



## IAPD Report

# MARK ALAN KEMP

CRD# 2057200

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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

### MARK ALAN KEMP (CRD# 2057200)

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 **12/05/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	MCNALLY FINANCIAL SERVICES CORPORATION	CRD# 121196	04/05/2010
<b>IA</b>	MCNALLY FINANCIAL SERVICES CORPORATION	CRD# 121196	07/09/2018

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **8** 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>	NEXT FINANCIAL GROUP, INC.	46214	CORPUS CHRISTI, TX	04/25/2008 - 11/16/2009
<b>B</b>	HORNOR, TOWNSEND & KENT, INC.	4031	CORPUS CHRISTI, TX	01/27/1999 - 05/15/2008
<b>IA</b>	HORNOR, TOWNSEND & KENT, INC.	4031	CORPUS CHRISTI, TX	02/11/1999 - 09/30/2005

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

### DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	2
Customer Dispute	14
Termination	2



## Report Summary



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

### Employment 1 of 1

Firm Name: **MCNALLY FINANCIAL SERVICES CORPORATION**

Main Address: 16414 SAN PEDRO  
SUITE 930  
SAN ANTONIO, TX 78232-5185

Firm ID#: 121196

	Regulator	Registration	Status	Date
<b>B</b>	FINRA	General Securities Representative	Approved	04/05/2010
<b>B</b>	Arkansas	Agent	Approved	09/24/2012
<b>B</b>	California	Agent	Approved	03/25/2015
<b>B</b>	Colorado	Agent	Approved	06/14/2018
<b>B</b>	Indiana	Agent	Approved	02/27/2023
<b>B</b>	Louisiana	Agent	Approved	04/06/2017
<b>B</b>	Michigan	Agent	Approved	05/14/2020
<b>B</b>	New Mexico	Agent	Approved	08/12/2014
<b>B</b>	Texas	Agent	Approved	04/20/2010
<b>IA</b>	Texas	Investment Adviser Representative	Approved	07/09/2018

### Branch Office Locations

**MCNALLY FINANCIAL SERVICES CORPORATION**

5941 Patton Street  
Corpus Christi, TX 78414



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

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
<b>B</b> General Securities Representative Examination (S7)	Series 7	08/08/2005
<b>B</b> Investment Company Products/Variable Contracts Representative Examination (S6)	Series 6	06/08/1990

#### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination (S65)	Series 65	04/30/2018
<b>B</b> Uniform Securities Agent State Law Examination (S63)	Series 63	06/07/1990



### 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
B	04/25/2008 - 11/16/2009	NEXT FINANCIAL GROUP, INC.	CRD# 46214	CORPUS CHRISTI, TX
B	01/27/1999 - 05/15/2008	HORNOR, TOWNSEND & KENT, INC.	CRD# 4031	CORPUS CHRISTI, TX
IA	02/11/1999 - 09/30/2005	HORNOR, TOWNSEND & KENT, INC.	CRD# 4031	CORPUS CHRISTI, TX
B	06/11/1990 - 11/16/1998	MONY SECURITIES CORP.	CRD# 4386	NEW YORK, NY
B	06/11/1990 - 10/15/1990	THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK	CRD# 2873	NEW YORK, NY

### 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
03/2010 - Present	MCNALLY FINANCIAL SERVICES CORPORATION	REGISTERED REPRESENTATIVE	Y	SAN ANTONIO, 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 - KEMP FINANCIAL SERVICES (DBA), TIME SPENT 100%, OWNERSHIP 100%
- 2 - KEMP FINANCIAL SERVICES - INSURANCE SALES AND ANNUITY MARKETING, TIME SPENT 20%, OWNERSHIP 100%
- 3 - The Cross of Corpus Christi - not investment related, no office, non-profit group to raise monies to build a 200 foot cross in Corpus Chriti, start date 7/13/21. A few hours per month to prepare a financial statement on the funds raised. 2 hours per month.
- 4 - G.G. Kemp LLC - Inherited LLC in August 2013. I am a member of this LLC. The LLC was established to participate in oil and gas wells and revenues were to be shared with family members. The wells have been depleted, shut down in 2021 and we have been trying to close the LLC since 2022. There are currently no business activities involved in this LLC. Zero hours, business or normal, are devoted to this activity.
- 5 - MNK Holdings LLC - The LLC is a real estate limited partnership established in October 2016 and rents office space, and storage space for cars, boats and RVs. Passive rental income is received from this LLC. I am a member of this LLC. Zero hours, business or normal, are devoted to this activity as my wife manages the LLC. The address is 5941 Patton Street, Corpus Christi, TX 78414.



## Disclosure Summary

### Disclosure Information

**What you should know about reported disclosure events:**

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

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

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

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

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

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

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





## DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	2
Customer Dispute	14
Termination	2

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	Texas
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	10/14/2024
<b>Docket/Case Number:</b>	IC-24-CAF-04
<b>URL for Regulatory Action:</b>	<a href="https://ssb.texas.gov/sites/default/files/2024-10/IC_24_CAF_04.pdf">https://ssb.texas.gov/sites/default/files/2024-10/IC_24_CAF_04.pdf</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	McNally Financial Services Corporation
<b>Product Type:</b>	Other: Structured Products: Reverse Convertibles

<b>Allegations:</b>	The majority of Kemp's clients were elderly investors on the brink or at the beginning of retirement and were rolling over their employee-sponsored 401Ks who were looking for a way to replace their loss of income to help them get through retirement. To replace the clients' loss of income, Kemp used reverse convertibles, which typically generate a higher stream of income than is available from other bonds or bank products. Kemp purchased reverse convertibles in certain client accounts and in quantities that exceeded the risk tolerances these clients were willing to endure. Kemp had no reasonable basis to believe that recommending reverse convertibles was in the best interest of his clients. Kemp's purchasing of high-risk, complex reverse convertibles notes that were linked to volatile equities in certain client accounts was unsuitable given the customers' risk tolerance, investment objective(s), and limited investment experience and therefore constitutes an inequitable practice in the sale of securities. Pursuant to
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Section 4007.105(a)(3)(A) of the Texas Securities Act, the aforementioned inequitable practice in the sale of securities constitutes a basis for the issuance of an order suspending Kemp's registrations with the Securities Commissioner.

**Current Status:** Final

**Resolution:** Order

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

**Resolution Date:** 10/14/2024

**Sanctions Ordered:** Suspension  
Other: It is further ORDERED that Mark Alan Kemp and McNally Financial Services Corporation REFUND certain clients that held reverse convertible notes in their accounts pursuant to the terms of an undertaking incorporated by reference herein.

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** All Capacities

**Duration:** Two weeks

**Start Date:** 10/14/2024

**End Date:** 10/28/2024

**Reporting Source:** Individual

**Regulatory Action Initiated By:** Texas

**Sanction(s) Sought:** Suspension

**Date Initiated:** 10/14/2024

**Docket/Case Number:** IC-24-CAF-04

**Employing firm when activity occurred which led to the regulatory action:** McNally Financial Services Corporation

**Product Type:** Other: Structured Products: Reverse Convertibles

**Allegations:** The majority of Kemp's clients were elderly investors on the brink or at the beginning of retirement and were rolling over their employee-sponsored 401Ks who were looking for a way to replace their loss of income to help them get through retirement. To replace the clients' loss of income, Kemp used reverse convertibles, which typically generate a higher stream of income than is available from other bonds or bank products. Kemp purchased reverse convertibles in certain client accounts and in quantities that exceeded the risk tolerances these clients were willing to endure. Kemp had no reasonable basis to believe that recommending reverse convertibles was in the best interest of his clients. Kemp's purchasing of high-risk, complex reverse convertibles notes that were linked to volatile equities in certain client accounts was unsuitable given the customers' risk



tolerance, investment objective(s), and limited investment experience and therefore constitutes an inequitable practice in the sale of securities. Pursuant to Section 4007.105(a)(3)(A) of the Texas Securities Act, the aforementioned inequitable practice in the sale of securities constitutes a basis for the issuance of an order suspending Kemp's registrations with the Securities Commissioner.

**Current Status:** Final

**Resolution:** Order

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

**Resolution Date:** 10/14/2024

**Sanctions Ordered:** Suspension  
Other: It is further ORDERED that Mark Alan Kemp and McNally Financial Services Corporation REFUND certain clients that held reverse convertible notes in their accounts pursuant to the terms of an undertaking incorporated by reference herein.

#### Sanction 1 of 1

**Sanction Type:** Suspension

**Capacities Affected:** All Capacities

**Duration:** Two weeks

**Start Date:** 10/14/2024

**End Date:** 10/28/2024

#### Disclosure 2 of 2

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 04/11/2012

**Docket/Case Number:** [2009018570501](#)

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

**Product Type:** Penny Stock

**Allegations:** FINRA RULE 2010, NASD RULE 3110: IN NOVEMBER 2009, KEMP MISMARKED SEVEN ORDER TICKETS FOR A PENNY STOCK AS UNSOLICITED WHEN, IN FACT, THEY WERE SOLICITED, THEREBY CAUSING HIS MEMBER FIRM'S BOOKS AND RECORDS TO BE INACCURATE IN VIOLATION OF RULE 17A-3 OF THE SECURITIES AND EXCHANGE ACT OF 1934.

**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:**

04/11/2012

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

**Sanction 1 of 1**

**Sanction Type:** Suspension  
**Capacities Affected:** ANY CAPACITY  
**Duration:** FIVE BUSINESS DAYS  
**Start Date:** 05/07/2012  
**End Date:** 05/11/2012

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)  
**Total Amount:** \$5,000.00  
**Portion Levied against individual:** \$5,000.00  
**Payment Plan:**  
**Is Payment Plan Current:** Yes  
**Date Paid by individual:** 04/18/2012  
**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, KEMP CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR FIVE BUSINESS DAYS. THE SUSPENSION WAS IN EFFECT FROM MAY 7, 2012, THROUGH MAY 11, 2012. FINE PAID IN FULL APRIL 18, 2012.

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**Reporting Source:** Individual  
**Regulatory Action Initiated By:** FINRA  
**Sanction(s) Sought:** Other: N/A  
**Date Initiated:** 04/11/2012



**Docket/Case Number:** [2009018570501](#)

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

**Product Type:** Penny Stock

**Allegations:** FINRA RULE 2010 AND NASD RULE 3110. IN NOVEMBER OF 2009, MARK KEMP MISMARKED SEVEN ORDER TICKETS FOR A PENNY STOCK AS UNSOLICITED WHEN, IN FACT THEY WERE SOLICITED, THEREBY CAUSING HIS MEMBER FIRM'S BOOKS AND RECORDS TO BE INACCURATE IN VIOLATION OF RULE 17A-3 OF THE SEA OF 1934.

**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:** 04/11/2012

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

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ANY CAPACITY

**Duration:** FIVE BUSINESS DAYS

**Start Date:** 05/07/2012

**End Date:** 05/11/2012

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:**

**Is Payment Plan Current:** Yes

**Date Paid by individual:** 04/18/2012

**Was any portion of penalty waived?** No

**Amount Waived:**



## 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 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MCNALLY FINANCIAL SERVICES CORPORATION

**Allegations:** In November 2020, the Respondent is alleged to have recommended the Petitioner invest \$170,000 in a real estate limited partnership. The Respondent is alleged to have made an unsuitable recommendation and to have made false & misleading statements as to the nature of this investment, its liquidity, and its income producing capabilities.

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$270,000.00

### Arbitration Information

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

**Docket/Case #:** 25-02119

**Date Notice/Process Served:** 10/06/2025

**Arbitration Pending?** Yes

### Disclosure 2 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MCNALLY FINANCIAL SERVICES CORPORATION

**Allegations:** Beginning in January 2018, the Respondent is alleged to have concentrated over 60% of the Petitioner's assets into three alternative investments. The Respondent is further alleged to have made material misrepresentations and omissions regarding the risk and lack of liquidity of the alternative investments, which resulted in the Petitioner sustaining substantial losses.

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$500,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Statement of Claim says that the Petitioner is seeking "damages of...less than \$500,000" and does not give an exact dollar amount.

**Is this an oral complaint?** No

**Is this a written complaint?** No



**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 25-02004

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/19/2025

### Customer Complaint Information

**Date Complaint Received:** 09/19/2025

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 3 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MCNALLY FINANCIAL SERVICES CORPORATION

**Allegations:** The Petitioner alleges that Mr. Kemp sold him unsuitable investments and made materially false and misleading statements and materially incomplete disclosures about the products and their risks.

**Product Type:** Other: structured notes, atocallable notes, market-linked CDs, reversed convertible notes

**Alleged Damages:** \$3,000,000.00

**Alleged Damages Amount Explanation (if amount not exact):** The Summary of the Action states, "...approximately, \$3,000,000 in damages..."

### Arbitration Information

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

**Docket/Case #:** 25-01427

**Date Notice/Process Served:** 07/21/2025

**Arbitration Pending?** Yes

### Disclosure 4 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MCNALLY FINANCIAL SERVICES CORPORATION

**Allegations:** Complainant alleges unsuitable investments.





**Product Type:** Direct Investment-DPP & LP Interests  
Other: Structured products

**Alleged Damages:** \$209,816.00

**Alleged Damages Amount Explanation (if amount not exact):** The alleged compensatory damages are unknown as they are not identified in the complaint.

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 07/18/2024

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 5 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MCNALLY FINANCIAL SERVICES CORPORATION

**Allegations:** Claimants allege overconcentration, unsuitable recommendations and misrepresentation of high-risk and unconventional investments.

**Product Type:** Debt-Corporate  
Direct Investment-DPP & LP Interests

**Alleged Damages:** \$555,928.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 23-00392

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/15/2023

### Customer Complaint Information

**Date Complaint Received:** 03/03/2023

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/18/2024



**Settlement Amount:** \$150,000.00

**Individual Contribution Amount:** \$120,000.00

#### Disclosure 6 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MCNALLY FINANCIAL SERVICES CORPORATION

**Allegations:** Claimant alleges unsuitable investment recommendations specific to reverse convertible securities.

**Product Type:** Other: Reverse Convertible Securities

**Alleged Damages:** \$157,600.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 22-00728

**Filing date of arbitration/CFTC reparation or civil litigation:** 03/31/2022

#### Customer Complaint Information

**Date Complaint Received:** 04/10/2022

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/15/2023

**Settlement Amount:** \$22,500.00

**Individual Contribution Amount:** \$20,250.00

#### Disclosure 7 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** McNally Financial Services Corporation

**Allegations:** Violation of equitable principles of trade and fair dealing, violation of Securities Act of 1933, Violation of Securities Exchange Act of 1934, Violation of Texas Securities Act, Common Law Fraud, Fraud in the Inducement, Fraud under Section 27.01 of the Texas Business and Commerce Code, Negligent Misrepresentation, Breach of Fiduciary duty, Breach of Contract, and Participatory and Vicarious Liability,

**Product Type:** Direct Investment-DPP & LP Interests  
Mutual Fund



**Alleged Damages:** \$370,006.75

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 21-01777

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/14/2021

### Customer Complaint Information

**Date Complaint Received:** 07/20/2021

**Complaint Pending?** No

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

**Status Date:** 07/20/2021

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 21-01777

**Date Notice/Process Served:** 07/20/2021

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/13/2023

**Monetary Compensation Amount:** \$270,000.00

**Individual Contribution Amount:** \$185,000.00

**Broker Statement** The limited partnership forming the basis of the claim had been bought out, but the proceeds have not been distributed to the shareholders as of yet. The claim was resolved by the repurchase of interest in the limited partnership, which formed the basis of the claim. \$85,000 in attorney's fees for the claimant was paid by the firm's insurance carrier and not the representative.

### Disclosure 8 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** McNally Financial Services Corporation



**Allegations:** violation of common law fraud, violation of negligent misrepresentation, breach of fiduciary duty and negligence.

**Product Type:** No Product

**Alleged Damages:** \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):** the claim states that the claimants suffered losses between \$100,000 to \$500,000.

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 17-03103

**Filing date of arbitration/CFTC reparation or civil litigation:** 11/17/2017

### Customer Complaint Information

**Date Complaint Received:** 11/20/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/20/2018

**Settlement Amount:** \$9,950.00

**Individual Contribution Amount:** \$9,950.00

**Broker Statement** This is a case where the customer is upset with one account and one security and the security was not purchased at our firm, but transferred in. The overall portfolio did not lose any money.

### Disclosure 9 of 14

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** HORNOR, TOWNSEND AND KENT AND NEXT FINANCIAL GROUP

**Allegations:** CLIENT ALLEGE THAT THE REGISTERED REPRESENTATIVE ENGAGED IN UNAUTHORIZED TRADING AND RECOMMENDED UNSUITABLE SECURITIES AND ANNUITY INVESTMENTS, INCONSISTENT WITH THEIR FINANCIAL SITUATION, RISK TOLERANCES AND INVESTMENT OBJECTIVES.

**Product Type:** Annuity-Variable  
Equity Listed (Common & Preferred Stock)  
Money Market Fund  
Mutual Fund

**Alleged Damages:** \$320,000.00

### Arbitration Information



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

FINRA

**Docket/Case #:** 09-05086

**Date Notice/Process Served:** 09/09/2009

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/13/2010

**Monetary Compensation Amount:** \$43,000.00

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

**Firm Statement** ORIGINAL U4 FILING IS OCCURANCE #1475423. SETTLEMENT AMOUNT IS REFLECTIVE OF AN AGREEMENT BETWEEN THE [CUSTOMER], NEXT FINANCIAL GROUP,AND MARK KEMP.

.....

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** HORNOR TOWNSEND & KENT INC.

**Allegations:** CLIENTS ALLEGE THAT THE REGISTERED REPRESENTATIVE ENGAGED IN UNAUTHORIZED TRADING AND RECOMMENDED UNSUITABLE SECURITIES AND ANNUITY INVESTMENTS, INCONSISTENT WITH THEIR FINANCIAL SITUATION, RISK TOLERANCES AND INVESTMENT OBJECTIVES.

**Product Type:** Annuity-Variable  
Equity Listed (Common & Preferred Stock)  
Mutual Fund

**Alleged Damages:** \$320,000.00

### Arbitration Information

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

FINRA

**Docket/Case #:** 09-05086

**Date Notice/Process Served:** 09/09/2009

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/20/2010

**Monetary Compensation Amount:** \$47,157.34

**Individual Contribution Amount:** \$0.00

.....

**Reporting Source:** Individual



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

HORNOR TOWNSEND & KENT INC. AND NEXT FINANCIAL GROUP

**Allegations:**

CLIENTS ALLEGE THAT THE REGISTERED REPRESENTATIVE ENGAGED IN UNAUTHORIZED TRADING AND RECOMMENDED UNSUITABLE SECURITIES AND ANNUITY INVESTMENTS, INCONSISTENT WITH THEIR FINANCIAL SITUATION, RISK TOLERANCES AND INVESTMENT OBJECTIVES.

**Product Type:**

Annuity-Variable  
Equity Listed (Common & Preferred Stock)  
Money Market Fund  
Mutual Fund

**Alleged Damages:**

\$320,000.00

### Arbitration Information

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

FINRA

**Docket/Case #:**

09-05086

**Date Notice/Process Served:**

09/09/2009

**Arbitration Pending?**

No

**Disposition:**

Settled

**Disposition Date:**

09/13/2010

**Monetary Compensation Amount:**

\$43,000.00

**Individual Contribution Amount:**

\$5,000.00

### Disclosure 10 of 14

**Reporting Source:**

Firm

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

HORNOR, TOWNSEND AND KENT, AND NEXT FINANCIAL GROUP

**Allegations:**

CLAIMANTS ALLEGE THAT THE REGISTERED REPRESENTATIVE MISLED THEM ABOUT SUITABLE STRATEGIES AND INVESTMENTS, ENGAGED IN UNAUTHORIZED TRANSACTIONS, REFUSED THEIR DIRECTIONS, AND RECOMMENDED WHOLLY UNSUITABLE SECURITIES AND ANNUITIES.

**Product Type:**

Annuity-Variable  
Debt-Municipal  
Equity Listed (Common & Preferred Stock)  
Money Market Fund  
Mutual Fund

**Alleged Damages:**

\$538,900.00

### Arbitration Information

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

FINRA

**Docket/Case #:**

09-03476



**Date Notice/Process Served:** 06/19/2009

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/10/2010

**Monetary Compensation Amount:** \$145,000.00

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

**Firm Statement** ORIGINAL U4 FILING IS OCCURANCE # 1461901. SETTLEMENT AMOUNT IS REFLECTIVE OF AN AGREEMENT BETWEEN THE [CUSTOMERS], NEXT FINANCIAL AND MARK KEMP.

.....

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** HORNOR TOWNSED AND KENT INC.

**Allegations:** CLAIMANTS ALLEGE THAT THE REGISTERED REPRESENTATIVE MISLED THEM ABOUT SUITABLE STRATEGIES AND INVESTMENTS, ENGAGED IN UNAUTHORIZED TRANSACTIONS, REFUSED THEIR DIRECTIONS, AND RECOMMENDED WHOLLY UNSUITABLE SECURITIES AND ANNUITIES.

**Product Type:** Annuity-Variable  
Debt-Municipal  
Equity Listed (Common & Preferred Stock)  
Insurance  
Money Market Fund  
Mutual Fund

**Alleged Damages:** \$538,900.00

### Arbitration Information

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

**Docket/Case #:** 09-03476

**Date Notice/Process Served:** 06/19/2009

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/20/2010

**Monetary Compensation Amount:** \$20,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** THE SETTLEMENT AMOUNT IS REFLECTIVE OF AN AGREEMENT BETWEEN THE [CUSTOMERS] AND HORNOR, TOWNSEND AND KENT, INC.

.....

**Reporting Source:** Individual



**Employing firm when activities occurred which led to the complaint:** HORNOR TOWNSED AND KENT INC. AND NEXT FINANCIAL GROUP

**Allegations:** CLAIMANTS ALLEGE THAT THE REGISTERED REPRESENTATIVE MISLED THEM ABOUT SUITABLE STRATEGIES AND INVESTMENTS, ENGAGED IN UNAUTHORIZED TRANSACTIONS, REFUSED THEIR DIRECTIONS, AND RECOMMENDED WHOLLY UNSUITABLE SECURITIES AND ANNUITIES.

**Product Type:** Annuity-Variable  
Debt-Municipal  
Equity Listed (Common & Preferred Stock)  
Insurance  
Money Market Fund  
Mutual Fund

**Alleged Damages:** \$538,900.00

### Arbitration Information

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

**Docket/Case #:** 09-03476

**Date Notice/Process Served:** 06/19/2009

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/10/2010

**Monetary Compensation Amount:** \$145,000.00

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

### Disclosure 11 of 14

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC.

**Allegations:** THE CLIENT ALLEGES THAT ON 2/20/09 THE REPRESENTATIVE PLACED A TRADE IN THE CLIENT'S VARIABLE ANNUITY WITHOUT AUTHORIZATION WHICH RESULTED IN A LOSS OF \$13,455.

**Product Type:** Annuity-Variable

**Alleged Damages:** \$13,455.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 09-03476





Filing date of arbitration/CFTC reparation or civil litigation: 06/19/2009

### Customer Complaint Information

Date Complaint Received: 03/02/2009  
Complaint Pending? No  
Status: Settled  
Status Date: 09/10/2010  
Settlement Amount: \$0.00  
Individual Contribution Amount: \$0.00

### Disclosure 12 of 14

Reporting Source: Firm  
Employing firm when activities occurred which led to the complaint: MONY SECURITIES CORPORATION

Allegations: PLAINTIFFS ALLEGE THAT MSC REPRESENTATIVE MARK KEMP AND OTHERS WERE ENGAGED IN THE SALE OF STOCK IN WORLDHOME INDUSTRIES, INC. ("WORLDHOME"). WORLDHOME WAS REPRESENTED BY MR. KEMP AND THE OTHER DEFENDANTS TO BE A TEXAS CORPORATION ENGAGED IN SUBSTANTIAL OPERATIONS. PLAINTIFFS FURTHER ALLEGE THAT THEY RELIED ON WHAT THEY THOUGHT WAS THE GOOD FAITH AND BACKING OF MR. KEMP, MONY AND MONY SECURITIES CORPORATION. PLAINTIFFS ALLEGE THAT NONE OF THE FUNDS WHICH THEY WERE ASSURED WERE GOING INTO THE COMPANY TO ALLOW IT TO DO BUSINESS, REACHED THE COMPANY. TIME PERIOD AND DAMAGES NOT SPECIFIED.

Product Type: No Product  
Alleged Damages: \$0.00

### Customer Complaint Information

Date Complaint Received: 09/11/2000  
Complaint Pending? No  
Status: Litigation  
Status Date: 09/11/2000  
Settlement Amount:  
Individual Contribution Amount:

### Civil Litigation Information

Court Details: DISTRICT COURT OF NUECES COUNTY, TX; CASE NO. 00-4498C  
Date Notice/Process Served: 09/11/2000  
Litigation Pending? No  
Disposition: Settled  
Disposition Date: 09/11/2002



**Monetary Compensation Amount:** \$1,133,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** THIS MATTER WAS SETTLED AS PART OF A JOINT SETTLEMENT REGARDING THE SAME REGISTERED REPRESENTATIVE. THE TOTAL AMOUNT OF THE SETTLEMENT WAS \$1,133,000. PLEASE REFER TO THE DRP REGARDING THE [THIRD PARTY] COMPLAINT.

.....

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MONY SECURITIES CORP

**Allegations:** ALLEGED FALSE REPRESENTATIONS/ FRAUD REGARDING THE SALE OF SECURITIES OF WORLD HOME INDUSTRIES.

**Product Type:** Other

**Other Product Type(s):** SECURITIES

**Alleged Damages:** \$300,000.00

### Customer Complaint Information

**Date Complaint Received:** 09/11/2000

**Complaint Pending?** No

**Status:** Litigation

**Status Date:** 09/17/2002

**Settlement Amount:**

**Individual Contribution Amount:**

### Civil Litigation Information

**Court Details:** 94TH JUDICIAL DISCTRICT, NUECES COUNTY, TX; CASE NUMBER 00-4488-C

**Date Notice/Process Served:** 09/11/2000

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/17/2002

**Monetary Compensation Amount:** \$1,133,000.00

**Individual Contribution Amount:** \$35,000.00

**Broker Statement** THIS CASE WAS A REVISION OF THE ORIGINAL 1998 CASE, HOWEVER THE PLAINTIFF'S ATTORNEY AGGRESSIVELY MARKETING IT BASED ON THE STATUE OF LIMITATION RUNNING OUT. THE PLAINTIFF'S ATTORNEY THAN CONVINCED A JUDGE THAT IT SHOULD BE TRIED AS THREE CASES WHICH TRIPLED MY POTENTIAL DEFENCE COSTS, SO I SETTLED THE CASE FOR LESS THAN THE DEFENSE COSTED.



## Disclosure 13 of 14

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MONY SECURITIES CORPORATION

**Allegations:** PLAINTIFF ALLEGES THAT DEFENDANTS ENGAGED IN A CIVIL CONSPIRACY WITH EACH OTHER AND MADE MISREPRESENTATIONS TO FRAUDULENTLY INDUCE PLAINTIFF TO PURCHASE WORLDHOME INDUSTRIES, INC. DAMAGES AND TIME PERIOD NOT SPECIFIED.

**Product Type:** No Product

**Alleged Damages:** \$0.00

**Customer Complaint Information**

**Date Complaint Received:** 12/16/1999

**Complaint Pending?** No

**Status:** Litigation

**Status Date:** 12/16/1999

**Settlement Amount:**

**Individual Contribution Amount:**

**Civil Litigation Information**

**Court Details:** DISTRICT COURT OF NUECES COUNTY, TX; CASE NO. 98-6057F

**Date Notice/Process Served:** 12/16/1999

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/11/2002

**Monetary Compensation Amount:** \$1,133,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** THIS MATTER WAS SETTLED AS PART OF A JOINT SETTLEMENT REGARDING THE SAME REGISTERED REPRESENTATIVE. THE TOTAL AMOUNT OF THE SETTLEMENT WAS \$1,133,000. PLEASE REFER TO THE DRP REGARDING THE [THIRD PARTY] COMPLAINT.

.....

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** MONY SECURITIES CORP

**Allegations:** ALLEGED FALSE REPRESENTATIONS/ FRAUD REGARDING THE SALE OF SECURITIES OF WORLD HOME INDUSTRIES. NO ALLEGED COMPENSATORY DAMAGES

**Product Type:** Other

**Other Product Type(s):** SECURITIES



**Alleged Damages:** \$100,000.00

### Customer Complaint Information

**Date Complaint Received:** 12/16/1999

**Complaint Pending?** No

**Status:** Litigation

**Status Date:** 09/17/2002

**Settlement Amount:**

**Individual Contribution Amount:**

### Civil Litigation Information

**Court Details:** 214TH JUDICIAL DISTRICT, NUECES COUNTY, TX CASE # 98-6057-F

**Date Notice/Process Served:** 12/16/1999

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/17/2002

**Monetary Compensation Amount:** \$1,133,000.00

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

**Broker Statement** CASE SETTLED WITH EXTREME PREJUDICE AGAINST ALL ALLEGATIONS AND A FULL RELEASE OF THE DEFENDANTS FOR LESS THAN THE COSTS TO THE CASE THROUGH TRIAL. THE SETTLEMENT AMOUNTS DISCLOSED WERE TAKEN FROM THE MONY FORM U-5. THE REPRESENTATIVE DID NOT KNOW WHAT THESE #'S WERE BECAUSE HE ALLEGES THAT MONY WOULD NOT DISCLOSE THIS INFORMATION TO HIM.

### Disclosure 14 of 14

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MONY SECURITIES CORPORATION

**Allegations:** FALSE REPRESENTATIONS/FRAUD REGARDING THE SALE BY MARK KEMP ET,AL OF SECURITIES OF WORLDHOME INDUSTRIES.

**Product Type:** Other

**Other Product Type(s):** WORLDHOME STOCK.

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 07/07/1999

**Complaint Pending?** No

**Status:** Litigation

**Status Date:** 01/01/1998

**Settlement Amount:**

**Individual Contribution****Amount:****Civil Litigation Information****Court Details:** 98-06029-00-0-D**Date Notice/Process Served:** 11/30/1998**Litigation Pending?** No**Disposition:** Settled**Disposition Date:** 06/07/2001**Monetary Compensation Amount:** \$345,000.00**Individual Contribution Amount:** \$0.00**Reporting Source:** Individual**Employing firm when activities occurred which led to the complaint:** MONY SECURITIES CORP**Allegations:** FALSE REPRESENTATIONS/FRAUD REGARDING THE SALE BY MARK KEMP ET, AL OF SECURITIES OF WORLD HOME INDUSTRIES.**Product Type:** Other**Alleged Damages:** \$0.00**Customer Complaint Information****Date Complaint Received:** 07/07/1999**Complaint Pending?** No**Status:** Litigation**Status Date:** 07/07/1999**Settlement Amount:****Individual Contribution Amount:** \$0.00**Civil Litigation Information****Court Details:** 105TH DISTRICT COURT, NUECES COUNTY, TEXAS, CASE #98-6029-D**Date Notice/Process Served:** 11/30/1999**Litigation Pending?** No**Disposition:** Settled**Disposition Date:** 05/10/2001**Monetary Compensation Amount:** \$345,000.00**Individual Contribution Amount:** \$5,000.00**Broker Statement** THE LAW SUIT WAS FILED BY THE PLAINTIFFS, WHO WERE NOT MONY SECURITIES CORP. CLIENTS, AGAINST MONY SECURITIES CORP., MARK



KEMP, [THIRD PARTY](PRESIDENT OF WORLDWIDE INDUSTRIES), [THIRD PARTY](C.E.O. OF WORLD HOME INDUSTRIES) AND [THIRD PARTY], CPA(C.F.O. OF WHI. MR. KEMP OFFICED AND WORKED WITH [THIRD PARTY] IN A ACCOUNTING FIRM AS THE INSURANCE AND INVESTMENT ASSOCIATE. AFTER THE SUIT WAS FILED MR. KEMP WAS GIVEN ONE SET OF INTERROGATORY QUESTIONS REQUESTING E&O CARRIER INFORMATION. UPON ANSWERING AND DISCLOSING THAT THE E&O CARRIER WOULD NOT PROVIDE COVERAGE IN THIS MATTER, THE SUIT WAS STAGNATED. THERE WERE NO ALLEGED COMPENSATORY DAMAGES. THE SETTLEMENT AMOUNTS DISCLOSED WERE TAKEN FROM THE MONY FORM U-5. THE REPRESENTATIVE DID NOT KNOW WHAT THESE #'S WERE BECAUSE HE ALLEGES THAT MONY WOULD NOT DISCLOSE THIS INFORMATION TO HIM.



## 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 2

**Reporting Source:** Firm  
**Firm Name:** NEXT FINANCIAL GROUP INC  
**Termination Type:** Discharged  
**Termination Date:** 11/10/2009  
**Allegations:** SOLICITATION OF PENNY STOCK IN VIOLATION OF FIRM POLICY AND FAILURE TO OBSERVE HIGH STANDARDS OF COMMERCIAL ORDER AND EQUITABLE PRINCIPAL TRADE.  
**Product Type:** Penny Stock

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**Reporting Source:** Individual  
**Firm Name:** NEXT FINANCIAL GROUP  
**Termination Type:** Discharged  
**Termination Date:** 11/09/2009  
**Allegations:** SOLICITED A PENNY STOCK AGAINST FIRM POLICY.  
**Product Type:** Penny Stock  
**Broker Statement** I THOUGHT THE STOCK WAS LISTED ON THE NASDAQ AND THEREFORE A LOW PRICED SECURITY AND DID NOT COME UNDER THE "PENNY STOCK" DEFINITION.

### Disclosure 2 of 2

**Reporting Source:** Individual  
**Firm Name:** MONY SECURITIES CORP.  
**Termination Type:** Discharged  
**Termination Date:** 11/16/1998  
**Allegations:** N/A  
MONY ALLEGES THAT I HAVE PARTICIPATED IN THE SELLING OF PRIVATE SECURITIES OR "SELLING AWAY".  
**Product Type:** Other  
**Other Product Types:** PRIVATE PLACEMENT  
**Broker Statement** THE ORIGINAL CASE ALLEGING THAT I SOLD SHARES IN A WORLD HOME INDUSTRIES PRIVATE PLACEMENT WAS FILED ALONG WITH THE ONLY ACTUAL SECURITIES COMPLIANT ON NOVEMBER 4, 1998. MUTUAL OF NEW YORK WAS GOING THROUGH AN IPO WHEN I FOUND OUT FROM MY REGIONAL V.P. THEY WEREN'T GOING TO STAND BY ME, I FAXED THEM MY LETTER OF RESIGNATION THEY RESPONDED BY FIRING ME.



## End of Report

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