

BrokerCheck Report

GRADY AND HATCH & COMPANY, INC.

CRD# 14262

Report #83667-16243, data current as of Monday, December 15, 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.](http://www.finra.org)

Thank you for using FINRA BrokerCheck.



GRADY AND HATCH & COMPANY, INC.

CRD# 14262

SEC# 8-30204

Main Office Location

900 SOUTH AVE.
STATEN ISLAND, NY 10314

Mailing Address

900 SOUTH AVE.
STATEN ISLAND, NY 10314

Business Telephone Number

(718)568-2255

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 York on 05/02/1983.

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 brokerage firm is no longer registered with FINRA or a national securities exchange.

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	17
Arbitration	2



Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.

This firm terminated or withdrew registration on:	12/18/2001
Does this brokerage firm owe any money or securities to any customer or brokerage firm?	Yes
Number of customers owed funds or securities:	1
Amount of money owed to customer:	\$12,500.00
Amount of money owed to brokerage firm:	\$0.00
Market value of securities owed to customer:	\$0.00
Market value of securities owed to brokerage firm:	\$0.00
Payment arrangement:	ARRANGEMENTS HAVE NOT YET BEEN FINALIZED.



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 05/02/1983.

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.

GRADY AND HATCH & COMPANY, INC.

Doing business as GRADY AND HATCH & COMPANY, INC.

CRD# 14262

SEC# 8-30204

Main Office Location

900 SOUTH AVE.
STATEN ISLAND, NY 10314

Mailing Address

900 SOUTH AVE.
STATEN ISLAND, NY 10314

Business Telephone Number

(718)568-2255



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): G&H ACQUISITION CORP.

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

Position OWNER

Position Start Date 05/2001

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): GRADY, ROBERT EDWARD
226921

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

Position OWNER

Position Start Date 06/1983

Percentage of Ownership 10% but less than 25%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ALLEN, RAY ANTHONY
2925054

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

Position COMPLIANCE DIRECTOR

Position Start Date 04/2001

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? No

Is this a public reporting company? No

Legal Name & CRD# (if any): MINERVA, JOHN DANIEL
2702468

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

Position PRESIDENT

Position Start Date 10/2001

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

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



Indirect Owners

Legal Name & CRD# (if any):	TURNER, RONALD JAMES 2735639
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	G&H ACQUISITION CORP.
Relationship to Direct Owner	OWNER
Relationship Established	05/2001
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

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 no longer registered.

The firm's registration was from 09/13/1983 to 11/12/2002.

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 5 types of businesses.

Types of Business

- Broker or dealer retailing corporate equity securities over-the-counter
- Mutual fund retailer
- Investment advisory services
- Non-exchange member arranging for transactions in listed securities by exchange member
- Private placements of securities

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: FISERV CORRESPONDENT SERVICES, INC.
CRD #: 29273
Business Address: 1125 17TH STREET, SUITE 1700
SAME
DENVER, NY 80202
Effective Date: 10/18/2001
Description: G&H HAS ENTERED INTO A CLEARING ARRANGEMENT WITH FISERV CORRESPONDENT SERVICES, INC. WHEREBY G&H WILL INTRODUCE CUSTOMERS TO FISERV ON A FULLY DISCLOSED BASIS.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

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 not, 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.**

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	17	0
Arbitration	N/A	2	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 17

Reporting Source: Regulator

Current Status: Final



Allegations: FAILED TO PAY FINES AND/OR COSTS
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 11/12/2002
Docket/Case Number: C10010117
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Expulsion
Other Sanction(s)/Relief Sought:
Resolution: Other
Resolution Date: 11/12/2002
Sanctions Ordered: Revocation/Expulsion/Denial
Other Sanctions Ordered:
Sanction Details: EXPELLED FROM NASD MEMBERSHIP NOVEMBER 12, 2002 FOR FAILURE TO PAY FINES AND/OR COSTS IN NASD CASE C10010117.

Disclosure 2 of 17

Reporting Source: Regulator
Current Status: Final
Allegations: FAILED TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO AN NASD REQUEST TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 02/05/2002
Docket/Case Number: ARBITRATION CASE #00-00093
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Suspension
Other Sanction(s)/Relief Sought:



Resolution: Other

Resolution Date: 02/05/2002

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: NASD REGISTRATION SUSPENDED FEBRUARY 5, 2002 FOR FAILING TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO AN NASD REQUEST TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE.

Disclosure 3 of 17

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 10B-10(A), 17A-3(A)(6), 17A-4, NASD RULES 2110, 2320(A) NASD MARKETPLACE RULES 4632(A)(1), 4642(A), NASD SYSTEMS AND PROGRAMS RULE 6130(D)(7)- RESPONDENT MEMBER REPORTED TRANSACTIONS TO ACT MORE THAN 90 SECONDS AFTER THE TRANSACTIONS' EXECUTION; FAILED TO ATTACH THE ".SLD" LATE TRADE MODIFIER TO TRANSACTIONS REPORTED LATE; INCORRECTLY REPORTED TO ACT THAT IT HAD ACTED AS AN AGENT IN ONE TRANSACTION, WHEN, IN FACT, IT HAD ACTED AS A PRINCIPAL; FAILED TO EXECUTE LIMIT ORDER TRANSACTIONS WHEN THE LIMIT PRICE WAS REACHED; FAILED TO ACCURATELY TIME-STAMP ORDER TICKETS IN THAT THE TIME STAMPED ON THE ORDER TICKETS DID NOT CORRESPOND TO THE EXECUTION TIMES REPORTED TO ACT; FAILED TO TIME STAMP ORDER TICKETS; ONE ORDER TICKET CONTAINED AN INACCURATE DATE; ORDER TICKETS CONTAINED AN INACCURATE ACCOUNT IDENTITY; FAILED TO MAINTAIN ORDER TICKETS IN CONNECTION WITH TRANSACTIONS; A CONFIRMATION FAILED TO DISCLOSE THE MARKUP CHARGED TO THE CUSTOMER; A CONFIRMATION FAILED TO DISCLOSE THE FIRM'S STATUS AS A MARKET MAKER; AND CONFIRMATIONS FAILED TO ACCURATELY DISCLOSE THE FIRM'S CAPACITY (EITHER PRINCIPAL OR AGENT).

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/07/2001

Docket/Case Number: C10010117

Principal Product Type: Other

Other Product Type(s): GENERAL SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/07/2001

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: CENSURED AND FINED \$15,000

Regulator Statement EXPELLED FROM NASD MEMBERSHIP 11/12/02 FOR FAILURE TO PAY FINES AND/OR COSTS

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULES 10B-10(A),17A-3(A)6),17A-4, NASD CONDUCT RULES 2110 AND 2320(A), AND NASD MARKETPLACE RULES 4632(A)(1) AND 4642(A) AND NASD SYSTEMS AND PROGRAMS RULE 6130(D)(7)-RESPONDENT MEMBER REPORTED TRANSACTIONS TO ACT MORE THAN 90 SECONDS AFTER TRANSACTIONS' EXECUTION; FAILED TO ATTACH THE "SLD" LATE TRADE MODIFIER TO TRANSACTIONS REPORTED LATE; INCORRECTLY REPORTED TO ACT THAT IT HAD ACTED AS AN AGENT IN ONE TRANSACTION, WHEN, IN FACT, IT HAD ACTED AS A PRINCIPAL; FAILED TO EXECUTE LIMIT ORDER TRANSACTIONS WHEN THE LIMIT PRICE WAS REACHED; FAILED TO ACCURATELY TIME- STAMP ORDER TICKETS IN THAT THE TIME STAMPED ON THE ORDER TICKETS DID NOT CORRESPOND TO THE EXECUTION TIMES REPORTED TO ACT; FAILED TO TIME-STAMP ORDER TICKETS; ONE ORDER TICKET CONTAINED AN INACCURATE DATE; ORDER TICKETS CONTAINED AN INACCURATE ACCOUNT IDENTITY; FAILED TO MAINTAIN ORDER TICKETS IN CONNECTION WITH TRANSACTIONS; A CONFIRMATION FAILED TO DISCLOSE THE MARKUP CHARGED TO THE CUSTOMER; A CONFIRMATION FAILED TO DISCLOSE THE FIRM'S STATUS AS A MARKET MAKER, AND CONFIRMATIONS FAILED TO ACCURATELY DISCLOSE THE FIRM'S CAPACITY (EITHER PRINCIPAL OR AGENT).

Initiated By: NASD

Date Initiated: 07/30/2001



Docket/Case Number: C10010117
Principal Product Type: Other
Other Product Type(s): GENERAL SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 09/07/2001
Sanctions Ordered: Censure
 Monetary/Fine \$15,000.00
Other Sanctions Ordered:
Sanction Details: FIRM CENSURED AND FINED \$15,000
Firm Statement FIRM IS NOW A \$5,000 NET CAPITAL BROKER-DEALER. UNDER NEW MANAGEMENT, THE FIRM IS IN THE PROCESS OF INSTALLING CORRECTIVE PROCEDURES TO PREVENT A REOCCURRENCE OF CONDITIONS GIVING RISE TO ABOVE NOTED DEFICIENCIES.

Disclosure 4 of 17

Reporting Source: Regulator
Current Status: Final
Allegations: >07/16/01 SEC RULE 15C3-1, NASD CONDUCT RULES 2110, 3010 - MEMBER FIRM ACTING THROUGH EMPLOYEE, FAILED TO MAINTAIN SUFFICIENT NET CAPITAL WHILE CONDUCTING A SECURITIES BUSINESS; FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES ADEQUATELY DESIGNED TO ENSURE COMPLIANCE WITH SEC RULE 15C3-1, THE NET CAPITAL RULE.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 07/11/2001
Docket/Case Number: C10010089
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: 07/11/2001

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: FINED \$10,000.00 JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: FOR THE DATES DEC. 31, 1998, JANUARY 31, 1999, AND FEBRUARY 16, 1999, THE FIRM MISSTATED ITS NET CAPITAL WHEN IN FACT IT WAS DEFICIENT. ADDITIONALLY, G&H ACTING THROUGH ROBERT GRADY, FAILED TO ADOPT, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES ADEQUATELY DESIGNED TO ENSURE COMPLIANCE WITH SEC RULE 15C3-1, THE NET CAPITAL RULE. ACCORDINGLY, THE FIRM AND GRADY VIOLATED NASD CONDUCT RULES 3010 AND 2110.

Initiated By: NASD

Date Initiated: 02/15/2001

Docket/Case Number: C10010089

Principal Product Type: Other

Other Product Type(s): NET CAPITAL VIOLATION

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/11/2001

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00
Suspension

Other Sanctions Ordered:

Sanction Details: ROBERT E GRADY WAS SUSPENDED FROM ASSOCIATING WITH ANY NASD MEMBER FIRM IN ALL PRINCIPAL CAPACITIES FOR A PERIOD OF FIVE BUSINESS DAYS.

Firm Statement GRADY & HATCH AND ROBERT E. GRADY WERE FINED JOINT AND SEVERALLY IN THE AMOUNT OF \$10,000.00.

Disclosure 5 of 17

Reporting Source: Regulator

Current Status: Final

Allegations: 07/11/00GS: NASD RULES 2110 AND 6620 - REPORTED OVER-THE-COUNTER BULLETIN BOARD EQUITY TRANSACTIONS INACCURATELY OR LATE; AND, EXECUTED TRANSACTIONS AND CAUSED THE ISSUANCE OF CUSTOMER CONFIRMATIONS WHICH WERE DEFICIENT.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 06/22/2000

Docket/Case Number: C8A000037

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/22/2000

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: \$5,000 PAID 04/20/01, INVOICE #00-08-443

Reporting Source: Firm

Current Status: Final

Allegations: FOR THE PERIOD SEPT. 2,1999 TO SEPT. 9,1999, THE FIRM REPORTED 12 OTCBB TRANSACTIONS INACCURATELY OR LATE; FOR THE PERIOD SEPT.



3,1999 TO SEPT. 10,1999, THE FIRM EXECUTED TRANSACTIONS WHICH WERE DEFICIENT IN THAT 18 CONFIRMATIONS FAILED TO CONTAIN DISCLOSURE REGARDING PAYMENT-FOR-ORDER FLOW, 1 CONFIRMATION DISCLOSED AN AGENCY TRADE THAT WAS EXECUTED AS A PRINCIPAL TRANSACTION,7 CONFIRMATIONS FAILED TO DISCLOSE THAT THAT THE FIRM EXECUTED TRANSACTIONS WHILE ACTING IN DUAL AGENCY CAPACITY AND AS A MARKET MAKER, AND 5 FAILED TO DISCLOSE THAT THE MEMBER MADE A MARKET IN THE SECURITY. AS A RESULT OF THE ABOVE, IT IS THE NASD'S POSITION THAT THE FIRM VIOLATED NASD CONDUCT RULE 2110 AND MARKETPLACE RULE 6620 AND SECURE 10B-10.

Initiated By:	NASD
Date Initiated:	06/09/2000
Docket/Case Number:	C8A000037
Principal Product Type:	Equity - OTC
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/26/2000
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	GRADY & HATCH ACCEPTED AN AWC BY THE NASD AND WAS FINED \$5000.00.
Firm Statement	N/A

Disclosure 6 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT GRADY HATCH & CO. FILED AN INCOMPLETE APPLICATION FOR A BROKER-DEALER LICENSE, CONDUCTED BUSINESS IN SECURITIES IN THE STATE WHILE UNLICENSED AND WAS THE SUBJECT OF AN ORDER BY THE STATE OF MASSACHUSETTS, IN

VIOLATION OF NH RSA 421-B.
Initiated By: NH BSR
Date Initiated: 05/15/1998
Docket/Case Number: INV98-014
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Order
Resolution Date: 05/15/1998
Sanctions Ordered: Revocation/Expulsion/Denial
Other Sanctions Ordered:
Sanction Details: DENIAL OF LICENSE.
Regulator Statement DENIAL OF BROKER-DEALER LICENSE BASED ON ALLEGATIONS. CONTACT: ENFORCEMENT (603) 271-1463

Reporting Source: Firm
Current Status: Final
Allegations: GRADY & HATCH FILED AN INCOMPLETE APP FOR A BROKER DEALER LICENSE CONDUCTED BUSINESS IN THE STATE WHILE UN LICENSED AND WAS SUBJECT TO AN ORDER BY THE STATE OF MASSACHUSETTS,IN VIOLATION OF NH RSA 421-B
Initiated By: NH BSR.
Date Initiated: 05/15/1998
Docket/Case Number: INV98-014
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	RELIEF SOUGHT
Resolution:	Order
Resolution Date:	05/15/1998
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	DENIAL OF LICENSE
Firm Statement	DENIAL OF BROKER DEALER LICENSE BASED ON ALLEGATIONS.CONTACT ENFORCEMENT (603)271-1463

Disclosure 7 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	07/01/1996
Docket/Case Number:	CMS950165AWC
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/01/1996
Sanctions Ordered:	Monetary/Fine \$4,000.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. CMS950165 AWC THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) SUBMITTED BY



GRADY AND HATCH & COMPANY, INC. (GHCO) WAS ACCEPTED BY THE MARKET SURVEILLANCE AND THE NATIONAL BUSINESS CONDUCT COMMITTEES ON JULY 1, 1996.

IN THE AWC, GHCO IS ALLEGEDLY IN VIOLATION OF SCHEDULE D TO THE ASSOCIATION'S BY-LAWS FOR REPORTING, CAUSING TO BE REPORTED OR FAILING TO REPORT THROUGH ACT, 53 TRANSACTIONS IN OVER-THE-COUNTER EQUITY SECURITIES. GHCO IS ALSO ALLEGEDLY IN VIOLATION OF RULE 10b-10 OF THE SECURITIES EXCHANGE ACT OF 1934 AND ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE FOR FAILING TO DISCLOSE ON FIFTEEN CUSTOMER CONFIRMATIONS THAT GHCO MAKES A MARKET IN THE SUBJECT SECURITY. GHCO IS HEREBY FINED \$4,000. THE AWC BECAME FINAL ON JULY 1, 1996.

\$4,000.00 PAID ON 10/01/96, INVOICE #96-MS-645

Reporting Source: Firm

Current Status: Final

Allegations: N.B.C.C IS STATING THAT GHCO,IS IN VIOLATION OF SCHEDULE D' FOR FAILING TO REPORT THROUGH THE ACT OF 1953 IN IVER THE COUNTER EQUITY SECURITIES.AND FAILING TO DISCLOSE FIFTEEN CUSTOMER CONFIRMATIONS THAT GHCO MAKES A MARKET IN.

Initiated By: N.A.S.D

Date Initiated: 07/01/1996

Docket/Case Number: CMS950165AWC

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/01/1996

Sanctions Ordered: Monetary/Fine \$4,000.00



Other Sanctions Ordered: NO OTHER SANCTIONS ORDERED, ONLY A FINE.

Sanction Details: A FINE WAS PAID IN THE AMOUNT OF \$4000.00 ON 10/01/1996

Firm Statement LETTER OF ACCEPTANCE, WAIVER AND CONSENT(AWC) SUBMITTED BY GRADY AND HATCH AND THE NATIONAL BUSINESS CONDUCT COMMITTEE ON JULY 1, 1996 IN THE (AWC)GHCO, IS ALLEGEDLY IN VIOLATION OF SCHEDULE D TO THE ASSOCIATIONS BY LAWS FOR REPORTING , CAUSING TO BE REPORTED OR FAILURE TO REPORT THROUGH ACT 1953 TRANSACTIONS IN OVER THE COUNTER EQUITY SECURITIES .GHCO IS ALSO ALLEGED IN VIOLATION OF RULE 10B-10 OF THE S.E.C.ACT OF 1934 AND ARTICLE III, SECTION 1 OF THE ASS, RULE OF FAIR PRACTICE FOR FAILING TO DISCLOSE ON FIFTEEN CUSTOMER CONFIRMS THAT GHCO MAKES A MARKET IN THE SUBJECT SECURITY. GHCO IS HEREBY FINED \$4000.00 PAID ON 10/01/96 INVOICE #96-MS-645**

Disclosure 8 of 17

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 11/23/1993

Docket/Case Number: C10930077

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/27/1994

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ON NOVEMBER 23, 1993, DISTRICT NO. 10 NOTIFIED GRADY AND HATCH & COMPANY, INC. AND RAYMOND HATCH THAT THE LETTER OF

ACCEPTANCE, WAIVER AND CONSENT NO. C10930077 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$5,000, JOINTLY AND SEVERALLY - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT HATCH, INACCURATELY COMPUTED ITS NET CAPITAL AND THEREBY FAILED TO MAINTAIN THE REQUIRED CAPITAL WHILE CONDUCTING A SECURITIES BUSINESS).

\$5,000 J&S FULLY PAID AS OF 10/27/94 INVOICE #93-10-925

Reporting Source: Firm

Current Status: Final

Allegations: DIST #10 NOTIFIED GHCO THAT THEY WERE UNDER ITS NET CAPITAL REQUIREMENT

Initiated By: N.A.S.D.

Date Initiated: 11/23/1993

Docket/Case Number: C10930077

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/27/1994

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

Other Sanctions Ordered: NO OTHER SANCTIONS ORDERED, ONLY A FINE WAS PAID.

Sanction Details: A FINE WAS PAID FOR \$5000.00 ON 10/27/1994

Firm Statement ON NOV 23, 1993 DISTRICT #10 NOTIFIED GHCO AND RAYMOND HATCH THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT \$5000.00 JOINTLY AND SEVERALLY ART III SEC 1 OF THE RULES OF FAIR PRACTICE-RESPONDENT MEMBER ACTING THROUGH RESPONDANT RAYMOND HATCH INACCURATELY COMPUTED ITS NET CAPITAL AND, FAILURE TO MAINTAIN THE REQUIRED NET CAPITAL WHILE IN BUSINESS.

\$5000.00J&S FULLY PAID AS OF 10/27/1994 INVOICE #91-10-925**

Disclosure 9 of 17

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/07/1993

Docket/Case Number: CMS930041 AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/03/1993

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement 9-3-93-MARKET SURVEILLANCE COMPLAINT NO.CMS930041 AWC:

THE FOLLOWING LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) FILED ON 7/7/93, ALLEGE VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE RESPONDENTS UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD. ACCEPTED BY MSC ON 8/13/93 AND BY NBCC ON 9/3/93. FINE \$500.

\$500 PAID ON 11/9/93 INVOICE NO. 93-MS-738

Reporting Source: Firm

Current Status: Final

Allegations: FAILING TO UPDATE THE QUATATIONS IN BULLETIN BOARD SYSTEM IN THE ALLOWABLE TIME GIVEN.
Initiated By: N.A.S.D.,INC
Date Initiated: 07/07/1993
Docket/Case Number: CMS930041AWC
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 09/03/1993
Sanctions Ordered: Monetary/Fine \$500.00
Other Sanctions Ordered: NO OTHER SANCTIONS ORDERED,FINE WAS PAID
Sanction Details: A FINE WAS PAID FOR \$500.00 ON 11/9/1993
Firm Statement 9/3/1993 MARKET SURVEILLANCE COMPLAINT NO.CMS930041AWC: THE FOLLOWING LETTER OF ACCEPTANCE,WAIVER AND CONSENT FILED ON 7/7/93, ALLEGEPRACTICES THAT RESPONDANTS UPDATED QUOTATION IN THE B.B SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SEC. ON THE B.B. ACCEPTED BY MSC ON 8/13/93BY THE NBCC ON 9/3/1993 FINE \$500.00 PAID ON 11/9/93 INVOICE # 93-MS-738

Disclosure 10 of 17

Reporting Source: Regulator
Current Status: Final
Allegations: Not Provided
Initiated By: MASSACHUSETTS SECURITIES DIVISION
Date Initiated: 04/28/1993
Docket/Case Number: R-93-064
Principal Product Type:
Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent
Resolution Date: 07/07/1993
Sanctions Ordered: Monetary/Fine \$120.00
Other Sanctions Ordered:

Sanction Details: ON JULY 7, 1993 A CONSENT ORDER WAS ENTERED BY THE MASSACHUSETTS SECURITIES DIVISION IN RESPECT TO GRADY AND HATCH, ROBERT E. GRADY AND RAYMOND A. HATCH

Regulator Statement A CONSENT ORDER WAS ENTERED ON JULY 7, 1993 PURUSANT TO WHICH GRADY AND HATCH, ROBERT E. GRADY AND RAYMOND A. HATCH CONSENTED TO A) PAY A FINE IN THE AMOUNT OF \$120.00 WHICH WAS THE TOTAL GROSS AMOUNT OF COMPENSATION DERIVED FROM SECURITIES TRANSACTIONS CONDCUTED BY THE FIRM IN MA WHEN IT WAS NOT REGISTERED IN MA; B) TO PAY COSTS OF \$150.00; AND C) TO WITHDRAW THEIR APPLICATIONS FOR REGISTRATION IN MASSACHUSETTS.

Reporting Source: Firm
Current Status: Final
Allegations: GHCO WAS DOING BUSINESS WHEN THE FIRM WAS NOT REGISTERED IN THE STATE
Initiated By: MASSACHUSETTS SECURITIES DIVISION.
Date Initiated: 04/28/1993
Docket/Case Number: R-93-064
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought: RELIEF SOUGHT

Resolution: Consent

Resolution Date: 07/07/1993

Sanctions Ordered: Monetary/Fine \$120.00

Other Sanctions Ordered:

Sanction Details: A FINE WAS AID OF \$120.00

Firm Statement ON JULY 7,1993A CONSENT ORDER WAS ENTERED BY MASSACHUSETTS SEC DIVISION IN RESPECT TO GRADY AND HATCH,ROBERT GRADY & RAYMOND HATCH.(A)TO PAY A FINE OF \$120.00 WHICH WAS TOTAL GROSS AMOUNT OF COMPENSATION DERIVED FROM SECURITIES TRANASCTIONS CONDUCTED BY THE FIRM IN MA, WHEN IT EAS NOT REGISTERED IN MA,(B)TO PAY COSTS OF \$150.00 AND(C)TO WITHDRAW THEIR APP FROM THE STATE OF MA,

Disclosure 11 of 17

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 12/08/1992

Docket/Case Number: CMS930002 AWC(A)

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 03/18/1993

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details:

**Regulator Statement**

3/22/93: MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS930002
 AWC
 (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED DECEMBER 8,
 1992 AGAINST RESPONDENT MEMBER GRADY AND HATCH & CO., INC.
 ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE
 ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE FOLLOWING
 RESPONDENTS UPDATE QUOTATIONS IN THE BULLETIN BOARD SYSTEM
 OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR
 SECURITIES ON THE BULLETIN BOARD.

THE LETTER OF ACCEPTANCE, WAIVER OF CONSENT WAS ACCEPTED BY
 THE
 MARKET SURVEILLANCE COMMITTEE ON MARCH 4, 1993 AND BY THE
 NATIONAL BUSINESS CONDUCT COMMITTEE ON MARCH 18, 1993.

**\$250.00 FINE.

\$250.00 PAID ON 4/2/93 INVOICE #93-MS-268

Reporting Source: Firm

Current Status: Final

Allegations: N.A.S.D. RULES OF FAIR PRACTICE ARE STATING THAT GRADY & HATCH
 UPDATED THE QUOTATION IN THE BULLITEN BOARD SYSTEM OUTSIDE
 THE ALLOWABLE TIME.

Initiated By: N.A.S.D.

Date Initiated: 12/08/1992

Docket/Case Number: CMS930002 AWC(A)

Principal Product Type: Equity - OTC

Other Product Type(s):

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

**Other Sanction(s)/Relief
 Sought:** RELIEF SOUGHT

Resolution: Consent

Resolution Date: 03/18/1993

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: ORDERED TO PAY A FINE OF \$250.00 ON MARCH 18,1993

**Firm Statement**

3/22/93 MARKET SURVEILLANCE COMMITTEE COMPLAINT
 #CMS930002AWC(A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT
 FILED DEC, 08, 1992 AGAINST ARTICLE III SECTION 1 OF THE ASSOCIATION
 RULES OF FAIR PRACTICE IN THAT THE FOLLOWING RESPONDANTS
 UPDATE QUOTATIONS IN THE BULLETIN BOARD OUTSIDE THE
 ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE
 BULLETIN BOARD. THE LETTER OF ACCEPTANCE, WAIVER OF CONSENT
 WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON MARCH
 4, 1993. AND BY THE N.B.C.C. ON MARCH 18, 1993 \$250.00 FINE PAID ON
 4/2/1993 INVOICE #93-MS-268

Disclosure 12 of 17

Reporting Source: Regulator

Current Status: Final

Allegations: 11-51-404(3)(b), C.R.S. (1991) REVOCATION FOR
 FAILURE TO PAY RENEWAL FEES, DEEMED ABANDONED.

Initiated By: COLORADO DIVISION OF SECURITIES

Date Initiated: 05/13/1992

Docket/Case Number: 92-LS-006-027

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 05/13/1992

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: ORDER OF SUMMARY REVOCATION, FAILED TO RENEW.

Regulator Statement Not Provided

Reporting Source: Firm

Current Status: Final



Allegations: REVOCATION TO FAILURE TO PAY RENEWALS FEES, DEEMED ABANDONED.
Initiated By: COLORADO DIVISION EF SECURITIES
Date Initiated: 05/13/1992
Docket/Case Number: 92-LS-006-027
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: RELIEF SOUGHT
Resolution: Order
Resolution Date: 05/13/1992
Sanctions Ordered: Revocation/Expulsion/Denial
Other Sanctions Ordered:
Sanction Details: ORDER OF SUMMARY REVOCATION,FAILED TO RENEW.

Disclosure 13 of 17

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 10/03/1991
Docket/Case Number: CMS910019-AWC
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Consent



Resolution Date: 12/31/1991

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS910019-AWC: (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED OCTOBER 3, 1991 AGAINST RESPONDENT MEMBER SHAMROCK PARTNERS LTD. ALLEGING VIOLATIONS OF PART XII, SECTION 2 OF SCHEDULE D OF THE ASSOCIATION'S BY-LAWS RELATIVER TO INACCURATE VOLUME REPORTING:

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTED ON NOVEMBER 11, 1991 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON DECEMBER 31, 1991.

\$1,000.00 FINED

\$500.00 PAID ON 1/24/92 INVOICE #92-MS-62

Reporting Source: Firm

Current Status: Final

Allegations: N.A.S.D. REPORTS THAT GRADY \$ HATCH INNACCURATLY REPORTED THERE VOLUME.

Initiated By: N.A.S.D.

Date Initiated: 10/03/1991

Docket/Case Number: CMS910019-AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Prohibition

Other Sanction(s)/Relief Sought: RELIEF SOUGHT

Resolution: Consent

Resolution Date: 12/31/1991

Sanctions Ordered: Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

Sanction Details: ORDERED TO PAY A FINE OF \$1000.00

Firm Statement MARKET SURVEILLANCE COMMITTEECOMPLAINT #CMS910019-AWC (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED OCT 3,1991 AGAINST RESPONDENTOF SCHEDULE D OF THE ASS BY LAWS RELATIVER TO INNACURATE VOLUME REPORTING: THE LETTER OF ACCEPTANCE WAIVER AND CONSENT WAS ACCEPTED BY THE COMMITTEE ON DEC 31,1991 AND \$1000.00 FINE WAS PAID ON 1/24/1992 INVOICE # 92-MS-62

Disclosure 14 of 17

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 09/25/1991

Docket/Case Number: CMS910018-AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/31/1991

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:**Sanction Details:**

Regulator Statement MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS910018-AWC: (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED SEPTEMBER 25, 1991 AGAINST RESPONDENT MEMBER GRADY AND HATCH & CO., INC. ALLEGING VIOLATIONS OF SECTION 2 OF SCHEDULE H OF ASSOCIATION'S BY-LAWS:

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY

THE MARKET SURVEILLANCE COMMITTEE ON NOVEMBER 11, 1991 AND BY
 THE NATIONAL BUSINESS CONDUCT COMMITTEE ON DECEMBER 31, 1991.
 \$500.00 FINED.

Reporting Source: Firm

Current Status: Final

Allegations: MARKET SURVEILLANCE COMMITTEE COMPLAINT.

Initiated By: N.A.S.D.

Date Initiated: 09/25/1991

Docket/Case Number: CMS910018-AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought: RELIEF SOUGHT

Resolution: Consent

Resolution Date: 12/31/1991

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: MARKET SURVEILLANCE COMPLAINT #CMS910018-AWC A LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED SEP 25, 1991 AGAINST RESPONDENT SEC 2 OF SCHEDULE H OF ASSOCIATION BYLAWS: THE LETTER WAS ACCEPTED ON NOV 11, 1991 AND BY THE N.B.C.C. ON DEC 31, 1991 \$500.00 FINE PAID.

Disclosure 15 of 17

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 05/31/1991



Docket/Case Number: MS-1107-AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 08/19/1991

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-1107-AWC (A)
LETTER
OF ACCEPTANCE, WAIVER AND CONSENT FILED MAY 31, 1991 AGAINST
RESPONDENT MEMBER GRADY AND HATCH & COMPANY, INC. ALLEGING
VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULE D IN THAT
RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED
BY
THE MARKET SURVEILLANCE COMMITTEE ON JULY 1, 1991 AND BY THE
NATIONAL BUSINESS CONDUCT COMMITTEE ON AUGUST 19, 1991. \$250
FINE.

\$250.00 PAID ON 9/13/91 INVOICE #91-MS-1015

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS OF PART VI,SECTION 5 (A) OF SCHEDULE D IN THAT
RESPONDANT FAILED TO REPORT ITS NASDAQ VOLUME.

Initiated By: N.A.S.D.

Date Initiated: 05/31/1991

Docket/Case Number: MS 1107 AWC

Principal Product Type: Equity Listed (Common & Preferred Stock)

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 08/19/1991**Sanctions Ordered:** Monetary/Fine \$250.00**Other Sanctions Ordered:****Sanction Details:** RESPONDANT WAS FINED \$250.00.FIRM PAYED ON 9/13/1991**Disclosure 16 of 17****Reporting Source:** Regulator**Current Status:** Final**Allegations:****Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**Date Initiated:** 05/05/1995**Docket/Case Number:** C10950029**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 05/05/1995**Sanctions Ordered:** Censure
Monetary/Fine \$15,000.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

ON MAY 5, 1995, DISTRICT NO. 10 NOTIFIED RESPONDENTS GRADY AND HATCH & CO., INC., RAYMOND A. HATCH AND ROBERT E. GRADY THAT

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10950029 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$15,000, JOINTLY AND SEVERALLY, AND RESPONDENT HATCH IS REQUIRED TO REQUALIFY AS A FINANCIAL AND OPERATIONS PRINCIPAL WITHIN 90 DAYS OF THE ACCEPTANCE OF THIS LETTER OF ACCEPTANCE, WAIVER AND CONSENT. - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT HATCH, FAILED TO MAINTAIN THE REQUIRED MINIMUM NET CAPITAL WHILE CONDUCTING A SECURITIES BUSINESS, AND, RESPONDENT MEMBER, ACTING THROUGH RESPONDENT GRADY, FAILED TO ESTABLISH AN ESCROW ACCOUNT IN CONNECTION WITH THE BEST EFFORTS UNDERWRITING OF A STOCK OFFERING).

\$15,000.00 FULLY PAID J&S AS OF 5/15/96, INVOICE #95-10-292

Reporting Source: Firm

Current Status: Final

Allegations: DIST #10 NOTIFIED RESPONDENTS RAYMOND HATCH AND ROBERT E GRADY THAT GHCO WAS BELOW NET CAPITAL REQUIREMENTS AND ROBERT E GRADY DID NOT ESTABLISH A ESCROW ACCOUNT IN CONNECTIONS WITH THE BEST EFFORTS UNDERWRITING OF A STOCK OFFERING..

Initiated By: N.A.S.D.

Date Initiated: 05/05/1995

Docket/Case Number: C10950029

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: RELIEF SOUGHT

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/05/1995



Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: A FINE WAS PAID IN THE AMOUNT OF \$15000.00 AND MR.HATCH HAD TO REQUALIFY BY TAKING THE EXAM OVER WITHIN THE SPECIFIED TIME GIVEN

Firm Statement

ON MAY 5,1995 DIST#10 NOTIFIED GHCO.RAY HATCH AND ROBERT E GRADY.THAT THE LETTER OF ACCEPTANCE AND,WAIVER CENSURED AND FINED \$15000.00 J&S AND RESPONDANT RAY HATCH IS REQUIRED TO REQUALIFY AS FINANCIAL AND OPERATIONS PRINCIPAL WITHIN 90 DAYS OF ACCEPTANCE OF THIS LETTER AWC.

ARTICLE III SECTION1 OF RULES OF FAIR PRACTICE RAYMOND HATCH FAILED TO MAINTAIN REQUIRED MINIMUM NET CAPITAL WHILE CONDUCTING A SECURITIES BUSINESS.MR ROBERT E GRADY FAILED TO ESTABLISH AN ESCROW ACCOUNT IN CONNECTION WITH THE BEST EFFORTSUNDERWRITING OF A STOCK OFFERING \$15000.00PAID J&S AS OF 5/15/1995INVOICE #95-10-292

Disclosure 17 of 17

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/19/1994

Docket/Case Number: CMS940024 AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/10/1994

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

**Sanction Details:****Regulator Statement**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS940024 AWC.

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) ALLEGES VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE RESPONDENT UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD. THE COMPLAINT WAS FILED ON APRIL 19, 1994, AND ACCEPTED BY THE NBCC ON OCTOBER 10, 1994. THE FIRM WAS FINED \$250. THE AWC BECAME FINAL ON OCTOBER 10, 1994.

\$250 PAID ON 11/14/94 INVOICE #94-MS-705

Reporting Source:

Firm

Current Status:

Final

Allegations:

ALLEGES THAT GRADY AND HATCH WERE IN VIOLATION IN NOT UPDATING THE QUOTATIONS IN THE BULLETIN BOARD SYSTEM IN THE ALLOWABLE TIME

Initiated By:

N.A.S.D.

Date Initiated:

04/19/1994

Docket/Case Number:

CMS940024AWC

Principal Product Type:

Other

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

Other

Other Sanction(s)/Relief Sought:

RELIEF SOUGHT

Resolution:

Consent

Resolution Date:

10/10/1994

Sanctions Ordered:

Monetary/Fine \$250.00

Other Sanctions Ordered:**Sanction Details:**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS940024AWC.LETTER OF ACCEPTANCE,WAIVER AND CONSENT (AWC) ALLEGES VIOLATIONS OF ARTICLE III,RESPONDENT UPDATED QUOTATIONS IN THE B.B. SYSTEM OUTSIDE THE ALLOWABLE TIME FOR



UPDATING SECURITIES.THE COMPLAINT WAS FILED ON APRIL 19,1994.
AND ACCEPTED BY THE NBCC ON OCT 10,1994. A \$250.00 FINE PAID ON
11/14/1994 INVOICE # 94-MS-705..



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 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	04/12/2000
Case Number:	00-00093
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	\$54,799.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/18/2001
Sum of All Relief Awarded:	\$25,000.01

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 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES
Arbitration Forum:	NASD
Case Initiated:	11/29/2000
Case Number:	00-03959



Disputed Product Type: COMMON STOCK
Sum of All Relief Requested: \$60,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/14/2003
Sum of All Relief Awarded: \$15,000.00

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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