

BrokerCheck Report

LIDLAW & COMPANY (UK) LTD.

CRD# 119037

Report #14685-84202, data current as of Wednesday, December 10, 2014.

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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:

- 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
- 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 <http://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.



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.

Thank you for using FINRA BrokerCheck.



LIDLAW & COMPANY (UK) LTD.

CRD# 119037

SEC# 8-53731

Main Office Location

41 DOVER STREET
LONDON, ENGLAND W1S 4NS
Regulated by FINRA New York Office

Mailing Address

546 FIFTH AVENUE
5TH FLOOR
NEW YORK, NY 10036

Business Telephone Number

011 44 207 339 3390

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.

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	3
Arbitration	1



Firm Profile

This firm is classified as a corporation.

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.

LAIDLAW & COMPANY (UK) LTD.

Doing business as LAIDLAW & COMPANY (UK) LTD.

CRD# 119037

SEC# 8-53731

Main Office Location

41 DOVER STREET
LONDON, ENGLAND W1S 4NS

Regulated by FINRA New York Office

Mailing Address

546 FIFTH AVENUE
5TH FLOOR
NEW YORK, NY 10036

Business Telephone Number

011 44 207 339 3390



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): LAIDLAW HOLDINGS PLC

Is this a domestic or foreign entity or an individual? Foreign Entity

Position OWNER

Position Start Date 09/2007

Percentage of Ownership 75% or more

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

Is this a public reporting company? No

Legal Name & CRD# (if any): COOLONG, JOHN
5924271

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

Position CCO/CFO

Position Start Date 04/2013

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): EITNER, MATTHEW D
3267261

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

Position CHIEF EXECUTIVE OFFICER

Position Start Date 04/2011

Firm Profile



Direct Owners and Executive Officers (continued)

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): FAUCI, JODI
4189732

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

Position DIRECTOR OF OPERATIONS

Position Start Date 06/2008

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): REGAN, HUGH
1254114

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

Position DIRECTOR - INVESTMENT BANKING

Position Start Date 05/2011

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): SHTAYNBERGER, ALEX

Firm Profile



Direct Owners and Executive Officers (continued)

2077298

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

Position NATIONAL BRANCH MANAGER

Position Start Date 10/1999

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): SILVERMAN, PETER HOWARD

1239510

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

Position SEO/BRANCH MANAGER

Position Start Date 10/1999

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): TESEI, JOHN

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

Position TRUSTEE OF THE GARNET TRUST

Position Start Date 03/2008

Percentage of Ownership Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): TESEI, JOHN

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

Position TRUSTEE OF THE BUFF TRUST

Position Start Date 03/2008

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): ZULUAGA, OSEAS
4186791

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

Position FINANCIAL OPERATIONS PRINCIPAL

Position Start Date 01/2005

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

Legal Name & CRD# (if any):	BUFF TRUST
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	LAIDLAW HOLDINGS PLC
Relationship to Direct Owner	OWNER
Relationship Established	09/2007
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	GARNET TRUST
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	LAIDLAW HOLDINGS PLC
Relationship to Direct Owner	OWNER
Relationship Established	09/2007
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

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	07/26/2002

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

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	07/26/2002



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Conditional Restricted	10/29/2004
Alaska	Approved	02/23/2009
Arizona	Approved	11/06/2002
Arkansas	Approved	02/05/2003
California	Approved	07/31/2002
Colorado	Approved	05/23/2003
Connecticut	Approved	02/27/2003
Delaware	Approved	01/23/2003
District of Columbia	Approved	10/15/2002
Florida	Approved	09/27/2002
Georgia	Approved	11/08/2002
Hawaii	Approved	02/20/2003
Idaho	Approved	08/07/2002
Illinois	Approved	11/14/2002
Indiana	Approved	01/23/2003
Iowa	Approved	11/01/2002
Kansas	Approved	10/04/2002
Kentucky	Approved	07/29/2002
Louisiana	Approved	03/28/2003
Maine	Approved	08/18/2009
Maryland	Approved	11/08/2002
Massachusetts	Approved	09/04/2002
Michigan	Approved	10/13/2004
Minnesota	Approved	07/30/2002
Mississippi	Approved	10/07/2002
Missouri	Approved	08/08/2005
Montana	Approved	08/19/2002
Nebraska	Approved	12/26/2002
Nevada	Approved	07/30/2002
New Hampshire	Approved	11/22/2002
New Jersey	Approved	04/02/2003
New Mexico	Approved	08/22/2003
New York	Approved	03/05/2002

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	11/25/2002
North Dakota	Approved	11/17/2004
Ohio	Approved	10/05/2004
Oklahoma	Approved	09/06/2002
Oregon	Approved	04/10/2003
Pennsylvania	Approved	11/04/2002
Puerto Rico	Approved	11/14/2002
Rhode Island	Approved	08/23/2002
South Carolina	Approved	11/13/2002
South Dakota	Approved	08/13/2002
Tennessee	Approved	06/26/2006
Texas	Approved	01/02/2003
Utah	Approved	07/29/2002
Vermont	Approved	04/03/2003
Virgin Islands	Approved	09/14/2009
Virginia	Approved	07/30/2002
Washington	Approved	07/29/2002
West Virginia	Approved	07/29/2002
Wisconsin	Approved	11/25/2002
Wyoming	Approved	04/21/2003



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
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Other - CREATION AND DISTRIBUTION OF RESEARCH

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

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: STERNE, AGEE & LEACH, INC.
CRD #: 791
Business Address: 800 SHADES CREEK PARKWAY
SUITE 550
BIRMINGHAM, AL 35209
Effective Date: 07/08/2005
Description: REGISTRANT INTRODUCES ALL OF ITS BROKERAGE CUSTOMERS TO
SAL ON A FULLY DISCLOSED BASIS

Firm Operations

Industry Arrangements



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

Name: STERNE, AGEE & LEACH, INC.
CRD #: 791
Business Address: 800 SHADES CREEK PARKWAY
 SUITE 550
 BIRMINGHAM, AL 35209
Effective Date: 07/08/2005
Description: ANY BOOKS OR RECORDS OF LAIDLAW & COMPANY ARE KEPT AND MAINTAINED BY STERNE, AGEE AND LEACH

This firm does have accounts, funds, or securities maintained by a third party.

Name: STERNE, AGEE & LEACH, INC.
CRD #: 791
Business Address: 800 SHADES CREEK PARKWAY
 SUITE 550
 BIRMINGHAM, AL 35209
Effective Date: 07/08/2005
Description: ACCOOUNTS, FUNDS OR SECURITIES OF LAIDLAW & COMPANY ARE HELD OR MAINTAINED BY STERNE, AGEE & LEACH.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: STERNE, AGEE & LEACH, INC.
CRD #: 791
Business Address: 800 SHADES CREEK PARKWAY
 SUITE 550
 BIRMINGHAM, AL 35209
Effective Date: 07/08/2005
Description: ACCOUNTS, FUNDS OR SECURITIES OF CUSTOMERS OF LAIDLAW & COMPANY ARE HELD OR MAINTAINED BY STERNE, AGEE & LEACH

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.

LIDLAW & COMPANY INTERNATIONAL LIMITED is under common control with the firm.

Business Address:	41 DOVER STREET LONDON, ENGLAND W1S 4NS
Effective Date:	10/11/2011
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	LIDLAW & COMPANY INTERNATIONAL LIMITED IS UNDER COMMON CONTROL WITH THE APPLICANT. BOTH ENTITIES ARE OWNED BY LIDLAW HOLDINGS PLC

LIDLAW ASSET MANAGEMENT, LLC. is under common control with the firm.

CRD #:	150040
Business Address:	90 PARK AVENUE 31ST FLOOR NEW YORK, NY 10016
Effective Date:	09/14/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	LIDLAW ASSET MANAGEMENT, LLC IS UNDER COMMON CONTROL WITH THE APPLICANT. BOTH ENTITIES ARE OWNED BY LIDLAW HOLDINGS,



Organization Affiliates (continued)

PLC.

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	3	0
Arbitration	N/A	1	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:**
 - 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:**
 - 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:**
 - 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.
 - 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 3

Reporting Source: Regulator

Current Status: Final

**Allegations:**

SECTION 17 OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(1) PROMULGATED THEREUNDER, FINRA RULES 2010, 3310, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(1)(D), 2210(B)(1), 2210(E), 3010(B), 3011, 3012(A), 3070, 3110, INTERPRETATIVE MATERIAL 3011-1, MSRB RULE G-41: THE FIRM FAILED TO ESTABLISH AND IMPLEMENT ADEQUATE POLICIES AND PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT. THE FIRM FAILED TO ESTABLISH ADEQUATE POLICIES AND PROCEDURES DESIGNED TO DETECT AND REPORT SUSPICIOUS ACTIVITY. FIRMS ARE REQUIRED TO HAVE ANTI-MONEY LAUNDERING (AML) COMPLIANCE PROGRAMS THAT PROVIDE ONGOING TRAINING FOR APPROPRIATE PERSONNEL YET DURING 2008, AT LEAST 29 OUT OF 90 (32%) FIRM REGISTERED REPRESENTATIVES FAILED TO COMPLETE AML TRAINING. THE FIRM'S AML INDEPENDENT TESTS FOR THE YEARS 2007 AND 2008 WERE INADEQUATE IN THAT THEY CONSISTED MAINLY OF A SUMMARY OF THE AML WRITTEN PROCEDURES WITHOUT INFORMATION REGARDING ANY TESTING OF THE PROCEDURES. THE FIRM FAILED TO ESTABLISH, IMPLEMENT AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING THE RETENTION OF BUSINESS-RELATED EMAILS SENT BY ITS REGISTERED REPRESENTATIVES FROM A BLOOMBERG TERMINAL. THE FIRM FAILED TO FILE STATISTICAL AND SUMMARY INFORMATION REGARDING CUSTOMER COMPLAINTS IT RECEIVED, FILED INCORRECT PROBLEM AND/OR PRODUCT CODES FOR COMPLAINTS AND CLAIMS IT RECEIVED, AND FAILED TO FILE INFORMATION REGARDING SETTLEMENT AGREEMENTS AND/OR CLOSED ARBITRATION CASES EXCEEDING \$25,000. THE FIRM CREATED AND DISTRIBUTED A BROCHURE FROM AN INTERNAL GROUP OF REGISTERED REPRESENTATIVES AND MAINTAINED A WEBSITE PAGE RELATING TO HEDGE FUNDS AND ALTERNATIVE INVESTMENTS. THE BROCHURE FAILED TO: PROVIDE A SOUND BASIS FOR EVALUATING FACTS, REFLECT THE UNCERTAINTY OF THE RATE OF RETURN AND YIELD OF THE INVESTMENT OFFERED, DISCLOSE RISKS, BE APPROVED BY A SUPERVISOR, AND CONTAIN REQUIRED LANGUAGE REGARDING SECURITIES INVESTOR PROTECTION CORPORATION (SIPC). IN ADDITION, THE BROCHURE CONTAINED MISLEADING AND EXAGGERATED STATEMENTS, INCLUDING THAT OFFERINGS WILL BE STRUCTURED WITH TERMS AND CONDITIONS THAT "PROTECT THE INVESTOR TO THE GREATEST EXTENT POSSIBLE WHILE ALLOWING FOR SIGNIFICANT UPSIDE PROFIT POTENTIAL" AND THAT THE INTERNAL GROUP OF REGISTERED REPRESENTATIVES WILL "EXIT THE INVESTMENT PROVIDING LIQUIDITY FOR INVESTORS" WHEN THE BROCHURE FAILED TO MENTION ANY RISKS OR ILLIQUIDITY POTENTIAL. THE BROCHURE ALSO IMPLIES THAT THE FIRM TRACES ITS HISTORY TO THE ORIGINAL COMPANY WITH THE SAME NAME THAT OPENED IN 1842, BUT THE FIRM OBTAINED THAT NAME THROUGH A 2004 NAME PURCHASE. THE WEBSITE INCORRECTLY STATED THAT THE FIRM



IS NOT AFFILIATED WITH ANY SPECIFIC HEDGE FUNDS WHEN THE FIRM PROVIDED FINANCIAL SUPPORT TO A SPECIFIC HEDGE FUND DURING 2008. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY CONTROL POLICIES AND PROCEDURES REQUIRED BY NASD RULE 3012(A). THE FIRM'S MARCH 31, 2009 REPORT OF A TEST OF ITS WRITTEN SUPERVISORY CONTROL PROCEDURES FAILED TO SUMMARIZE THE RESULTS OF THE TEST, THE SIGNIFICANT IDENTIFIED EXCEPTIONS AND ADDITIONAL AMENDED SUPERVISORY PROCEDURES CREATED IN RESPONSE TO THE TEST. FROM MAY 10, 2007 THROUGH MAY 30, 2009, THE FIRM'S NEW YORK OFFICE OF SUPERVISORY JURISDICTION FAILED TO MAINTAIN A BLOTTER CONTAINING REQUIRED INFORMATION REGARDING CHECKS THAT IT RECEIVED AND FORWARDED.

Initiated By: FINRA

Date Initiated: 02/07/2012

Docket/Case Number: [2009016306101](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/07/2012

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 \$65,000.00

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 IT IS CENSURED AND FINED \$65,000 (\$2,500 OF WHICH PERTAINS TO THE VIOLATIONS OF MSRB RULE G-41). FINE PAID IN FULL FEBRUARY 21, 2012.



Reporting Source: Firm

Current Status: Final

Allegations: SECTION 17 OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3(A)(1) PROMULGATED THEREUNDER, FINRA RULES 2010, 3310, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(1)(D), 2210(B)(1), 2210(E), 3010(B), 3011, 3012(A), 3070, 3110, INTERPRETATIVE MATERIAL 3011-1, MSRB RULE G-41: THE FIRM FAILED TO ESTABLISH AND IMPLEMENT ADEQUATE POLICIES AND PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT. THE FIRM FAILED TO ESTABLISH ADEQUATE POLICIES AND PROCEDURES DESIGNED TO DETECT AND REPORT SUSPICIOUS ACTIVITY. FIRMS ARE REQUIRED TO HAVE ANTI-MONEY LAUNDERING (AML) COMPLIANCE PROGRAMS THAT PROVIDE ONGOING TRAINING FOR APPROPRIATE PERSONNEL YET DURING 2008, AT LEAST 29 OUT OF 90 (32%) FIRM REGISTERED REPRESENTATIVES FAILED TO COMPLETE AML TRAINING. THE FIRM'S AML INDEPENDENT TESTS FOR THE YEARS 2007 AND 2008 WERE INADEQUATE IN THAT THEY CONSISTED MAINLY OF A SUMMARY OF THE AML WRITTEN PROCEDURES WITHOUT INFORMATION REGARDING ANY TESTING OF THE PROCEDURES. THE FIRM FAILED TO ESTABLISH, IMPLEMENT AND MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING THE RETENTION OF BUSINESS-RELATED EMAILS SENT BY ITS REGISTERED REPRESENTATIVES FROM A BLOOMBERG TERMINAL. THE FIRM FAILED TO FILE STATISTICAL AND SUMMARY INFORMATION REGARDING CUSTOMER COMPLAINTS IT RECEIVED, FILED INCORRECT PROBLEM AND/OR PRODUCT CODES FOR COMPLAINTS AND CLAIMS IT RECEIVED, AND FAILED TO FILE INFORMATION REGARDING SETTLEMENT AGREEMENTS AND/OR CLOSED ARBITRATION CASES EXCEEDING \$25,000. THE FIRM CREATED AND DISTRIBUTED A BROCHURE FROM AN INTERNAL GROUP OF REGISTERED REPRESENTATIVES AND MAINTAINED A WEBSITE PAGE RELATING TO HEDGE FUNDS AND ALTERNATIVE INVESTMENTS. THE BROCHURE FAILED TO: PROVIDE A SOUND BASIS FOR EVALUATING FACTS, REFLECT THE UNCERTAINTY OF THE RATE OF RETURN AND YIELD OF THE INVESTMENT OFFERED, DISCLOSE RISKS, BE APPROVED BY A SUPERVISOR, AND CONTAIN REQUIRED LANGUAGE REGARDING SECURITIES INVESTOR PROTECTION CORPORATION (SIPC). IN ADDITION, THE BROCHURE CONTAINED MISLEADING AND EXAGGERATED STATEMENTS, INCLUDING THAT OFFERINGS WILL BE STRUCTURED WITH TERMS AND CONDITIONS THAT "PROTECT THE INVESTOR TO THE GREATEST EXTENT POSSIBLE WHILE ALLOWING FOR SIGNIFICANT UPSIDE PROFIT POTENTIAL" AND THAT THE INTERNAL GROUP OF REGISTERED REPRESENTATIVES WILL "EXIT THE INVESTMENT PROVIDING LIQUIDITY FOR INVESTORS" WHEN

THE BROCHURE FAILED TO MENTION ANY RISKS OR ILLIQUIDITY POTENTIAL. THE BROCHURE ALSO IMPLIES THAT THE FIRM TRACES ITS HISTORY TO THE ORIGINAL COMPANY WITH THE SAME NAME THAT OPENED IN 1842, BUT THE FIRM OBTAINED THAT NAME THROUGH A 2004 NAME PURCHASE. THE WEBSITE INCORRECTLY STATED THAT THE FIRM IS NOT AFFILIATED WITH ANY SPECIFIC HEDGE FUNDS WHEN THE FIRM PROVIDED FINANCIAL SUPPORT TO A SPECIFIC HEDGE FUND DURING 2008. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY CONTROL POLICIES AND PROCEDURES REQUIRED BY NASD RULE 3012(A). THE FIRM'S MARCH 31, 2009 REPORT OF A TEST OF ITS WRITTEN SUPERVISORY CONTROL PROCEDURES FAILED TO SUMMARIZE THE RESULTS OF THE TEST, THE SIGNIFICANT IDENTIFIED EXCEPTIONS AND ADDITIONAL AMENDED SUPERVISORY PROCEDURES CREATED IN RESPONSE TO THE TEST. FROM MAY 10, 2007 THROUGH MAY 30, 2009, THE FIRM'S NEW YORK OFFICE OF SUPERVISORY JURISDICTION FAILED TO MAINTAIN A BLOTTER CONTAINING REQUIRED INFORMATION REGARDING CHECKS THAT IT RECEIVED AND FORWARDED.

Initiated By: FINRA

Date Initiated: 02/07/2012

Docket/Case Number: [2009016306101](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/07/2012

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

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 IT IS CENSURED AND FINED \$65,000 (\$2,500 OF WHICH PERTAINS TO THE VIOLATIONS OF MSRB RULE G-41).

Disclosure 2 of 3



Reporting Source: Regulator

Current Status: Final

Allegations: SEC SECTION 17 OF THE SECURITIES EXCHANGE ACT OF 1934, RULES 17A-3, 17A-4, SEC REGULATION S-P, NASD RULES 2110, 3010(B), 3010(D), 3110: THE FIRM FAILED TO RETAIN EMAIL COMMUNICATIONS RELATED TO THE FIRM'S BUSINESS THAT WERE SENT TO AND FROM NON-FIRM EMAIL ACCOUNTS USED BY THE FIRM REGISTERED REPRESENTATIVES WORKING FROM ONE OF THE FIRM'S BRANCH OFFICES, AND FAILED TO ESTABLISH AND MAINTAIN A SYSTEM FOR SUPERVISORY REVIEW OF THOSE NON-FIRM EMAILS. THE FIRM, ACTING THROUGH A REGISTERED PRINCIPAL, FAILED TO DEVELOP A PRIVACY POLICY OR DISSEMINATE TO ITS CUSTOMERS PRIVACY NOTICES REQUIRED BY REGULATION S-P. THE FIRM FAILED TO MAINTAIN NEW ACCOUNT DOCUMENTS FOR SOME ACCOUNTS AND MAINTAINED INCOMPLETE CUSTOMER INFORMATION FOR OTHER NEW ACCOUNT DOCUMENTS. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING THE DISSEMINATION OF A PRIVACY POLICY AND THE COLLECTION AND MAINTENANCE OF COMPLETE NEW ACCOUNT FORMS.

Initiated By: FINRA

Date Initiated: 11/02/2009

Docket/Case Number: [2007007315501](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/02/2009

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 \$65,000.00

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 \$5,000 JOINTLY AND SEVERALLY, AND FINED AN ADDITIONAL \$60,000.

Reporting Source: Firm

Current Status: Final

Allegations: SEC SECTION 17 OF THE SECURITIES EXCHANGE ACT OF 1934, RULES 17A-3, 17A-4, SEC REGULATION S-P, NASD RULES 2110, 3010(B), 3010(D), 3110: THE FIRM FAILED TO RETAIN EMAIL COMMUNICATIONS RELATED TO THE FIRM'S BUSINESS THAT WERE SENT TO AND FROM NON-FIRM EMAIL ACCOUNTS USED BY THE FIRM REGISTERED REPRESENTATIVES WORKING FROM ONE OF THE FIRM'S BRANCH OFFICES, AND FAILED TO ESTABLISH AND MAINTAIN A SYSTEM FOR SUPERVISORY REVIEW OF THOSE NON-FIRM EMAILS. THE FIRM, ACTING THROUGH A REGISTERED PRINCIPAL, FAILED TO DEVELOP A PRIVACY POLICY OR DISSEMINATE TO ITS CUSTOMERS PRIVACY NOTICES REQUIRED BY REGULATION S-P. THE FIRM FAILED TO MAINTAIN NEW ACCOUNT DOCUMENTS FOR SOME ACCOUNTS AND MAINTAINED INCOMPLETE CUSTOMER INFORMATION FOR OTHER NEW ACCOUNT DOCUMENTS. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING THE DISSEMINATION OF A PRIVACY POLICY AND THE COLLECTION AND MAINTENANCE OF COMPLETE NEW ACCOUNT FORMS.

Initiated By: FINRA

Date Initiated: 11/02/2009

Docket/Case Number: [2007007315501](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/02/2009

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

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 \$5,000 JOINTLY AND SEVERALLY, AND FINED AN ADDITIONAL \$60,000.

Disclosure 3 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: BACKGROUND: RESPONDENT AND CO-RESPONDENT SANDS BROTHERS ASSET MANAGEMENT LLC (CRD 110076) HAD BEEN SIGNATORIES TO A NOVEMBER 29, 2004 CONSENT ORDER CONDITIONING REGISTRATION AS AN INVESTMENT ADVISER AGENT AND RESTRICTING SECURITIES-RELATED ACTIVITIES (FILE NO. CO-04-7093) INVOLVING MARTIN SCOTT SANDS (CRD NUMBER 1186904), THEN A BROKER-DEALER AGENT OF LAIDLAW & COMPANY (UK) LTD.'S PREDECESSOR AND AN INVESTMENT ADVISER AGENT OF SANDS BROTHERS ASSET MANAGEMENT LLC. THE 2004 CONSENT ORDER OBLIGATED THE RESPONDENTS TO FILE PERIODIC REPORTS WITH THE AGENCY CONCERNING DISCIPLINARY MATTERS INVOLVING MARTIN SCOTT SANDS. THE MAY 18, 2007 ACTION CLAIMED THAT THE RESPONDENTS HAD VIOLATED THE NOVEMBER 29, 2004 CONSENT ORDER AS WELL AS SECTION 36B-23 OF THE CONNECTICUT UNIFORM SECURITIES ACT BY FILING INCOMPLETE OR INACCURATE REPORTS WITH THE DEPARTMENT.

Initiated By: CONNECTICUT

Date Initiated: 05/18/2007

Docket/Case Number: RCF-2007-7093-S

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

1. ORDER TO CEASE AND DESIST ISSUED 5/18/2007
2. NOTICE OF INTENT TO FINE ISSUED 5/18/2007
3. NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER ISSUED 5/18/2007

Resolution: Consent

Resolution Date: 01/20/2009



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

Sanctions Ordered: Monetary/Fine \$50,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: THE JANUARY 20, 2009 CONSENT ORDER FINED THE FIRM \$50,000 AND REQUIRED THAT IT REIMBURSE THE DEPARTMENT AN ADDITIONAL \$10,000 FOR INVESTIGATIVE COSTS FOR A TOTAL OF \$60,000. IN ADDITION, THE 1/20/09 CONSENT ORDER REQUIRED THAT THE FIRM RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT SEMI-ANNUAL REVIEWS OF THE FIRM'S SUPERVISORY PROCEDURES FOR TWO YEARS. THE CONSENT ORDER ALSO DIRECTED THE FIRM TO CEASE AND DESIST FROM REGULATORY VIOLATIONS.

Sanction Details: SEE RESPONSE TO ITEM 13.B.

Regulator Statement THE RESPONDENTS WERE AFFORDED AN OPPORTUNITY TO REQUEST A HEARING ON THE ORDER TO CEASE AND DESIST, AND RESPONDENT LAIDLAW & COMPANY (UK) WAS LIKEWISE AFFORDED AN OPPORTUNITY TO REQUEST A HEARING ON THE NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER. A HEARING ON THE NOTICE OF INTENT TO FINE HAS BEEN SCHEDULED FOR JULY 17, 2007. UPDATE: MATTER INVOLVING LAIDLAW & COMPANY (UK) LTD. WAS RESOLVED VIA THE JANUARY 20, 2009 CONSENT ORDER DESCRIBED ABOVE.

Reporting Source: Firm

Current Status: Final

Allegations: REGISTRANT (CRD #110076) WAS A SIGNATORY TO A NOVEMBER 29, 2004 CONSENT ORDER RESTRICTING SECURITIES-RELATED ACTIVITIES (FILE NO. CO-04-7093). THE MAY 18, 2007 ACTION CLAIMED THAT THE REGISTRANT HAD VIOLATED THE NOVEMBER 29, 2004 CONSENT ORDER AS WELL AS SECTION 36B-23 OF THE CONNECTICUT UNIFORM SECURITIES ACT BY FILING INCOMPLETE OR INACCURATE REPORTS WITH THE DEPARTMENT.

Initiated By: CONNECTICUT

Date Initiated: 05/18/2007

Docket/Case Number: RCF-2007-7093-S

Principal Product Type: No Product

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

1)ORDER TO CEASE AND DESIST ISSUED 5/18/07 (2) NOTICE OF INTENT TO FINE ISSUED 5/18/07 (3) NOTICE OF INTENT TO REVOKE REGISTRATION AS BROKER-DEALER ISSUED 5/18/07.

Resolution:

Consent

Resolution Date:

01/20/2009

Sanctions Ordered:Monetary/Fine \$50,000.00
Cease and Desist/Injunction**Other Sanctions Ordered:**

THE JANUARY 20, 2009 CONSENT ORDER FINED THE FIRM \$50,000 AND REQUIRED THAT IT REIMBURSE THE DEPARTMENT AN ADDITIONAL \$10,000 FOR INVESTIGATIVE COSTS FOR A TOTAL OF \$60,000. IN ADDITION, THE 1/20/09 CONSENT ORDER REQUIRED THAT THE FIRM RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT SEMI-ANNUAL REVIEWS OF THE FIRM'S SUPERVISORY PROCEDURES FOR TWO YEARS. THE CONSENT ORDER ALSO DIRECTED THE FIRM TO CEASE AND DESIST FROM REGULATORY VIOLATIONS

Sanction Details:

ON JANUARY 20, 2009 THE STATE OF CONNECTICUT FINED LAIDLAW & COMPANY \$50,000 AND REQUIRED THAT IT REIMBURSE THE DEPARTMENT AN ADDITIONAL \$10,000 FOR INVESTIGATIVE COSTS FOR A TOTAL OF \$60,000.

Firm Statement

MATTER INVOLVING LAIDLAW & COMPANY (UK) LTD. WAS RESOLVED VIA THE JANUARY 20, 2009 CONSENT ORDER DESCRIBED ABOVE.

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 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; OTHER-OTHER
Arbitration Forum:	FINRA
Case Initiated:	09/06/2007
Case Number:	07-02520
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	\$275,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/07/2009
Sum of All Relief Awarded:	\$297,051.01

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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