



## IAPD Report

# RICHARD SMITH TONGE

CRD# 700822

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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

### RICHARD SMITH TONGE (CRD# 700822)

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 **12/03/2014**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	TONGE INVESTMENTS	CRD# 119651	10/31/2002

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **2** jurisdiction(s).

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

**Note:** Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

### REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
B	ROBERT THOMAS SECURITIES, INC	10147	ST. PETERSBURG, FL	06/25/1996 - 05/08/1997
B	R. M. TONGE COMPANY	6806	WATERVILLE, ME	01/29/1975 - 07/10/1996
B	SMITH & CO	1000001	WATERVILLE, ME	05/17/1974 - 03/21/1975

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



## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **2** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **TONGE INVESTMENTS**  
Main Address: BELGRADE, ME  
Firm ID#: 119651

	Regulator	Registration	Status	Date
IA	Maine	Investment Adviser Representative	Approved	02/10/2010
IA	New Hampshire	Investment Adviser Representative	Approved	02/25/2015

### Branch Office Locations

**TONGE INVESTMENTS**  
BELGRADE, ME






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



#### Principal/Supervisory Exams

Exam	Category	Date
 Registered Options Principal Examination (S4)	Series 4	12/23/1980
 Financial Principal Examination (F04)	F04	08/02/1980
 General Securities Principal Examination (S00)	Series 00	02/19/1975

#### General Industry/Product Exams

Exam	Category	Date
 Registered Representative Examination (S1)	Series 1	05/11/1974

#### State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	08/21/1996
 Uniform Securities Agent State Law Examination (S63)	Series 63	08/21/1996

### 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	06/25/1996 - 05/08/1997	ROBERT THOMAS SECURITIES, INC	CRD# 10147	ST. PETERSBURG, FL
B	01/29/1975 - 07/10/1996	R. M. TONGE COMPANY	CRD# 6806	WATERVILLE, ME
B	05/17/1974 - 03/21/1975	SMITH & CO	CRD# 1000001	

### 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
05/1997 - Present	TONGE INVESTMENT SERVICES	OWNER	Y	WATERVILLE, ME, 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.

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## 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

### 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

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	MAINE OFFICE OF SECURITIES
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Date Initiated:</b>	07/29/2013
<b>Docket/Case Number:</b>	13-9376
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	TONGE INVESTMENTS (LEGAL NAME) TONGE INVESTMENT SERVICES, INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	TONGE (1) ENGAGED IN LOANING MONEY TO A CLIENT AND STRUCTURING THE REPAYMENT OF THOSE FUNDS AS "MANAGEMENT FEES" ON THE CLIENT'S ACCOUNT; (2) INFLATED THE AMOUNT OF THE REPAYMENTS (MANAGEMENT FEES) TO COMPENSATE FOR INCOME TAX FOR WHICH TONGE WOULD BE RESPONSIBLE; (3) BASED ON A THIRD PARTY AGREEMENT WITH SCHWAB, TONGE EXCEEDED HIS AUTHORITY TO DIRECTLY DEDUCT "MANAGEMENT FEES" FROM THE CLIENT'S ACCOUNT BY DEDUCTING FEES HE CATAGORIZED AS "MANAGEMENT FEES" BUT THAT WERE REALLY INTENDED AS REPAYMENT OF A LOAN AND TO COVER HIS TAXES.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Order



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	07/28/2014
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Other: FOR A PERIOD OF TWO YEARS FROM THE DATE OF THIS CONSENT ORDER, TONGE MUST , WITHIN 15 DAYS AFTER LEARNING OF ANY INVESTIGATION, PROCEEDING, OR WRITTEN OR ORAL CUSTOMER COMPLAINT AGAINST HIM ARISING OUT OF ACTIVITIES IN THE SECURITIES, INSURANCE, OR FINANCE INDUSTRY, SEND WRITTEN NOTIFICATION TO THE OFFICE OF SECURITIES OF THE INVESTIGATION, PROCEEDING, OR COMPLAINT IN ADDITION TO MAKING ANY REQUIRED DISCLOSURES ON WEB CRD/IARD.
<b>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?</b>	No
<b>(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?</b>	No
<b>(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</b>	No
<b>(3) failed reasonably to</b>	No



**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?**

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$2,000.00

**Portion Levied against individual:** \$2,000.00

**Payment Plan:** 500.00 DUE WITH SIGNED CONSENT ORDER AND REMAINDER DUE IN 5 MONTHLY PAYMENTS OF 300.00 BY THE LAST BUSINESS DAY OF EACH MONTH.

**Is Payment Plan Current:** Yes

**Date Paid by individual:**

**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:**

**Allegations:** A SERIES OF UNSUITABLE AND/OR AUTHORIZED TRANSACTIONS.

**Product Type:**

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 10/31/1996

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/25/1997

**Settlement Amount:** \$10,000.00

**Individual Contribution Amount:**

**Firm Statement** PAYMENT OF \$10,000 TO CLAIMANT IN SETTLEMENT OF ALL CLAIMS;MUTUAL RELEASES EXCHANGED;NO ADMISSION OF LIABILITY BY FIRM OR FORMER REGISTERED REPRESENTATIVE.  
Not Provided

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** R M TONGE COMPANY

**Allegations:** A SERIES OF UNSUITABLE AND/OR UNAUTHORIZED TRANSACTIONS

**Product Type:** Equity-OTC  
Mutual Fund

**Alleged Damages:** \$5,000.00

**Alleged Damages Amount Explanation (if amount not exact):** DAMAGES LESS THAN 5000.00

**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:** 10/31/1996

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/25/1997

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

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

**Arbitration Information**

**Disposition:** Settled

**Disposition Date:** 10/26/1997

**Broker Statement** THIS ALLEGATION WAS SETTLED FOR A LITTLE LESS THAN THE LAWYER FEES OF THE CLIENT AFTER IT WAS DETERMINED THAT THE TRADES WERE NOT ONLY SUITABLE BUT, IN FACT, AUTHORIZED AND PROFITABLE.



## End of Report

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