

BrokerCheck Report

HENNION & WALSH, INC.

CRD# 25766

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About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck 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 broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

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

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



HENNION & WALSH, INC.

CRD# 25766

SEC# 8-41988

Main Office Location

2001 ROUTE 46
WATERVIEW PLAZA
PARSIPPANY, NJ 07054-1018
Regulated by FINRA Woodbridge Office

Mailing Address

2001 ROUTE 46
WATERVIEW PLAZA
PARSIPPANY, NJ 07054-1018

Business Telephone Number

973-299-8989

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 10/24/1989.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 11 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	12
Arbitration	4



Firm Profile

This firm is classified as a corporation.

This firm was formed in New Jersey on 10/24/1989.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

HENNION & WALSH, INC.

Doing business as HENNION & WALSH, INC.

CRD# 25766

SEC# 8-41988

Main Office Location

2001 ROUTE 46
WATERVIEW PLAZA
PARSIPPANY, NJ 07054-1018

Regulated by FINRA Woodbridge Office

Mailing Address

2001 ROUTE 46
WATERVIEW PLAZA
PARSIPPANY, NJ 07054-1018

Business Telephone Number

973-299-8989



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): HENNION, RICHARD
1315386

Is this a domestic or foreign entity or an individual? Individual

Position EXECUTIVE VICE PRESIDENT

Position Start Date 10/1989

Percentage of Ownership 25% but less than 50%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): WALSH, WILLIAM WALTER
1174993

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT

Position Start Date 10/1989

Percentage of Ownership 25% but less than 50%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): FITZSIMMONS, PHILLIP
1625889

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF COMPLIANCE OFFICER

Firm Profile



Direct Owners and Executive Officers (continued)

Position Start Date	02/2019
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any): HENNION, WILLIAM
2048378

Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT
Position Start Date	06/2006
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	HOFFMANN, DEBORAH ANN 2773687
Is this a domestic or foreign entity or an individual?	Individual
Position	FINOP CHIEF FINANCIAL OFFICER
Position Start Date	10/2003
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile**Direct Owners and Executive Officers (continued)**

Legal Name & CRD# (if any): KOWALSKI, STEPHEN GEORGE
1919574

Is this a domestic or foreign entity or an individual? Individual

Position VICE PRESIDENT

Position Start Date 06/2006

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): MAHN, KEVIN DOUGLAS
2519398

Is this a domestic or foreign entity or an individual? Individual

Position MANAGING DIRECTOR

Position Start Date 06/2006

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.



Indirect Owners

No information reported.

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	12/28/1989

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	01/25/1990



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	11/27/1993	North Carolina	Approved	12/10/1992
Alaska	Approved	03/27/2008	North Dakota	Approved	06/29/1999
Arizona	Approved	08/24/1993	Ohio	Approved	07/06/1992
Arkansas	Approved	07/09/1998	Oklahoma	Approved	04/10/1994
California	Approved	02/27/1990	Oregon	Approved	10/15/1992
Colorado	Approved	06/08/1992	Pennsylvania	Approved	03/13/1990
Connecticut	Approved	03/19/1990	Puerto Rico	Approved	09/23/2011
Delaware	Approved	08/10/1993	Rhode Island	Approved	02/14/1990
District of Columbia	Approved	05/16/1993	South Carolina	Approved	10/23/1992
Florida	Approved	04/16/1990	South Dakota	Approved	04/01/1994
Georgia	Approved	03/09/1990	Tennessee	Approved	07/21/1992
Hawaii	Approved	05/01/1997	Texas	Approved	03/19/1990
Idaho	Approved	04/19/1994	Utah	Approved	02/13/1995
Illinois	Approved	03/04/1991	Vermont	Approved	04/12/1990
Indiana	Approved	08/25/1993	Virgin Islands	Approved	07/19/2016
Iowa	Approved	03/27/2008	Virginia	Approved	03/09/1990
Kansas	Approved	09/23/1993	Washington	Approved	07/26/1993
Kentucky	Approved	05/26/1993	West Virginia	Approved	12/04/1992
Louisiana	Approved	11/04/1992	Wisconsin	Approved	02/08/1993
Maine	Approved	12/09/1996	Wyoming	Approved	11/12/1997
Maryland	Approved	02/15/1990			
Massachusetts	Approved	04/17/1990			
Michigan	Approved	02/17/1993			
Minnesota	Approved	06/15/1993			
Mississippi	Approved	06/18/1990			
Missouri	Approved	05/04/1993			
Montana	Approved	04/30/1993			
Nebraska	Approved	05/08/2008			
Nevada	Approved	02/02/1990			
New Hampshire	Approved	10/20/1992			
New Jersey	Approved	01/08/1990			
New Mexico	Approved	06/09/1993			
New York	Approved	02/06/1990			



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 11 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Trading securities for own account
Other - SPONSORSHIP OF UNIT INVESTMENT TRUSTS

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does engage in other non-securities business.

Non-Securities Business Description: COMMON OWNERSHIP OF INSURANCE ENTITY

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	WELLS FARGO CLEARING SERVICES, LLC
CRD #:	19616
Business Address:	ONE NORTH JEFFERSON AVENUE ST LOUIS, MO 63103
Effective Date:	11/11/2016
Description:	FULLY DISCLOSED CLEARING ARRANGMENT

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: WELLS FARGO CLEARING SERVICES, LLC
CRD #: 19616
Business Address: ONE NORTH JEFFERSON AVE.
ST. LOUIS, MO 63103
Effective Date: 11/11/2016
Description: FULLY DISCLOSED CLEARING ARRANGEMENT

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

HENNION & WALSH ASSET MANAGEMENT, INC. is controlled by the firm.

CRD #:	126236
Business Address:	2001 ROUTE 46 WATERVIEW PLAZA PARSIPPANY, NJ 07054
Effective Date:	03/21/2003
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	HENNION & WALSH AND HENNION & WALSH ASSET MANAGEMENT HAVE THE SAME OWNERS

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	12	0
Arbitration	N/A	4	N/A



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final 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 involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 12

Reporting Source: Regulator
Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT ITS BROKERS RECOMMENDED EARLY EXCHANGES OF PROPRIETARY UNIT INVESTMENT TRUSTS (PROPRIETARY UITs) IN THE SAME SERIES (A SERIES-TO-SERIES SWITCH) IN CUSTOMER ACCOUNTS THAT HAD SUBSTANTIALLY SIMILAR INVESTMENT OBJECTIVES AND PORTFOLIOS. THE FINDINGS STATED THAT THE FIRM'S REGISTERED REPRESENTATIVES DID NOT REASONABLY ASSESS WHETHER THE ALLEGED BENEFITS TO THE CUSTOMERS FROM THE SWITCHES OUTWEIGHED THE ADDITIONAL SALES CHARGES THE CUSTOMERS WOULD INCUR BY MAKING THE SWITCH AND THEREFORE THEY DID NOT HAVE A REASONABLE BASIS TO RECOMMEND THESE SERIES-TO-SERIES SWITCHES TO THEIR CUSTOMERS. AS RESULT, CUSTOMERS INCURRED UNNECESSARY SALES CHARGES OF \$305,438.83. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO DETECT AND PREVENT UNSUITABLE SERIES-TO-SERIES UIT SWITCHING. THE FIRM FAILED TO ESTABLISH AND MAINTAIN A REASONABLE SYSTEM TO SUPERVISE SERIES-TO-SERIES UIT SWITCHES, DID NOT PROVIDE REASONABLE GUIDANCE TO ITS SALES STAFF ON THE SPECIAL SUITABILITY CONCERNS RAISED BY EARLY SERIES-TO-SERIES SWITCHES, AND ALTHOUGH THE FIRM'S WRITTEN PROCEDURES STATED THAT THE CUSTOMER FOR UIT EXCHANGES SHOULD SIGN SWITCH FORMS, IT DID NOT ENFORCE THIS PROCEDURE. IN ADDITION, ALTHOUGH THE FIRM'S TRADE-ALERT SYSTEM FLAGGED UIT SWITCHES, THE FIRM DID NOT PROVIDE REASONABLE GUIDANCE IN ITS PROCEDURES OR OTHERWISE TO SUPERVISORS ON HOW TO EVALUATE SUCH SWITCHES. THE PRINCIPAL AT THE FIRM TASKED WITH MUCH OF THE DAY-TO-DAY TRADE-REVIEW RESPONSIBILITIES DID NOT RECEIVE TRAINING ON HOW TO EVALUATE SERIES-TO-SERIES SWITCHES AND HE DID NOT TAKE INTO ACCOUNT THE INCREASED COSTS ASSOCIATED WITH AN EARLY EXCHANGE. THUS, ALTHOUGH AN EARLY EXCHANGE OF A UIT, INCLUDING A SERIES-TO-SERIES SWITCH, IS A RED FLAG OF A POTENTIALLY UNSUITABLE TRANSACTION, THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ADDRESS SUCH TRANSACTIONS.

Initiated By: FINRA
Date Initiated: 01/23/2019
Docket/Case Number: [2013039202501](#)
Principal Product Type: Unit Investment Trust(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/23/2019

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

Sanctions Ordered: Censure
Monetary/Fine \$165,000.00
Disgorgement/Restitution

Other Sanctions Ordered: CERTIFICATION

Sanction Details: THE FIRM WAS CENSURED, FINED \$165,000, ORDERED TO PAY \$305,438.83 IN RESTITUTION TO CUSTOMERS AND SHALL CERTIFY TO FINRA THAT IT HAS ESTABLISHED AND IMPLEMENTED POLICIES, PROCEDURES, AND INTERNAL CONTROLS REASONABLY DESIGNED TO ADDRESS AND REMEDIATE THE ISSUES IDENTIFIED IN THE AWC. FINES PAID IN FULL ON FEBRUARY 7, 2019.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT ITS BROKERS RECOMMENDED EARLY EXCHANGES OF PROPRIETARY UNIT INVESTMENT TRUSTS (PROPRIETARY UITs) IN THE SAME SERIES (A SERIES-TO-SERIES SWITCH) IN CUSTOMER ACCOUNTS THAT HAD SUBSTANTIALLY SIMILAR INVESTMENT OBJECTIVES AND PORTFOLIOS. THE FINDINGS STATED THAT THE FIRM'S REGISTERED REPRESENTATIVES DID NOT REASONABLY ASSESS WHETHER THE ALLEGED BENEFITS TO THE CUSTOMERS FROM THE SWITCHES OUTWEIGHED THE ADDITIONAL SALES CHARGES THE CUSTOMERS WOULD INCUR BY MAKING THE SWITCH AND THEREFORE THEY DID NOT HAVE A REASONABLE BASIS TO RECOMMEND THESE SERIES-TO-SERIES SWITCHES TO THEIR CUSTOMERS. AS RESULT, CUSTOMERS INCURRED UNNECESSARY SALES CHARGES OF \$305,438.83. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO DETECT AND PREVENT UNSUITABLE SERIES-TO-SERIES UIT SWITCHING. THE FIRM FAILED TO ESTABLISH AND MAINTAIN A



REASONABLE SYSTEM TO SUPERVISE SERIES-TO-SERIES UIT SWITCHES, DID NOT PROVIDE REASONABLE GUIDANCE TO ITS SALES STAFF ON THE SPECIAL SUITABILITY CONCERNS RAISED BY EARLY SERIES-TO-SERIES SWITCHES, AND ALTHOUGH THE FIRM'S WRITTEN PROCEDURES STATED THAT THE CUSTOMER FOR UIT EXCHANGES SHOULD SIGN SWITCH FORMS, IT DID NOT ENFORCE THIS PROCEDURE. IN ADDITION, ALTHOUGH THE FIRM'S TRADE-ALERT SYSTEM FLAGGED UIT SWITCHES, THE FIRM DID NOT PROVIDE REASONABLE GUIDANCE IN ITS PROCEDURES OR OTHERWISE TO SUPERVISORS ON HOW TO EVALUATE SUCH SWITCHES. THE PRINCIPAL AT THE FIRM TASKED WITH MUCH OF THE DAY-TO-DAY TRADE-REVIEW RESPONSIBILITIES DID NOT RECEIVE TRAINING ON HOW TO EVALUATE SERIES-TO-SERIES SWITCHES AND HE DID NOT TAKE INTO ACCOUNT THE INCREASED COSTS ASSOCIATED WITH AN EARLY EXCHANGE. THUS, ALTHOUGH AN EARLY EXCHANGE OF A UIT, INCLUDING A SERIES-TO-SERIES SWITCH, IS A RED FLAG OF A POTENTIALLY UNSUITABLE TRANSACTION, THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ADDRESS SUCH TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 01/23/2019

Docket/Case Number: [2013039202501](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/23/2019

Sanctions Ordered: Censure
Monetary/Fine \$165,000.00
Disgorgement/Restitution

Other Sanctions Ordered: CERTIFICATION

Sanction Details: THE FIRM WAS CENSURED, FINED \$165,000, ORDERED TO PAY \$305,438.83 IN RESTITUTION TO CUSTOMERS AND SHALL CERTIFY TO FINRA THAT IT HAS ESTABLISHED AND IMPLEMENTED POLICIES, PROCEDURES, AND INTERNAL CONTROLS REASONABLY DESIGNED TO ADDRESS AND REMEDIATE THE ISSUES IDENTIFIED IN THE AWC.



Disclosure 2 of 12

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT RECOMMENDED AND SOLD SIX MUNICIPAL BONDS IN 65 TRANSACTIONS TO RETAIL CUSTOMERS IN DOLLAR AMOUNTS BELOW THE APPLICABLE MINIMUM DENOMINATION. THE FINDINGS STATED THAT ON ALL BUT TWO OF THOSE OCCASIONS, THE TRADE CONFIRMATIONS DID NOT DISCLOSE TO THE CUSTOMER THAT THE AMOUNT OF THE TRANSACTION WAS BEING EFFECTED BELOW THE MINIMUM DENOMINATION. THE FIRM ALSO RECOMMENDED AND SOLD FOUR BONDS IN APPROXIMATELY 175 TRANSACTIONS TO CUSTOMERS WHO WERE NOT QUALIFIED INSTITUTIONAL BUYERS (QIBS), EVEN THOUGH THE OFFICIAL STATEMENTS FOR THESE BONDS STATED THAT THEY WERE ELIGIBLE FOR SALE ONLY TO QIBS. THE FINDINGS ALSO STATED THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES PROHIBITED THE SALE OF BONDS BELOW THE MINIMUM DENOMINATION (ABSENT CIRCUMSTANCES NOT PRESENT HERE) AND REQUIRED PERIODIC REVIEWS TO ENSURE COMPLIANCE WITH THIS AND OTHER MSRB RULES. HOWEVER, THE FIRM DID NOT HAVE ADEQUATE SYSTEMS OR CONTROLS IN PLACE TO DETECT AND MONITOR SALES BELOW THE MINIMUM DENOMINATION OR TO INELIGIBLE PURCHASERS AND THEREFORE DID NOT PERFORM ANY REVIEWS SPECIFIC TO MINIMUM DENOMINATION OR BONDS WITH QIB RESTRICTIONS.</p>
Initiated By:	FINRA
Date Initiated:	08/23/2017
Docket/Case Number:	2015043155601
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/23/2017



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

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$55,000. FINES PAID IN FULL ON SEPTEMBER 11, 2017.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE FINDINGS THAT IT RECOMMENDED AND SOLD SIX MUNICIPAL BONDS IN 65 TRANSACTIONS TO RETAIL CUSTOMERS IN DOLLAR AMOUNTS BELOW THE MINIMUM DENOMINATION. THE FIRM ALSO RECOMMENDED AND SOLD FOUR BONDS IN APPROXIMATELY 175 TRANSACTIONS TO CUSTOMERS WHO WERE NOT QUALIFIED INSTITUTIONAL BUYERS (QIBS) THE FIRMS WRITTEN SUPERVISORY PROCEDURES PROHIBITED SALE BELOW MINIMUM DENOMINATIONS. THE FIRM DID NOT HAVE ADEQUATE CONTROLS TO DETECT AND MONITOR SALES BELOW MINIMUM DENOMINATION OR INELIGIBLE PURCHASERS.

Initiated By: FINRA

Date Initiated: 08/23/2017

Docket/Case Number: [2015043155601](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/23/2017



Sanctions Ordered: Censure
Monetary/Fine \$55,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$55,000

Disclosure 3 of 12

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-17, G-30(A) - HENNION & WALSH, INC. PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARKDOWN OR MARKUP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION.

Initiated By: FINRA

Date Initiated: 11/11/2011

Docket/Case Number: [2009018102101](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/11/2011



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

No

Sanctions Ordered:

Censure
Monetary/Fine \$25,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$25,000 FOR MSRB RULE VIOLATIONS AND ORDERED TO PAY \$8,980.29, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION, TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

Reporting Source:

Firm

Current Status:

Final

Allegations:

MSRB RULES G-17, G-30(A) HENNION & WALSH INC. PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND SOLD MUNICIPAL SECURITIES FROM ITS OWN ACCOUNT TO A CUSTOMER AT A PRICE THAT WAS NOT FAIR AND REASONABLE TAKING INTO CONSIDERATION ALL RELEVANT FACTORS.

Initiated By:

FINRA

Date Initiated:

11/11/2011

Docket/Case Number:

[2009018102101](#)

Principal Product Type:

Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/11/2011

Sanctions Ordered: Censure
Monetary/Fine \$25,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS. THE FIRM IS CENTURED, FINED 25000.00 AND ORDERED TO PAY \$8,980.29 PLUS INTEREST.

Disclosure 4 of 12

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULES 2110, 3010(A), 3010(B) AND MSRB RULE G-27; RESPONDENT FAILED TO REPORT WRITTEN GRIEVANCES FROM CUSTOMERS ON QUARTERLY REPORTS AND REPORTED GRIEVANCES FROM CUSTOMERS IN AN UNTIMELY MANNER; SOLICITED AND RECEIVED PAYMENT FROM PUBLIC CUSTOMERS FOR THE PURCHASE OF SHARES IN THE UNDERWRITINGS; FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVES REGARDING REVIEW AND DOCUMENTATION OF THE REVIEW OF RECOMMENDED MUTUAL FUND SWITCHES, ADDRESSING THE UNDERWRITING OF CLOSED-END MUTUAL FUNDS, AND THE SALE OF MUNICIPAL FIXED INCOME SECURITIES.

Initiated By: NASD

Date Initiated: 07/21/2005

Docket/Case Number: [E9B2002004201](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/21/2005

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

Sanctions Ordered: Monetary/Fine \$35,000.00
Suspension

Other Sanctions Ordered: UNDERTAKING: WITHIN 60 DAYS RETAIN AN INDEPENDENT CONSULTANT TO REVIEW THE FIRM'S CURRENT POLICIES AND PROCEDURES RELATE TO DEFICIENCIES AND VIOLATIONS FOUND IN DECISION DATED 01/10/2005 IN DISCIPLINARY PROCEEDING NO. C9B040014 AND RULE 3070 REPORTING, UNDERWRITING ACTIVITIES, SUITABILITY OF RECOMMENDATIONS RELATED TO BOND SWAPS AND MUTUAL FUND SWITCHES.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDING, THEREFORE IS FINED \$35,000 AND SUSPENDED FROM PARTICIPATING AS AN UNDERWRITER OR SELLING GROUP MEMBER FOR ANY OFFERING OF CLOSED-END MUTUAL FUNDS FOR 30 DAYS. SUSPENSION COMMENCED ON SEPTEMBER 1, 2005 AND CONCLUDES WITH THE CLOSE OF BUSINESS ON SEPTEMBER 30, 2005.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO REPORT COMPLAINTS
RECEIVING PAYMENTS NEW ISSUES BEFORE EFFECTIVE DATE
FAILURE TO REVIEW INVESTMENT CO SALES

Initiated By: NASD

Date Initiated: 07/21/2005

Docket/Case Number: E9B02004201

Principal Product Type: Other

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Undertaking

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/21/2005

Sanctions Ordered: Monetary/Fine \$35,000.00
Suspension

Other Sanctions Ordered:

Sanction Details: FINE \$35000 SUSPENSION FROM SUPERVISION FOR 10 DAYS WILLIAM WALSH AND RICHARD HENNION. WILLIAM WALSH FROM 11/04/2005 - 11/17/2005 AND RICHARD HENNION FROM 07/08/2005 - 07/21/2005. SUSPENSION FROM UNDERWRITING CLOSED END FUNDS 30 DAYS.

Disclosure 5 of 12

Reporting Source: Regulator

Current Status: Final

Allegations: NASD CONDUCT RULE 3010 AND 2110 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, FAILED TO ESTABLISH MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES RELATING TO, AMONG OTHER THINGS, THE SUPERVISION OF FIRM PRINCIPALS AND REGISTERED REPRESENTATIVES, ACTIVE CUSTOMER ACCOUNTS, DISCRETIONARY ACCOUNTS, AND CUSTOMER USE OF MARGIN. RESPONDENT MEMBER FAILED TO ENSURE IN THOSE AREAS THAT ITS WRITTEN SUPERVISORY PROCEDURES WERE UPDATED, MAINTAINED AND ENFORCED; THAT THEY WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE RULES AND REGULATIONS; AND THAT THE FIRM MAINTAINED REASONABLE AND ADEQUATE SUPERVISORY SYSTEMS.

Initiated By: NASD

Date Initiated: 02/19/2004

Docket/Case Number: [C9B040013](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 02/27/2005

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

Sanctions Ordered: Monetary/Fine \$50,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: HEARING PANEL DECISION RENDERED JANUARY 10, 2005, WHEREIN RESPONDENT MEMBER IS FINED \$10,000; ORDERED TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW ITS WRITTEN POLICIES AND PROCEDURES, WITH PARTICULAR ATTENTION TO THOSE FOUND DEFICIENT IN THIS PROCEEDING, AND TO PREPARE AND SUBMIT TO NASD A REPORT SETTING FORTH THE CONSULTANT'S RECOMMENDATIONS AND THE FIRM'S ACTIONS TO IMPLEMENT THOSE RECOMMENDATIONS; FINED \$40,000, JOINTLY AND SEVERALLY AND ORDERED TO PAY COSTS OF \$3,789.97, JOINTLY AND SEVERALLY. DECISION BECAME FINAL FEBRUARY 27, 2005.

Reporting Source: Firm

Current Status: Final

Allegations: NASD CONDUCT RULE 3010 AND 2110 - RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES RELATING TO, AMONG OTHER THINGS, THE SUPERVISION OF FIRM PRINCIPALS AND REGISTERED REPS, ACTIVE CUSTOMER ACCOUNTS, DISCRETIONARY ACCOUNTS, AND CUSTOMER USE OF MARGIN. RESPONDENT MEMBER FAILED TO ENSURE IN THOSE AREAS THAT ITS WRITTEN SUPERVISORY PROCEDURES WERE UPDATED, MAINTAINED AND ENFORCED; THAT THEY WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS; AND THAT FIRM MAINTAINED REASONABLE AND ADEQUATE SUPERVISORY SYSTEMS.

Initiated By: NASD

Date Initiated: 02/19/2004



Docket/Case Number: [C9B040013](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/21/2005

Sanctions Ordered: Monetary/Fine \$35,000.00
Suspension

Other Sanctions Ordered:

Sanction Details: SUSPENDED FROM SUPERVISION FOR A PERIOD OF 10 BUSINESS DAYS R
HENNION SEPT 19-30 2005
W WALSH NOV 18-DEC 2 2005

Disclosure 6 of 12

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 3010(B)- RESPONDENT MEMBER FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATION, AND WITH THE APPLICABLE RULES OF THE NASD WITH RESPECT TO THE FIRM'S MUTUAL FUND ACTIVITIES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 11/30/2000

Docket/Case Number: C8A000071

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/30/2000

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: FINED \$5,000.00

Reporting Source: Firm

Current Status: Final

Allegations: FROM JANUARY 1997 THROUGH FEBRUARY 1999,THE FIRM FAILED, TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, AND WITH THE APPLICABLE RULES OF THE NASD WITH RESPECT TO THE FIRM'S MUTUAL FUND ACTIVITIES.

Initiated By: NASD REGULATION

Date Initiated: 11/30/2000

Docket/Case Number: C8A000071

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: LETTER OF ACCEPTANCE, WAIVER AND CONSENT

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/30/2000

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM PAID \$5,000 FINE ON 12/09/2000.

Firm Statement CLOSED



Reporting Source: Regulator

Current Status: Final

Allegations: JONATHAN N. PONTE AND NORI, HENNION, WALSH, INC. ENGAGED IN A SOLICITED TRANSACTION ON BEHALF OF A RESIDENT OF NORTH DAKOTA WHILE NORI, HENNION, WALSH, INC. WAS NOT REGISTERED AS A BROKER/DEALER IN NORTH DAKOTA AND WHILE JONATHAN PONTE WAS NOT REGISTERED AS A SECURITIES SALESMAN IN NORTH DAKOTA. IN THE BROKER/DEALER APPLICATION PROCESS, NORI, HENNION, WALSH, INC. PRODUCED A FALSE AFFIDAVIT OF BROKER/DEALER ACTIVITY WHEREIN THEY STATED THAT THEY HAD NOT OFFERED FOR SALE OR SOLD SECURITIES IN NORTH DAKOTA.

Initiated By: THE NORTH DAKOTA SECURITIES COMMISSIONER

Date Initiated: 05/28/1999

Docket/Case Number:

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/28/1999

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: RESPONDENTS ENTERED INTO A CONSENT ORDER WHEREBY THEY AGREED TO PAY CIVIL PENALTIES IN THE AMOUNT OF \$3,000 FOR THE VIOLATIONS DESCRIBED ABOVE.

Regulator Statement CONTACT: MATTHEW BAHRENBURG (701) 328-4701

Reporting Source: Firm

Current Status: Final

Allegations: SOLICITED PURCHASE IN STATE BEFORE BEING REGISTERED IN THE STATE. REGISTRATION SUBMITTED STATING ERRONIOUSLY THAT WE HAD



NEVER SOLICITED IN STATE

Initiated By: NORTH DAKOTA
Date Initiated: 05/28/1999
Docket/Case Number: NONE
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 05/25/1999
Sanctions Ordered: Monetary/Fine \$3,000.00
Other Sanctions Ordered:
Sanction Details: FINED 3000.00

Disclosure 8 of 12

Reporting Source: Regulator
Current Status: Final
Allegations: On August 10, 1993, the Delaware Securities Division executed a Consent Order with Nori, Hennion, Walsh, Inc., in which the firm was reprimanded for an inaccurate answer of a disciplinary question on the BD Form, and ordered to amend the BD Form and inform the Division, in writing, of any customer complaints by Delaware residents for a period of twelve (12) months.

Initiated By: Delaware Department of Justice, Securities Division
Date Initiated: 05/18/1993
Docket/Case Number: L-93-06-02
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 08/10/1993

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: The Division has approved the firm's amended application for broker-dealer registration.

Regulator Statement n/a CONTACT: APRIL COLLINS 302-577-2515

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO DISCLOSE DENIAL OF BROKER-DEALER REGISTRATION ISSUED BY STATE OF IOWA ON 9/14/92

Initiated By: STATE OF DELAWARE, DEPARTMENT OF JUSTICE, SECURITIES COMMISSIONER

Date Initiated: 05/18/1993

Docket/Case Number: L-93-06-02

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Reprimand

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 08/10/1993

Disclosure 9 of 12

Reporting Source: Regulator

Current Status: Final



Allegations: TRANSACTING BUSINESS IN MINNESOTA AS A
BROKER-DEALER WITHOUT BEING LICENSED IN VIOLATION OF MINN.
STAT. CH. 80A.04.

Initiated By: MN DEPT. OF COMMERCE

Date Initiated: 02/25/1993

Docket/Case Number: SE9301291/AMS

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 06/11/1993

Sanctions Ordered: Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: WHILE NEITHER ADMITTING NOR DENYING THE
ALLEGATIONS, RESPONDENT SHALL CEASE AND DESIST FROM OFFERING
OR
SELLING SECURITIES IN MINNESOTA UNTIL LICENSED AS A
BROKER-DEALER. RESPONDENT WAS ASSESSED A CIVIL PENALTY OF
\$3,000 AND INVESTIGATIVE COSTS OF \$500. FURTHER, RESPONDENT WAS
ORDERED TO OFFER RESCISSION TO CLIENTS FOR WHOM
TRANSACTIONS
WERE EXECUTED PRIOR TO LICENSURE.

Regulator Statement Not Provided

Reporting Source: Firm

Current Status: Final

Allegations: CONDUCTING SECURITIES BUSINESS IN THE STATE OF MINNESOTA PRIOR
TO APPLICATION FOR LICENSURE.

Initiated By: STATE OF MINNESOTA, DEPARTMENT OF COMMERCE



Date Initiated: 02/25/1993
Docket/Case Number: SE9301291/AMS
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 06/16/1993
Sanctions Ordered: Monetary/Fine \$3,500.00
Other Sanctions Ordered:
Sanction Details: AUTHORIZED TO DO SO, AND HAS PAID FINES AS FOLLOWS: \$3,000 PENALTIES AND \$500 COST OF INVESTIGATION - PAID ON 6/16/93 THE FIRM'S APPLICATION FOR SECURITIES LICENSE WAS APPROVED ON 6/15/93 IN THE STATE OF MINNESOTA.

Disclosure 10 of 12

Reporting Source: Regulator
Current Status: Final
Allegations: RESPONDENT FILED AN APPLICATION THROUGH THE CRD BUT FAILED TO FILE ANY OF THE REQUIRED DOCUMENTS WITH IOWA. NO DOCUMENTS WERE FILED DESPITE TWO REQUESTS AND THE NOTICE OF HEARING.
Initiated By: IOWA SECURITIES BUREAU
Date Initiated: 08/03/1992
Docket/Case Number: C93-08-050
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 09/14/1992
Sanctions Ordered: Revocation/Expulsion/Denial
Other Sanctions Ordered:
Sanction Details: FOLLOWING ADMINISTRATIVE HEARING, THE ALJ FOUND APPLICATION WAS ABANDONED. DENIED APPLICATION.
Regulator Statement FOR FURTHER INFORMATION, PLEASE CONTACT GARY MARQUETT, ENFORCEMENT DIRECTOR, 515-281-4441

Reporting Source: Firm
Current Status: Final
Allegations: ABANDONMENT OF APPLICATION FOR BROKER-DEALER REGISTRATION
Initiated By: STATE OF IOWA, DEPARTMENT OF COMMERCE
Date Initiated: 08/03/1992
Docket/Case Number: C93-08-050
Principal Product Type: Debt - Municipal
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Denial
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 09/08/1992
Sanctions Ordered: Revocation/Expulsion/Denial
Other Sanctions Ordered:
Sanction Details: APPLICATION FOR REGISTRATION AS BROKER-DEALER IN THE STATE OF IOWA WAS DENIED.

Disclosure 11 of 12



Reporting Source: Regulator

Current Status: Final

Allegations: THE DIVISION ALLEGES THE BROKER-DEALER FAILED TO FILE ITS AUDITED FINANCIAL STATEMENTS IN COMPLIANCE WITH SECTION 13.1-518.1 OF THE VIRGINIA SECURITIES ACT FOR THE SECOND YEAR. DEFENDANT NEITHER ADMITS NOR DENIES THESE ALLEGATIONS.

Initiated By: VIRGINIA - STATE CORPORATION COMMISSION
DIVISION OF SECURITIES

Date Initiated: 06/19/1992

Docket/Case Number: SEC920063

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/19/1992

Sanctions Ordered: Monetary/Fine

Other Sanctions Ordered:

Sanction Details: AS AN OFFER TO SETTLE ALL MATTERS, THE BROKER-DEALER AGREES TO REFRAIN FROM ANY CONDUCT WHICH VIOLATES VIRGINIA CODE SECTION 13.1-518.1 AS LONG AS IT IS REGISTERED AS A BROKER-DEALER IN VIRGINIA. DEFENDANT PAID A PENALTY IN THE AMOUNT OF \$500.00 WHICH WAS TENDERED CONTEMPORANEOUSLY WITH THE ENTRY OF THIS ORDER.

Regulator Statement CONTACT SHERYL DEVAUN, SENIOR EXAMINER,
804-786-7753.

Reporting Source: Firm

Current Status: Final



Allegations: LATE FILING OF ANNUAL AUDITED FINANCIALS
Initiated By: COMMONWEALTH OF VIRGINIA DIVISION OF SECURITIES
Date Initiated: 05/21/1992
Docket/Case Number: SEC920063
Principal Product Type: Debt - Municipal
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 06/22/1992
Sanctions Ordered: Monetary/Fine \$500.00
Other Sanctions Ordered:
Sanction Details: \$500.00 FINE FOR LATE FILING PAID ON 6/22/92

Disclosure 12 of 12

Reporting Source: Regulator
Current Status: Final
Allegations: NORI, HENNION, WALSH, INC. FAILED TO MAINTAIN A CONTINUOUS BROKER-DEALER SURETY BOND IN THE AMOUNT OF \$25,000 FROM JULY 17, 1991 THROUGH MARCH 17, 1992 AS REQUIRED UNDER THE VERMONT SECURITIES ACT.
Initiated By: VERMONT SECURITIES DIVISION
Date Initiated: 06/16/1992
Docket/Case Number: 92-026-S
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Consent
Resolution Date: 06/16/1992
Sanctions Ordered: Monetary/Fine \$750.00

Other Sanctions Ordered:

Sanction Details: ON JUNE 16, 1992, RESPONDENT ENTERED INTO A CONSENT ORDER WITH THE VERMONT SECURITIES DIVISION IN SETTLEMENT OF THE ABOVE ALLEGATIONS. PURSUANT THERETO, RESPONDENT HAS, WITHOUT ADMITTING TO OR DENYING ANY VIOLATION OF LAW, AGREED TO PAY A \$750.00 FINE AND \$500.00 IN INVESTIGATIVE COSTS. RESPONDENT HAS ALSO AGREED TO HENCEFORTH COMPLY WITH THE REQUIREMENTS OF THE VERMONT SECURITIES ACT REGARDING BROKER-DEALER BONDS.

Regulator Statement Not Provided

Reporting Source: Firm
Current Status: Final
Allegations: THE FIRM ALLOWED A LAPSE IN COVERAGE OF OUR SURETY BOND
Initiated By: STATE OF VERMONT, DEPARTMENT OF SECURITIES
Date Initiated: 01/13/1992
Docket/Case Number: 92-026-S
Principal Product Type: Debt - Municipal
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 06/15/1992
Sanctions Ordered: Monetary/Fine \$1,250.00



Other Sanctions Ordered:

Sanction Details: \$750.00 ASSESSMENT AND \$500.00 ADMINISTRATIVE FEE PAID ON 6/15/92



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	NASD
Case Initiated:	12/18/2000
Case Number:	00-05453
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$10,700.03
Disposition:	AWARD AGAINST PARTY
Disposition Date:	11/26/2001
Sum of All Relief Awarded:	\$20,425.01

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 2 of 4

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	11/05/2002
Case Number:	02-05577
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE



Sum of All Relief Requested: \$961.10
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/04/2003
Sum of All Relief Awarded: \$245.00

There may be a non-monetary award associated with this arbitration.
 Please select the Case Number above to view more detailed information.

Disclosure 3 of 4

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 04/16/2004
Case Number: [04-01575](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$25,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/28/2005
Sum of All Relief Awarded: \$11,425.00

There may be a non-monetary award associated with this arbitration.
 Please select the Case Number above to view more detailed information.

Disclosure 4 of 4

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: FINRA
Case Initiated: 08/20/2015
Case Number: [15-02021](#)



Disputed Product Type: MUNICIPAL BONDS
Sum of All Relief Requested: \$300,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/07/2016
Sum of All Relief Awarded: \$155,935.45

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

End of Report



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