IAPD Report

CLIFFORD LEIGH SCHMIDT

CRD# 413912

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

User Guidance

www.adviserinfo.sec.gov

Report Summary

CLIFFORD LEIGH SCHMIDT (CRD# 413912)

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 **09/22/2021**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	FOUNDATION ASSOCIATES ASSET MANAGEMENT INC.	CRD# 315012	10/12/2021

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.
Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
B	MORGAN STANLEY	149777	SAN DIEGO, CA	06/01/2009 - 08/06/2018
IA	MORGAN STANLEY	149777	SAN DIEGO, CA	06/01/2009 - 08/06/2018
IA	CITIGROUP GLOBAL MARKETS INC.	7059	SAN DIEGO, CA	07/08/1997 - 06/01/2009

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

DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	1
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 **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **FOUNDATION ASSOCIATES ASSET MANAGEMENT INC.**
Main Address: SAN DIEGO, CA
Firm ID#: 315012

	Regulator	Registration	Status	Date
IA	California	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026

Branch Office Locations

FOUNDATION ASSOCIATES ASSET MANAGEMENT INC.
san diego, CA

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, 5 general industry/product exams, and 2 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	08/06/2018
B	Foreign Currency Options Examination (S15)	Series 15	02/11/1991
B	Interest Rate Options Examination (S5)	Series 5	10/12/1981
B	AMEX Put and Call Exam (PC)	PC	05/02/1977
B	Registered Representative Examination (S1)	Series 1	12/13/1972

State Securities Law Exams

	Exam	Category	Date
IA	Uniform Investment Adviser Law Examination (S65)	Series 65	08/17/2021
B	Uniform Securities Agent State Law Examination (S63)	Series 63	10/11/1989

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	06/01/2009 - 08/06/2018	MORGAN STANLEY	CRD# 149777	SAN DIEGO, CA
IA	06/01/2009 - 08/06/2018	MORGAN STANLEY	CRD# 149777	SAN DIEGO, CA
IA	07/08/1997 - 06/01/2009	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	SAN DIEGO, CA
B	03/27/1996 - 06/01/2009	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	SAN DIEGO, CA
B	08/10/1981 - 03/19/1996	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	NEW YORK, NY
B	12/19/1972 - 10/10/1977	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.	CRD# 572	

EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
09/2007 - Present	foundation associates asset management	president	Y	san diego, CA, United States
01/2015 - 08/2018	MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION	FINANCIAL ADVISOR	Y	NEW YORK, NY, United States
06/2009 - 08/2018	MORGAN STANLEY SMITH BARNEY	Mass Transfer	Y	SAN DIEGO, CA, United States

OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

1. SOLE SHAREHOLDER OF FOUNDATION ASSOCIATES ASSET MANAGEMENT INC.; CALIFORNIA; REGISTERED WITH THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") AS AN ASSOCIATED PERSON OF FOUNDATION ASSOCIATES. FOUNDATION ASSOCIATES IS A CALIFORNIA CORPORATION AND AS A COMMODITY TRADING ADVISOR. IT IS THE COMMODITY TRADING ADVISER TO VARIOUS SEPARATELY MANAGED FUTURES ACCOUNTS. CLIENTS PAY FOUNDATION ASSOCIATES AN ASSET-BASED INVESTMENT MANAGEMENT FEE AND INCENTIVE COMPENSATION. MORGAN STANLEY SMITH BARNEY EARNS COMMISSIONS FROM TRADES MADE BY FOUNDATION ASSOCIATES. DEPENDING ON THE RELATIVE COMPENSATION HE WILL RECEIVE FROM MORGAN STANLEY SMITH BARNEY FOR RECOMMENDING ONE OF ITS INVESTMENT PRODUCTS, OR FROM A FOUNDATION ASSOCIATES SEPARATELY

Registration & Employment History

OTHER BUSINESS ACTIVITIES

MANAGED FUTURES ACCOUNT, MR. SCHMIDT HAS AN INCENTIVE TO RECOMMEND TO CLIENTS EITHER AN INVESTMENT PRODUCT AVAILABLE AT MORGAN STANLEY SMITH BARNEY OR A FOUNDATION ASSOCIATES SEPARATELY MANAGED FUTURES ACCOUNT. MORGAN STANLEY SMITH BARNEY ADDRESSES THIS CONFLICT OF INTEREST BY DISCLOSING IT TO CLIENTS. 0 AFTER BUSINESS HOURS; 100 DURING BUSINESS HOURS. 2007**

2. SAN DIEGO HIGH SCHOOL FOUNDATION; TREASURER OF THE ADVISORY BOARD OF THE ACADEMY OF FINANCE; PAY CHECKS THAT FUND THE PROGRAMS OUR BOARD PROVIDES, MAKE DEPOSITS WHEN NECESSARY, AND REPORT ACCOUNT STATUS TO THE BOARD AT OUR MONTHLY MEETINGS; 4 HOURS DURING BUSINESS; 1 HOUR AFTER BUSINESS; 09/1999

3. Rental Property; Investment related; La Quinta, CA; Rental Property; Sole Proprietor / Owner / Partner; Dec/2017; During business hours: 0; After business hours: 0; FA will handle rental agreements and collection
4.Foundation Associates Asset Management Inc; Investment related - Yes; San Diego; Private Company; CEO (proprietor, partner, officer, director, employee, trustee, agent); During business hours: 100; After business hours: 0; Commodities trading advisor managing commodity accounts

Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

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

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

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

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

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

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

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

DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	1
Termination	1

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:	Individual
Employing firm when activities occurred which led to the complaint:	MERRILL LYNCH FUTURES INC.
Allegations:	ALLEGED THAT MR. SCHMIDT NEVER DISCLOSED THAT MERRILL LYNCH FUTURES INC. COULD AND WOULD, LIQUIDATE PLAINTIFFS ACCOUNT WITHOUT GIVING PLAINTIFFS THE OPPORTUNITY TO MAKE A DEPOSIT AT A TIME WHEN PLAINTIFFS BANK WAS CLOSED. DAMAGES OF $25,000 ARE ALLEGED.
Product Type:	
Alleged Damages:	$25,000.00

Customer Complaint Information

Date Complaint Received:	
Complaint Pending?	No
Status:	Litigation
Status Date:	12/12/1995
Settlement Amount:	
Individual Contribution Amount:	

Civil Litigation Information

Court Details:	684423
Date Notice/Process Served:	03/30/1995
Litigation Pending?	No
Disposition:	Settled
Disposition Date:	12/12/1995
Monetary Compensation Amount:	$15,000.00
Individual Contribution Amount:	
Broker Statement	SETTLED FOR $15,000 MR. SCHMIDT DENIES THE ALLEGATIONS OF THE COMPLAINT. PLAINTIFFS EXECUTED AN AGREEMENT AUTHORIZING THE DISPUTED MARGIN LIQUIDATIONS. NEVERTHELESS IN ORDER TO AVOID THE TIME, EXPENSE AND DISTRACTION OF A JURY TRIAL, THIS MATTER WAS SETTLED.

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:	Permitted to Resign
Termination Date:	02/29/1996
Allegations:	N/A MR. SCHMIDT WAS PERMITTED TO RESIGN FOR HIS FAILURE TO FOLLOW MANAGEMENT INSTRUCTIONS, COUPLED WITH WITHOLDING FROM MANAGEMENT INFORMATION REGARDING A CUSTOMER.
Product Type:	
Other Product Types:	
Broker Statement	Not Provided I WAS TOLD TO ACCEPT NO NEW BUSINESS FROM AN ACCOUNT (FUTURE). THE CLIENT WAS IN THE PROCESS OF TRANSFERRING THE ACCOUNT TO DEAN WITTER & GAVE ME AN ORDER TO ROLL FORWARD AN EXISTING POSITION TO THE NEXT EXPIRATION MONTH. I DID SO IMMEDIATELY, NOT BELIEVING THAT TO BE NEW BUSINESS. AS TO THE ALLEGATION OF WITHOLDING INFORMATION, THIS INVOLVED THE ADVISOR TO THIS ACCOUNT. HE HAD PURCHASED SOME STOCK OPTIONS 6 YEARS AGO AND NOT PAID FOR THEM (I WAS CHARGED FOR THIS BY MERRILL & THE AMT DEDUCTED FROM MY PAY). I WAS ACCUSED OF NOT BRINGING THIS TO THEIR ATTENTION IN THIS CURRENT SITUATION, WHEN HE WAS NOT EVEN THE PRINCIPAL OF THE ACCOUNT IN QUESTION. HE WAS THE ADVISOR. THE MANAGER WHO MADE THIS ALLEGATION WAS THE MANAGER WHEN THE OCCURENCE IN QUESTION HAPPENED 6 YEARS AGO.

End of Report

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