



IAPD Report

TIMOTHY SEAN MCENENY JR

CRD# 2250543

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Please contact FINRA with any concerns.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

TIMOTHY SEAN MCENENY JR (CRD# 2250543)

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 **02/12/2018**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	GARDEN STATE SECURITIES, INC.	CRD# 10083	03/04/2010
IA	GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC	CRD# 133088	02/02/2016

QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **12** 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	PAULSON INVESTMENT COMPANY, INC.	5670	SEA GIRT, NJ	09/27/2002 - 03/25/2010
B	SCHNEIDER SECURITIES, INC.	16434	DENVER, CO	12/20/2001 - 09/27/2002
B	GLOBAL CAPITAL SECURITIES CORPORATION	16184	ENGLEWOOD, CO	04/28/1995 - 12/21/2001

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	1
Termination	1



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

Employment 1 of 2

Firm Name: **GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC**
Main Address: 328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701
Firm ID#: 133088

	Regulator	Registration	Status	Date
IA	New Jersey	Investment Adviser Representative	Approved	02/02/2016

Branch Office Locations

GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC
328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701

Employment 2 of 2

Firm Name: **GARDEN STATE SECURITIES, INC.**
Main Address: 328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701
Firm ID#: 10083

	Regulator	Registration	Status	Date
B	FINRA	General Securities Principal	Approved	03/04/2010
B	FINRA	General Securities Representative	Approved	03/04/2010
B	California	Agent	Approved	03/04/2010
B	Connecticut	Agent	Approved	03/10/2010
B	Florida	Agent	Approved	03/10/2010
B	Georgia	Agent	Approved	03/10/2010



Qualifications

	Regulator	Registration	Status	Date
B	Maryland	Agent	Approved	03/10/2010
B	Massachusetts	Agent	Approved	03/10/2010
B	Michigan	Agent	Approved	03/10/2010
B	New Jersey	Agent	Approved	03/04/2010
B	New York	Agent	Approved	03/05/2010
B	Pennsylvania	Agent	Approved	03/05/2010
B	Rhode Island	Agent	Approved	03/10/2010
B	Virginia	Agent	Approved	03/10/2010

Branch Office Locations

328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701



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

Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination (S24)	Series 24	10/02/1995

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
General Securities Representative Examination (S7)	Series 7	08/17/1992

State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination (S66)	Series 66	11/18/2015
Uniform Securities Agent State Law Examination (S63)	Series 63	01/20/1993

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	09/27/2002 - 03/25/2010	PAULSON INVESTMENT COMPANY, INC.	CRD# 5670	SEA GIRT, NJ
B	12/20/2001 - 09/27/2002	SCHNEIDER SECURITIES, INC.	CRD# 16434	DENVER, CO
B	04/28/1995 - 12/21/2001	GLOBAL CAPITAL SECURITIES CORPORATION	CRD# 16184	ENGLEWOOD, CO
B	08/19/1994 - 05/09/1995	H.J. MEYERS & CO., INC.	CRD# 15609	ROCHESTER, NY
B	01/14/1993 - 09/15/1994	HIBBARD BROWN & CO., INC.	CRD# 18246	NEW YORK, NY
B	08/05/1994 - 08/19/1994	WESTFIELD FINANCIAL CORPORATION	CRD# 8143	NEW YORK, NY
B	08/18/1992 - 01/18/1993	THOMAS JAMES ASSOCIATES, INC.	CRD# 15609	ROCHESTER, 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	GARDEN STATE SECURITIES, INC	REGISTERED REP	Y	WALL TWP, NJ, United States
09/2002 - Present	PAULSON INVESTMENT COMPANY, INC.	REGISTERED REPRESENTATIVE	Y	SEA GIRT, NJ, 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) IAABO-SHOREBOARD #194, INDEPENDENT CONTRACTOR (1099), SPORTS OFFICAL, NOT INVESTMENT RELATED, SALARY COMPENSATION, 3 HOURS WEEKLY. 2) TMAC FINANCIAL SERVICES, INC. 909 BIRCH DR., BRIELLE, NJ 08730 732.245.2617 CORPORATION INVESTMENT ADVISOR. NOT INVESTMENT RELATED. SET UP TO PAY BILLS OF THE BRANCH, RENT , UTILITIES. OWNER 100%. LESS THAN 1 HOUR PER WEEK. 3)BIG SHOT HOOPS 10.1.2013 909 BIRCH DRIVE, BRIELLE, NJ 08730 732-245-2617. NOT INVESTMENT RELATED. ORGANIZE YOUTH SPORTS CLINICS, CAMPS, TOURNAMENTS. 2 HOURS PER WEEK. SALARY COMPENSATION. ESTIMATE \$5000.00 ANNUAL. 4) LIFE INSURANCE; VARIABLE



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	1
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:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	01/05/2012
Docket/Case Number:	2010022207701
Employing firm when activity occurred which led to the regulatory action:	PAULSON INVESTMENT COMPANY, INC.
Product Type:	Equity Listed (Common & Preferred Stock) Mutual Fund Other: WARRANTS
Allegations:	NASD RULES 2110, 2310, INTERPRETATIVE MATERIAL 2310-2: ON JULY 7, 2008, MCENENY RECOMMENDED AND CAUSED THE LIQUIDATION OF THE SECURITIES IN A CUSTOMER'S ACCOUNT AT HIS MEMBER FIRM, INCLUDING MUTUAL FUNDS THAT REPRESENTED A SIGNIFICANT PORTION OF THE ACCOUNT ASSETS, AND INVESTED THE SALES PROCEEDS IN THE COMMON STOCK OF TWO COMPANIES. FROM THAT DATE THROUGH SEPTEMBER 11, 2008, MCENENY RECOMMENDED AND CAUSED THE EXECUTION OF SEVERAL MORE PURCHASE AND SALE TRANSACTIONS INVOLVING THE COMMON STOCK OF THOSE TWO COMPANIES. IN MID-SEPTEMBER 2008, MCENENY RECOMMEND AND CAUSED THE LIQUIDATION OF THE ASSETS IN THE ACCOUNT AND USED THE SALES PROCEEDS TO PURCHASE WARRANTS ISSUED BY ONE OF THOSE



COMPANIES. AS A RESULT OF THE TRANSACTIONS, THE CUSTOMER'S ACCOUNT SUFFERED A REALIZED LOSS OF APPROXIMATELY \$36,615.65. THE TRADING GENERATED GROSS COMMISSIONS OF APPROXIMATELY \$6,990. MCENENY DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDED COMMON STOCKS AND WARRANTS WERE SUITABLE FOR THE CUSTOMER; THE TRADING WAS INCONSISTENT WITH HER FINANCIAL SITUATIONS AND NEEDS. MCENENY'S RECOMMENDATIONS RESULTED IN AN OVERCONCENTRATION OF THE CUSTOMER'S ASSETS IN THE SECURITIES OF ONE OR TWO COMPANIES, EACH OF WHICH CARRIED A LEVEL OF MARKET RISK THAT WAS NOT SUITABLE FOR THE CUSTOMER GIVEN THE AMOUNT INVESTED AND HER FINANCIAL RESOURCES.

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:

01/05/2012

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:	ALL CAPACITIES
Duration:	20 BUSINESS DAYS
Start Date:	02/06/2012
End Date:	03/05/2012

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:	
Date Paid by individual:	01/17/2012
Was any portion of penalty waived?	No

**Amount Waived:****Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, MCENENY 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 20 BUSINESS DAYS. THE SUSPENSION IS IN EFFECT FROM FEBRUARY 6, 2012, THROUGH MARCH 5, 2012. FINE PAID IN FULL JANUARY 17, 2012.

Reporting Source:

Individual

Regulatory Action Initiated By:

FINRA

Sanction(s) Sought:

Suspension

Date Initiated:

01/05/2012

Docket/Case Number:[2010022207701](#)**Employing firm when activity occurred which led to the regulatory action:**

PAULSON INVESTMENTS

Product Type:Equity Listed (Common & Preferred Stock)
Mutual Fund**Allegations:**

NASD RULES 2110, 2310, INTERPRETATIVE MATERIAL 2310-2: ON JULY 7, 2008, MCENENY RECOMMENDED AND CAUSED THE LIQUIDATION OF THE SECURITIES IN A CUSTOMER'S ACCOUNT AT HIS MEMBER FIRM, INCLUDING MUTUAL FUNDS THAT REPRESENTED A SIGNIFICANT PORTION OF THE ACCOUNT ASSETS, AND INVESTED THE SALES PROCEEDS IN THE COMMON STOCK OF TWO COMPANIES. FROM THAT DATE THROUGH SEPTEMBER 11, 2008, MCENENY RECOMMENDED AND CAUSED THE EXECUTION OF SEVERAL MORE PURCHASE AND SALE TRANSACTIONS INVOLVING THE COMMON STOCK OF THOSE TWO COMPANIES. IN MID-SEPTEMBER 2008, MCENENY RECOMMEND AND CAUSED THE LIQUIDATION OF THE ASSETS IN THE ACCOUNT AND USED THE SALES PROCEEDS TO PURCHASE WARRANTS ISSUED BY ONE OF THOSE COMPANIES. AS A RESULT OF THE TRANSACTIONS, THE CUSTOMER'S ACCOUNT SUFFERED A REALIZED LOSS OF APPROXIMATELY \$36,615.65. THE TRADING GENERATED GROSS COMMISSIONS OF APPROXIMATELY \$6,990. MCENENY DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDED COMMON STOCKS AND WARRANTS WERE SUITABLE FOR THE CUSTOMER; THE TRADING WAS INCONSISTENT WITH HER FINANCIAL SITUATIONS AND NEEDS. MCENENY'S RECOMMENDATIONS RESULTED IN AN OVERCONCENTRATION OF THE CUSTOMER'S ASSETS IN THE SECURITIES OF ONE OR TWO COMPANIES, EACH OF WHICH CARRIED A LEVEL OF MARKET RISK THAT WAS NOT SUITABLE FOR THE CUSTOMER GIVEN THE AMOUNT INVESTED AND HER FINANCIAL RESOURCES.

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:	01/05/2012
Sanctions Ordered:	Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	ALL CAPACITIES
Duration:	20 BUSINESS DAYS
Start Date:	02/06/2012
End Date:	03/05/2012
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:	NONE - PAID IN FULL
Is Payment Plan Current:	
Date Paid by individual:	01/13/2012
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 1

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PAULSON INVESTMENT COMPANY

Allegations: CUSTOMER ALLEGES THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER. AMOUNT - \$46,339.54 (THIS IS THE DIFFERENCE BETWEEN WHAT SHE SAYS HER ACCOUNT WAS WORTH AND THE 50K SHE SAYS IT SHOULD BE WORTH).

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Alleged Damages: \$46,339.54

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: 11/09/2009

Complaint Pending? No

Status: Settled

Status Date: 06/07/2010

Settlement Amount: \$40,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: PAULSON INVESTMENT COMPANY

Allegations: CUSTOMER ALLEGES THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER. AMOUNT - \$46,339.54 (THIS IS THE DIFFERENCE BETWEEN WHAT SHE SAYS HER ACCOUNT WAS WORTH AND THE 50K SHE SAYS IT SHOULD BE WORTH).

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Alleged Damages: \$46,339.54

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: 11/09/2009

Complaint Pending? No

Status: Settled

Status Date: 06/07/2010

Settlement Amount: \$40,000.00

Individual Contribution Amount: \$0.00

Broker Statement

DESPITE NEVER HAVING NEVER COMPLAINED OF TRANSACTIONS DURING A 6 YEAR PERIOD IN WHICH NUMEROUS PERSONAL MEETINGS UNQUESTIONABLY OCCURRED, AND HAVING RECEIVED CONFIRMATIONS AND STATEMENTS (VERIFIED BY MANAGERS/PRINCIPALS) REFLECTING ALL TRANSACTIONS, [CUSTOMER] ONLY DECIDED TO COMPLAIN AFTER MARKET LOSSES WERE REFLECTED IN HER ACCOUNT. THE ALLEGATIONS WERE INVESTIGATED BY THE FIRM, AND THE FIRM SETTLED THE CLAIM TO AVOID LEGAL FEE EXPENSE. I DID NOT CONTRIBUTE TO THE SETTLEMENT, AS I DENIED ALL ALLEGATIONS OF WRONGDOING AS FRIVOLOUS.



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: Firm

Firm Name: PAULSON INVESTMENT COMPANY

Termination Type: Voluntary Resignation

Termination Date: 03/05/2010

Allegations: AFTER RECEIVING A CALL AND THEN A WRITTEN STATEMENT FROM A CUSTOMER THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER, THE FIRM INITIATED AN INTERNAL REVIEW. REPRESENTATIVE RESIGNED BEFORE THE REVIEW WAS COMPLETED, CONCLUDING THE INTERNAL REVIEW.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Reporting Source: Individual

Firm Name: PAULSON INVESTMENT COMPANY

Termination Type: Voluntary Resignation

Termination Date: 03/05/2010

Allegations: AFTER RECEIVING A CALL AND THEN A WRITTEN STATEMENT FROM A CUSTOMER THAT REPRESENTATIVE SOLD MUTUAL FUNDS AND BOUGHT STOCKS ON JULY 7, 2008, WITHOUT CONTACTING HER, THE FIRM INITIATED AN INTERNAL REVIEW. REPRESENTATIVE RESIGNED BEFORE THE REVIEW WAS COMPLETED, CONCLUDING THE INTERNAL REVIEW.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Broker Statement DESPITE NEVER HAVING NEVER COMPLAINED OF TRANSACTIONS DURING A 6 YEAR PERIOD IN WHICH NUMEROUS PERSONAL MEETINGS UNQUESTIONABLY OCCURRED, AND HAVING RECEIVED CONFIRMATIONS AND STATEMENTS (VERIFIED BY MANAGERS/PRINCIPALS) REFLECTING ALL TRANSACTIONS, (CUSTOMER) ONLY DECIDED TO COMPLAIN AFTER MARKET LOSSES WERE REFLECTED IN HER ACCOUNT. THE ALLEGATIONS WERE INVESTIGATED BY THE FIRM, AND THE FIRM SETTLED THE CLAIM TO AVOID LEGAL FEE EXPENSE. I DID NOT CONTRIBUTE TO THE SETTLEMENT, AS I DENIED ALL ALLEGATIONS OF WRONGDOING AS FRIVOLOUS.



End of Report

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