



IAPD Report

Gaines C Walker

CRD# 728023

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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

Gaines C Walker (CRD# 728023)

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 **02/17/2026**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	09/15/2004
IA	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	09/16/2004

QUALIFICATIONS

This representative is currently registered in **6** SRO(s) and **28** jurisdiction(s).

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

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

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

REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
IA	SSN ADVISORY, INC.	126090	KNOXVILLE, TN	02/02/2004 - 09/21/2004
B	SECURITIES SERVICE NETWORK, INC.	13318	KNOXVILLE, TN	09/25/1996 - 09/21/2004
B	EQUITY FINANCIAL CORPORATION	19735	KNOXVILLE, TN	12/21/1994 - 09/04/1996

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	2



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 **28** jurisdiction(s) and 6 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**
Main Address: ONE BRYANT PARK
NEW YORK, NY 10036
Firm ID#: 7691

Regulator	Registration	Status	Date
B Cboe BYX Exchange, Inc.	General Securities Representative	Approved	05/15/2014
B Cboe BYX Exchange, Inc.	General Securities Principal	Approved	05/27/2014
B Cboe BYX Exchange, Inc.	Financial and Operations Principal	Approved	06/02/2014
B Cboe BZX Exchange, Inc.	General Securities Representative	Approved	05/15/2014
B Cboe BZX Exchange, Inc.	General Securities Principal	Approved	05/27/2014
B Cboe BZX Exchange, Inc.	Financial and Operations Principal	Approved	06/02/2014
B Cboe Exchange, Inc.	General Securities Representative	Approved	09/15/2004
B Cboe Exchange, Inc.	Financial and Operations Principal	Approved	06/02/2014
B Cboe Exchange, Inc.	General Securities Principal	Approved	07/08/2021
B FINRA	Financial and Operations Principal	Approved	09/15/2004
B FINRA	General Securities Principal	Approved	09/15/2004
B FINRA	General Securities Representative	Approved	09/15/2004
B FINRA	Operations Professional	Approved	10/01/2018



Qualifications

Regulator	Registration	Status	Date
B Nasdaq Stock Market	Financial and Operations Principal	Approved	07/12/2006
B Nasdaq Stock Market	General Securities Principal	Approved	07/12/2006
B Nasdaq Stock Market	General Securities Representative	Approved	07/12/2006
B New York Stock Exchange	General Securities Representative	Approved	09/16/2004
B New York Stock Exchange	General Securities Principal	Approved	04/18/2012
B New York Stock Exchange	Financial and Operations Principal	Approved	06/02/2014
B Alabama	Agent	Approved	11/06/2008
B Arizona	Agent	Approved	10/07/2025
B Arkansas	Agent	Approved	08/13/2025
B California	Agent	Approved	07/16/2008
B Colorado	Agent	Approved	07/11/2005
B District of Columbia	Agent	Approved	02/08/2010
B Florida	Agent	Approved	08/31/2009
B Georgia	Agent	Approved	11/06/2008
B Idaho	Agent	Approved	06/08/2022
B Illinois	Agent	Approved	03/31/2022
B Indiana	Agent	Approved	02/02/2010
B Kentucky	Agent	Approved	02/02/2010
B Maryland	Agent	Approved	10/20/2023



Qualifications

	Regulator	Registration	Status	Date
B	Massachusetts	Agent	Approved	07/22/2013
B	Mississippi	Agent	Approved	11/13/2024
B	Nevada	Agent	Approved	11/09/2020
B	New Jersey	Agent	Approved	01/04/2010
B	New York	Agent	Approved	05/26/2022
B	North Carolina	Agent	Approved	10/23/2009
B	Ohio	Agent	Approved	09/20/2005
B	Oklahoma	Agent	Approved	10/05/2016
B	Pennsylvania	Agent	Approved	06/16/2008
B	South Carolina	Agent	Approved	11/21/2006
B	Tennessee	Agent	Approved	09/16/2004
IA	Tennessee	Investment Adviser Representative	Approved	09/16/2004
B	Texas	Agent	Approved	02/16/2010
IA	Texas	Investment Adviser Representative	Restricted Approval	02/16/2010
B	Virginia	Agent	Approved	09/15/2004
B	Washington	Agent	Approved	08/17/2012
B	West Virginia	Agent	Approved	02/25/2026

Branch Office Locations

MERRILL LYNCH, PIERCE, FENNER & SMITH



Qualifications

INCORPORATED
800 S GAY ST
KNOXVILLE, TN 37929





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 2 principal/supervisory exams, 5 general industry/product exams, and 2 state securities law exams.



Principal/Supervisory Exams

Exam	Category	Date
 Financial and Operations Principal Examination (S27)	Series 27	03/08/1995
 General Securities Principal Examination (S24)	Series 24	02/08/1995

General Industry/Product Exams

Exam	Category	Date
 Operations Professional Examination (S99TO)	Series 99TO	01/02/2023
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 Futures Managed Funds Examination (S31)	Series 31	09/03/2008
 General Securities Representative Examination (S7)	Series 7	10/20/1994
 Registered Representative Examination (S1)	Series 1	06/09/1980

State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	12/04/1999
 Uniform Securities Agent State Law Examination (S63)	Series 63	11/18/1994



PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **1** professional designation(s).

Certified Financial Planner

This representative holds or did hold **1** professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	02/02/2004 - 09/21/2004	SSN ADVISORY, INC.	CRD# 126090	KNOXVILLE, TN
B	09/25/1996 - 09/21/2004	SECURITIES SERVICE NETWORK, INC.	CRD# 13318	KNOXVILLE, TN
B	12/21/1994 - 09/04/1996	EQUITY FINANCIAL CORPORATION	CRD# 19735	KNOXVILLE, TN
B	10/05/1992 - 11/12/1993	EQUITY FINANCIAL CORPORATION	CRD# 19735	KNOXVILLE, TN
B	04/09/1981 - 10/20/1992	A. C. MASINGILL & ASSOCIATES, INC.	CRD# 8391	KNOXVILLE, TN

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
06/2011 - Present	Bank of America, N.A.	Wealth Management Advisor	Y	KNOXVILLE, TN, United States
09/2004 - Present	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED : 7691	FINANCIAL ADVISOR	Y	KNOXVILLE, TN, 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.

I*795252
 For profit or not for profit: Entity For Profit
 Name of outside business organization: VMW Partnership
 Investment related: N
 Address of business: Knoxville, Tennessee, 37922
 Nature of business: ["General Partnership"]
 Position, title, association: ["Other"],
 Start date of relationship: 6/1/2021
 Number of hours devoted: 1 hour(s) Monthly
 Number of hours devoted during trading hours: 0
 Duties: Wife & daughters own partnership (rental house); I help manage rental house/cash flow, maintain income & expenses of rental house owned by wife & daughters
 50% PARTNER IN G&S PARTNERSHIP, AN INVESTMENT PARTNERSHIP. 33% PARTNER IN HEALTHCARE COMPUTER



Registration & Employment History



OTHER BUSINESS ACTIVITIES

SYSTEMS, A COMPUTER HARDWARE AND SOFTWARE SALES COMPANY. DIRECTOR AND SECRETARY OF CER-WAT CORPORATION, A DISTRIBUTOR OF WATER FILTRATION EQUIPMENT. TRUSTEE FOR THE WAYNE TRUST, A FAMILY TRUST. TRUSTEE FOR THE ALREAD PLAN, A RETIREMENT PLAN. LICENSED AGENT IN THE STATE OF TENNESSEE TO SALE LIFE AND HEALTH INSURANCE. LICENSED AS AN AFFILIATE REAL ESTATE BROKER IN THE STATE OF TENNESSEE TO SALE REAL ESTATE.

HEALTHCARE COMPUTER SYSTEMS NO LONGER IN BUSINESS

NO LONGER AN OFFICER OF CERWAT CORPORATION

NO LONGER HOLD A REAL ESTATE LISENCE

I*40732

For profit or not for profit: For-Profit Organization

Name of outside business organization: Walker Brothers General Partnership

Investment related: Y

Address of business:

Johnson City, Tennessee 37604

Nature of business: General Partnership,

Position, title, association: Family Held,

Start date of relationship: 6/1/2010

Number of hours devoted: 5 hour(s) Monthly

Number of hours devoted during trading hours: 1

Duties: Partner with brothers owning land inherited from my mother and investments here at Merrill Lynch



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	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

Reporting Source: Regulator

Regulatory Action Initiated By: Tennessee Securities Division

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 12/20/1993

Docket/Case Number: 93-013 SI-92-I-09

Employing firm when activity occurred which led to the regulatory action: A. C. MASINGILL & ASSOCIATES, INC.

Product Type:

Other Product Type(s):

Allegations: Based upon information obtained by the Tennessee Securities Division, it appeared that Mr. Walker had sold unregistered securities and had failed to conduct reasonable due diligence. These actions constitute violations of the Tennessee Securities Act of 1980 in Sections 48-2-104 and 48-2-112(a)(2)(G) respectively.

Current Status: Final

Resolution: Consent

Resolution Date: 12/20/1993

Sanctions Ordered:



Other Sanctions Ordered:

Sanction Details:

Mr. Walker entered into a Consent Order which included findings of fact and conclusions of law. The Consent Order found that Mr. Walker had sold unregistered securities and had failed to conduct a reasonable inquiry to determine whether the interests he sold were securities and whether those securities were registered or exempt under the Tennessee Securities Act of 1980. Commissioner Elaine A. McReynolds entered the Consent Order in which Mr. Walker agreed to retake the Series 7 and Series 63 examinations and pass each with a minimum score of 80 prior to applying for securities agent registration in Tennessee.

Regulator Statement

From October 25, 1989 through January 4, 1990, Mr. Walker, as an agent of A.C. Masingill and Associates, Inc., sold International Certificates of Deposit issued by Pacific Exchangers Bank, Ltd., an exempt bank licensed by the Island Nation of Vanuatu. Mr. Walker sold a total of \$1,090,379.76 worth of Pacific Exchangers Bank Ltd. Certificates of Deposit. Prior to recommending such investments to his clients, Mr. Walker did not conduct a reasonable review and investigation into the operations of Pacific Exchangers Bank Ltd., the nature of its business and the manner in which the proceeds of the offering were to be invested, or to determine the accuracy of the representations made by Pacific Exchangers Bank Ltd.'s agent in the United States, Wolcotts Financial Services of Chattanooga, Tennessee. On August 1, 1991, in the case of McReynolds v. Wolcotts Financial Services, Inc. and Pacific Exchangers Bank Ltd., No. 91-69-II, Davidson County Chancellor C. Allen High ruled that the International Certificates of Deposit issued by Pacific Exchangers Bank Ltd. were securities covered by the Tennessee Securities Act of 1980. In addition to that finding, Chancellor High also found that Pacific Exchangers Bank Ltd. and Wolcotts Financial Services Inc. were operating a fraudulent "ponzi" scheme in violation of the Tennessee Securities Act of 1980. CONTACT: TENNESSEE SECURITIES DIVISION (615)741-3187.

Reporting Source:

Individual

Regulatory Action Initiated By:

STATE OF TN DEPT OF COMMERCE & INSURANCE SECURITY DIVISION.

Sanction(s) Sought:

Other

Other Sanction(s) Sought:

CONSENT ORDER

Date Initiated:

10/16/1992

Docket/Case Number:

FILE 93-013, SI-92-I09

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

A. C. MASINGILL & ASSOCIATES, INC.

Product Type:

Debt - Asset Backed

Other Product Type(s):

Allegations:

THE CUSTOMERS LOST \$356,669.00 IN DEBT



INSTRUMENTS. AMONG OTHER THINGS, IT WAS ALLEGED THAT: THE REGISTERED REPRESENTATIVE (RR) SOLD AN UNREGISTERED SECURITY; THE RR FAILED TO CONDUCT ADEQUATE DUE DILIGENCE.

Current Status: Final

Resolution: Consent

Resolution Date: 12/20/1993

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: THE BROKER/DEALER PAID \$328,686 TO THE CUSTOMERS AND ALL PARTIES WERE RELEASED. THE RR REQUIRED TO RETAKE THE SERIES 63 AND SERIES 7 SECURITIES EXAMINATIONS AND PASS EACH WITH A MINIMUM SCORE OF 80.

Broker Statement THE ISSUER OF THE DEBT INSTRUMENTS HAS BEEN INCARCERATED AND CHARGED WITH FRAUD. ALL INFORMATION AND STATEMENTS GIVEN TO THE CUSTOMERS BY THE RR WERE SUPPLIED BY THAT SAME ISSUER AND ALL OF SUCH WAS SUBSEQUENTLY DETERMINED TO BE MISLEADING AND UNTRUE. DESPITE NO ALLEGATION OF IMPROPRIETY OR DISHONESTY AGAINST THE RR, THE BROKER/DEALER MADE RESTITUTION TO THE CUSTOMERS.

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 09/17/1993

Docket/Case Number: C05930005

Employing firm when activity occurred which led to the regulatory action: A.C. MASINGILL & ASSOCIATES, INC

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/17/1993

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement [TOP] ON 9/17/93, DISTRICT NO. 5 NOTIFIED A.C. MASINGILL &



ASSOCIATES, INC., JEFFERY R. SHARP, ET AL. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C05930005 WAS ACCEPTED. WALKER IS CENSURED, FINED \$5,000, AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 30 DAYS - (ARTICLE III, SECTIONS 1, 2, 12, 18, 21 AND 27 OF THE RULES OF FAIR PRACTICE, SECTION 10 OF THE SECURITIES EXCHANGE ACT AND RULE 10b-5 THEREUNDER, AND SCHEDULE C, PART II, AND ARTICLE III, SECTION 1 OF THE NASD BY-LAWS - IN CONTRAVENTION OF SECTIONS 5(a) AND 5(b) OF THE SECURITIES ACT OF 1933, RESPONDENT MEMBER, ACTING THROUGH SHARP AND WALKER, SOLD OR CAUSE TO BE SOLD TO THE PUBLIC CERTIFICATES OF DEPOSIT WHICH WERE NOT REGISTERED PURSUANT TO SECTION 6 OF THE ACT, NOR WERE THEY EXEMPT FROM REGISTRATION UNDER SECTIONS 3 AND 4 OF THE ACT, WITHOUT PROVIDING THE PURCHASERS WITH ANY PROSPECTUS, OFFERING OR DISCLOSURE DOCUMENTS; FAILED AND NEGLECTED TO EXERCISE OR PERFORM ADEQUATE DUE DILIGENCE; FAILED TO CONDUCT A REASONABLE REVIEW AND INVESTIGATION INTO THE OPERATIONS OF THE OFFERING BANK THE NATURE OF ITS BUSINESS AND THE MANNER IN WHICH THE PROCEEDS OF THE OFFERING WOULD BE INVESTED; FAILED TO OBTAIN FULL AND COMPLETE FINANCIAL STATEMENTS OF THE BANK IN QUESTION; FAILED TO CONDUCT EFFECTIVE DUE DILIGENCE AS TO WHETHER THESE CERTIFICATES OF DEPOSIT WERE SECURITIES, AND IF SO, WHETHER THEY WERE SUBJECT TO REGISTRATION UNDER FEDERAL OR STATE SECURITIES LAWS; SOLD CERTIFICATES OF DEPOSIT TO PUBLIC CUSTOMERS WHEN THEY SHOULD HAVE KNOWN THAT SUCH SECURITIES WERE UNSUITABLE FOR THESE CUSTOMERS IN LIGHT OF THE CUSTOMERS INVESTMENT OBJECTIVES; SHARP AND WALKER COMMUNICATED AND MADE UNTRUE STATEMENTS OF MATERIAL FACT REGARDING THE SECURITIES SOLD WITHOUT A SUFFICIENT BASIS FOR FORMULATING A BELIEF. PRESS RELEASE 11/93: THE SUSPENSION WILL COMMENCE 11/15/93 AND WILL CONCLUDE 12/14/93.

Reporting Source:	Individual
Regulatory Action Initiated By:	THE NASD
Sanction(s) Sought:	Other
Other Sanction(s) Sought:	LETTER OF ACCEPTANCE, WAIVER AND CONSENT TO NASD DATED 06/13/1993.
Date Initiated:	10/16/1992
Docket/Case Number:	C05930005
Employing firm when activity occurred which led to the regulatory action:	A.C. MASINGILL & ASSOCIATES, INC
Product Type:	Debt - Asset Backed



Other Product Type(s):

Allegations: THE CUSTOMERS LOST \$356,669.00 IN DEBT INSTRUMENTS. AMONG OTHER THINGS, IT WAS ALLEGED THAT: THE REGISTERED REPRESENTATIVE (RR) SOLD AN UNREGISTERED SECURITY, THE RR FAILED TO CONDUCT ADEQUATE DUE DILIGENCE, THE RR MADE UNTRUE STATEMENTS ABOUT THE DEBT INSTRUMENTS, AND THE RR FAILED IN EXERCISING GOOD JUDGEMENT IN ASSESSING THE SUITABILITY FOR THE CUSTOMERS.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/17/1993

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

Other Sanctions Ordered:

Sanction Details: THE BROKER/DEALER PAID \$328,686.00 TO THE CUSTOMERS AND ALL PARTIES WERE RELEASED. A FINE OF \$5,00.00 AND A 30 DAY SUSPENSION (11/15/1993 - 12/15/1993) WERE ASSESSED BY THE NASD AGAINST THE APPLICANT.

Broker Statement THE ISSUER OF THE DEBT INSTRUMENTS HAS BEEN INCARCERATED AND CHARGED WITH FRAUD. ALL INFORMATION AND STATEMENTS GIVEN TO THE CUSTOMERS BY THE RR WERE SUPPLIED BY THAT SAME ISSUER AND ALL OF SUCH WAS SUBSEQUENTLY DETERMINED TO BE MISLEADING AND UNTRUE. DESPITE NO ALLEGATION OF IMPROPRIETY OR DISHONESTY AGAINST THE RR, THE BROKER/DEALER MADE RESTITUTION TO THE CUSTOMERS.



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 2

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: A.C. MASSENGILL & ASSOCIATES, INC.

Allegations: THE CUSTOMERS LOST \$356,669.00 IN DEBT INSTRUMENTS. AMONG OTHER THINGS, IT WAS ALLEGED THAT: THE REGISTERED REPRESENTATIVE (RR) SOLD AN UNREGISTERED SECURITY, THE RR FAILED TO CONDUCT ADEQUATE DUE DILIGENCE.

Product Type: Debt - Asset Backed

Alleged Damages: \$356,669.00

Customer Complaint Information

Date Complaint Received: 07/01/1991

Complaint Pending? No

Status: Settled

Status Date: 04/30/1993

Settlement Amount: \$328,686.00

Individual Contribution Amount: \$0.00

Broker Statement THE BROKER/DEALER PAID \$328,686.00 TO THE CUSTOMERS AND ALL PARTIES WERE RELEASED. THE ISSUER OF THE DEBT INSTRUMENTS HAS BEEN INCARCERATED AND CHARGED WITH FRAUD. ALL INFORMATION AND STATEMENTS GIVEN TO THE CUSTOMERS BY THE RR WERE SUPPLIED BY THAT SAME ISSUER AND ALL OF SUCH WAS SUBSEQUENTLY DETERMINED TO BE MISLEADING AND UNTRUE. DESPITE NO ALLEGATION OF IMPROPRIETY OR DISHONESTY AGAINST THE RR, THE BROKER/DEALER MADE RESTITUTION TO THE CUSTOMERS.

Disclosure 2 of 2

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: A.C. MASSENGILL & ASSOCIATES, INC

Allegations: THE CUSTOMER LOST \$50,000.00 IN A LIMITED PARTNERSHIP INVESTMENT. AMONG OTHER THINGS, THE CUSTOMER ALLEGED THAT THE INVESTMENT WAS UNSUITABLE AND EXCESSIVE RELATIVE TO HER INVESTMENT OBJECTIVES. THE CUSTOMER ALSO



ALLEGED THAT THE INVESTMENT WAS RECOMMENDED BY THE REGISTERED REPRESENTATIVE (RR) TO GENERATE EXCESSIVE COMMISSIONS AND THAT THE RR FAILED TO USE DUE DILIGENCE RELATIVE TO HER INVESTMENT NEEDS AND INVESTMENT GOALS.

Product Type: Other
Other Product Type(s): LIMITED PARTNERSHIP
Alleged Damages: \$50,000.00

Customer Complaint Information

Date Complaint Received: 11/03/1992
Complaint Pending? No
Status: Litigation
Settled
Status Date: 07/16/1993
Settlement Amount: \$15,000.00
Individual Contribution Amount: \$0.00

Civil Litigation Information

Court Details: CIRCUIT; KNOX COUNTY; 3-737-92
Date Notice/Process Served: 11/03/1992
Litigation Pending? No
Disposition: Settled
Disposition Date: 07/16/1993
Monetary Compensation Amount: \$15,000.00
Individual Contribution Amount: \$0.00

Broker Statement

THE BROKER/DEALER PAID \$15,000 IN SETTLEMENT AND ALL PARTIES WERE RELEASED. THE LIMITED PARTNERSHIP INTEREST WAS SOLD TO A SOPHISTICATED INVESTOR PURSUANT TO A PRIVATE PLACEMENT MEMORANDUM. THE RR AND THE BROKER/DEALER BELIEVED THE COMPLAINT WAS WITHOUT FOUNDATION AND MERIT. THE BROKER/DEALER FOR THE NUISANCE VALUE AND LEGAL EXPENSES INHERENT IN A LONG DRAWN OUT LAW SUIT, ELECTED TO PAY THE SETTLEMENT. HOWEVER, IF THE MATTER HAD GONE TO TRIAL, THE BROKER/DEALER WAS PREPARED TO SHOW THAT FRAUDULENT ACTS BY THE GENERAL PARTNER, AS WELL AS MALPRACTICE BY THE SPONSER'S ATTORNEY IN PERFECTING A SECURITY INTEREST, WAS THE SOLE CAUSE OF THE INVESTMENT LOSS.



End of Report

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