2002

Monetary Compensation Amount: \$75,000.00

Individual Contribution Amount:

Reporting Source: Individual



Employing firm when activities occurred which led to the complaint: FLEXVEST SECURITIES GROUP INC

Allegations: THE CLAIMANT ALLEGED VARIOUS VIOLATIONS OF FEDERAL AND STATE SECURITIES LAWS, INCLUDING BUT NOT LIMITED TO BREACH OF FIDUCIARY DUTY AND SELLING UNSUITABLE INVESTMENTS.

Product Type: Equity - OTC

Other Product Type(s): EQUITIES, LISTED

Alleged Damages: \$200,000.00

Customer Complaint Information

Date Complaint Received: 07/31/2001

Complaint Pending? No

Status: Settled

Status Date: 10/22/2002

Settlement Amount: \$75,000.00

Individual Contribution Amount: \$0.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD CASE NO. 01-03962

Date Notice/Process Served: 07/31/2001

Arbitration Pending? No

Disposition: Dismissed

Disposition Date: 10/22/2002

Monetary Compensation Amount: \$75,000.00

Individual Contribution Amount: \$0.00

Broker Statement THE CUSTOMER LOST MONEY IN THE MARKET DECLINE THAT BEGAN IN 2000. AFTER A DAY OF TESTIMONY IN THE ARBITRATION, THE CUSTOMER OFFERED TO SETTLE THE CASE AGAINST THE FIRM ONLY FOR AN AMOUNT SUBSTANTIALLY SMALLER THAN THE AMOUNT SOUGHT. MR. MARTINEZ WAS DISMISSED FROM THE CASE AND ASSUMED NO LIABILITY IN THE SETTLEMENT.

Disclosure 2 of 4

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: FLEXVEST SECURITIES GROUP INC

Allegations: [CUSTOMER] ALLEGED THAT MR. MARTINEZ DID NOT FOLLOW INSTRUCTIONS IN THE MANAGEMENT OF THE ACCOUNT. ON OR ABOUT DECEMBER 7, 2000, [CUSTOMER] ALLEGES THAT HE TOLD MR. MARTINEZ TO SELL ALL STOCKS AND LIQUIDATE THE ACCOUNT IF AND WHEN THE



VALUE OF THE ACCOUNT WENT AS LOW AS \$200,000. THESE INSTRUCTIONS WERE NOT FOLLOWED AND THE ACCOUNT WAS SUBSEQUENTLY LIQUIDATED ON DECEMBER 21, 2000 IN THE AMOUNT OF APPROXIMATELY \$172,000. AT THE REQUEST OF [CUSTOMER]. MR. MARTINEZ WAS IN REGULAR CONTACT WITH [CUSTOMER] DURING THE DECLINE OF THE ACCOUNT. [CUSTOMER] HAD THE OPPORTUNITY TO REQUEST LIQUIDATION AT APPROXIMATELY \$197,000. AND CHOSE NOT TO DO SO. [CUSTOMER] WAS AWARE OF THE DECLINING VALUE OF THE ACCOUNT ON A REGULAR BASIS. HE HAD THE OPTION OF REQUESTING LIQUIDATION AT SEVERAL INTERVALS DURING THE DECLINE. HE CHOOSE NOT TO LIQUIDATE UNTIL THE ACCOUNT REACHED APPROXIMATELY \$172,000.

Product Type: Equity - OTC

Alleged Damages: \$28,000.00

Customer Complaint Information

Date Complaint Received: 01/09/2001

Complaint Pending? No

Status: Settled

Status Date: 02/05/2001

Settlement Amount: \$15,000.00

Individual Contribution Amount: \$0.00

Arbitration Information

Disposition: Settled

Disposition Date: 02/05/2001

Disclosure 3 of 4

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Allegations: CUSTOMER ALLEGES UNAUTHORIZED TRADING IN THE ACCOUNT. ALLEGED DAMAGES UNSPECIFIED.

Product Type:

Alleged Damages:

Customer Complaint Information

Date Complaint Received: 07/11/1995

Complaint Pending? No

Status: Settled

Status Date: 09/15/1995

Settlement Amount: \$185,000.00

Individual Contribution Amount: \$0.00

**Firm Statement**

PAYMENT TO CUSTOMER OF \$185,000.
MR. MARTINEZ' ACTIVITIES IN HANDLING THIS ACCOUNT
IS CURRENTLY UNDER INVESTIGATION.

.....

Reporting Source:

Individual

Employing firm when activities occurred which led to the complaint:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Allegations:

CUSTOMER ALLEDGED UNAUTHORIZED TRADING IN HIS
ACCOUNT. ALLEDGED DAMAGES WERE UNSPECIFIED.

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

07/11/1995

Complaint Pending?

No

Status:

Settled

Status Date:

09/15/1995

Settlement Amount:

\$185,000.00

Individual Contribution Amount:

\$0.00

Broker Statement

PAYMENT TO CUSTOMER BY MERRILL LYNCH OF
\$185,000.
THE COMPLAINT WAS FILED AGAINST MERRILL LYNCH AND
NOT MR. MARTINEZ INDIVIDUALLY. [CUSTOMER] REMAINED AND STILL
IS A CUSTOMER OF MR. MARTINEZ.

Disclosure 4 of 4**Reporting Source:**

Regulator

Employing firm when activities occurred which led to the complaint:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Allegations:

UNAUTHORIZED TRADING; BRCH OF FIDUCIARY DT;
MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE

Product Type:**Alleged Damages:**

\$250,000.00

Arbitration Information**Arbitration/Reparation Claim filed with and Docket/Case No.:**

UNKNOWN - CASE #96-00758

Date Notice/Process Served:

03/01/1996

Arbitration Pending?

No

Disposition:

Settled

Disposition Date:

11/06/1996



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

.....

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Allegations: CUSTOMER ALLEGES UNAUTHORIZED TRADING IN HIS
ACCOUNT. ALLEGED DAMAGES OF \$250,000.

Product Type:

Alleged Damages: \$250,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 11/06/1996

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD; 96-00758

Date Notice/Process Served: 03/01/1996

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/06/1996

Monetary Compensation Amount: \$55,000.00

Individual Contribution Amount:

Firm Statement PAYMENT TO CUSTOMER OF \$55,0000. .
Not Provided

.....

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED



Allegations: CUSTOMER ALLEGED UNAUTHORIZED TRADING IN HIS ACCOUNT.

Product Type:

Alleged Damages: \$250,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 11/06/1996

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD; 96-00758

Date Notice/Process Served: 03/01/1996

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/06/1996

Monetary Compensation Amount: \$55,000.00

Individual Contribution Amount:

Broker Statement MERRILL LYNCH AGREED TO PAY THE CUSTOMER \$55,000. FOR ANY AND ALL DAMAGES CAUSED. CUSTOMER AGREED TO RELEASE ANY AND ALL CLAIMS HE MAY HAVE HAD AGAINST MERRILL LYNCH AND JUAN CARLOS MARTINEZ. MR. MARTINEZ MAINTAINS THAT NO UNAUTHORIZED TRADING WAS DONE IN [CUSTOMER'S] ACCOUNT. MERRILL LYNCH MADE A BUSINESS DECISION TO BRING THIS MATTER TO A CLOSE.



Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Individual

Firm Name: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Termination Type: Discharged

Termination Date: 07/07/1995

Allegations: N.A.
MR. MARTINEZ WAS TERMINATED DURING THE COURSE OF AN INTERNAL REVIEW FOR UNAUTHORIZED TRADING IN TWO CUSTOMER ACCOUNTS.

Product Type: Equity - OTC

Other Product Types:

Broker Statement

THE CUSTOMERS IN QUESTION REMAINED CLIENTS OF MR. MARTINEZ WHEN HE MOVED TO A NEW FIRM. MR. MARTINEZ UNDERSTOOD THAT HE WAS TERMINATED FROM MERRILL LYNCH FOR EXERCISING PRICE AND TIME DISCRETION WITH THESE TWO CUSTOMERS, AND MERRILL LYNCH DID NOT ALLOW TIME AND PRICE DISCRETION. THESE CUSTOMERS LIVED OUTSIDE THE US. MR. MARTINEZ SPOKE WITH THEM ONCE A WEEK. THEY WERE COMPLETELY INFORMED OF THE POSITIONS AND ACTIVITY IN THEIR ACCOUNTS. MERRILL LYNCH, AT THEIR DISCRETION, LIQUIDATED BOTH ACCOUNTS WITHOUT NOTIFYING THE CUSTOMERS IN JUNE 1995 WHICH RESULTED IN THE CUSTOMERS FILING A COMPLAINT AGAINST MERRILL LYNCH. ALTHOUGH MR. MARTINEZ WAS NOT INVOLVED WITH THE SETTLEMENT, HE HELPED BOTH SIDES NEGOTIATE THE SETTLEMENT. MR. MARTINEZ WAS NOT INVOLVED WITH ANY DECISIONS MADE IN THE ACCOUNTS DURING THE MONTH OF JUNE 1995. BOTH CUSTOMERS REMAINED CLIENTS OF MR. MARTINEZ AT A NEW FIRM.



End of Report

This page is intentionally left blank.