



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

June 16, 2015

Mr. John Telford
Victims of Financial Fraud

Re: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. 15-00607-FOIA

Dear Mr. Telford:

This letter is in response to your letter of March 17, 2015, whereby you narrowed the scope of your initial FOIA request to only include "one document that provides some understanding of what occurred for the company [New World Financial, Inc.] to close."

We apologize for the delay in responding to your letter. However, after further review and discussion amongst staff, in order to locate a specific document that would provide you with the information you seek, a search of the approximate 110 boxes would be required. In addition, it is most likely that numerous documents would be needed to truly provide the insight you want. As explained in our letter of March 9, 2015, due to the large volume of records and the time required to search and review documents, such an effort would require your request to be processed under the First-in, First-out (FIFO) track.

We are enclosing some publically available documents concerning New World Financial, Inc., in case they help in some way.

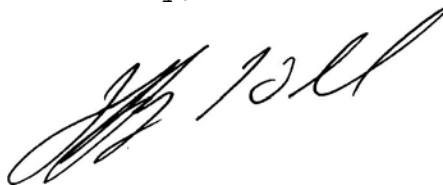
Based on your letter of March 17, 2015, stating your unavailability to be placed into the FIFO track, we will administratively close your request today. This does not preclude you from submitting additional FOIA requests at any time.

Mr. John Telford
June 16, 2015
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If you have any questions, please contact Alysia Morrow of my staff at morrowa@sec.gov or (202) 551-8376. You may also contact me at foiapa@sec.gov or (202) 551-7900.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffery Ovall". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

Jeffery Ovall
FOIA Branch Chief

Enclosure

FORM BD
UNIFORM APPLICATION FOR BROKER-DEALER REGISTRATION

Primary Business Name: WORLD FINANCIAL CAPITAL MARKETS INC.

BD Number: 47747

BD - AMENDMENT

11/20/2003

BD - APPLICANT INFORMATION

OMB Number3235-0012

Expires.....
 Estimated average burden hours per:
 Response.....2.75
 Amendment.....0.33

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of business as a broker-dealer would violate the Federal securities laws and the laws of the *jurisdictions* and may result in disciplinary, administrative, injunctive or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS.

☐ APPLICATION ☒ AMENDMENT

1. Exact name, principal business address, mailing address, if different, and telephone number of *applicant*:

A. **Full name of *applicant*** (if sole proprietor, state last, first and middle name):
 WORLD FINANCIAL CAPITAL MARKETS INC.

B. **IRS Empl. Ident. No.:**
 13-4150341

C. (1) Name under which broker-dealer business primarily is conducted, if different from Item 1A.
 WORLD FINANCIAL CAPITAL MARKETS INC.

(2) List on Schedule D, Page 1, Section I, Other Business Names any other name by which the firm conducts business and where it is used.

D. If this filing makes a name change on behalf of the *applicant*, enter the new name and specify whether the name change is of the
☐ **applicant name (1A)** or ☐ **business name (1C):**
 Please check above.

E. **Firm main address: (Do not use a P.O. Box)**

Number and Street 1: 13 CROSBY ST	Number and Street 2: SUITE 303	Zip/Postal Code: 10013
City: NEW YORK	State: New York	Country: UNITED STATES

F. **Mailing Address, if different:**

Number and Street 1: 13 CROSBY ST	Number and Street 2: SUITE 303	Zip/Postal Code: 10013
City: NEW YORK	State: New York	Country: UNITED STATES

G. **Business Telephone Number:**
 212-219-0277

H. **Contact Employee:**

Name: GARY S ARTZT	Title: PRESIDENT	Telephone Number: (646)414-1648
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BD - EXECUTION

EXECUTION:

For the purposes of complying with the laws of the State(s) designated in Item 2 relating to either the offer or sale of securities or commodities, the undersigned and *applicant* hereby certify that the *applicant* is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of each of those State(s) or such other person designated by law, and the successors in such office, attorney for the *applicant* in said State(s), upon whom may be served any notice, process, or pleading in any action or *proceeding* against the *applicant* arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of those State(s), and the *applicant* hereby consents that any such action or *proceeding* against the *applicant* may be commenced in any court of competent jurisdiction and proper venue within said State(s) by service of process upon said appointee with the same effect as if *applicant* were a resident in said State(s) and had lawfully been served with process in said State(s).

The *applicant* consents that service of any civil action brought by or notice of any *proceeding* before the Securities and Exchange Commission or any *self-regulatory organization* in connection with the *applicant's* broker-dealer activities, or of any application for a protective decree filed by the Securities Investor Protection Corporation, may be given by registered or certified mail or confirmed telegram to the *applicant's* contact employee at the main address, or mailing address if different, given in Items 1E and 1F.

The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, said *applicant*. The undersigned and *applicant* represent that the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and *applicant* further represent that to the extent any information previously submitted is not amended such information is currently accurate and complete.

Date MM/DD/YYYY
11/20/2003

Name of Applicant
WORLD FINANCIAL CAPITAL MARKETS INC.

Authorized Signatory
GARY S. ARTZT

Title
PRESIDENT

Subscribed and sworn before me this _____ day of _____, _____ by _____
Year

Notary Public

My commission expires _____ County of _____ State of _____

BD - SECURITIES AND EXCHANGE COMMISSION

2. Indicate by checking the appropriate box(es) each governmental authority, organization, or *jurisdiction* in which the *applicant* is registered or registering as a broker-dealer. ☒

If *applicant* is registered or registering with the SEC, check here and answer Items 2A through 2D below.

- | | YES | NO |
|---|----------------------------------|----------------------------------|
| A. Is <i>applicant</i> registered or registering as a broker-dealer under Section 15(b) or Section 15B of the Securities Exchange Act of 1934? | <input checked="" type="radio"/> | <input type="radio"/> |
| B. Is <i>applicant</i> registered or registering as a broker-dealer under Section 15(b) of the Securities Exchange Act of 1934 and also acting or intending to act as a government securities broker or dealer? | <input type="radio"/> | <input checked="" type="radio"/> |
| C. Is <i>applicant</i> registered or registering <u>solely</u> as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934? | <input type="radio"/> | <input checked="" type="radio"/> |
| <i>Do not answer "yes" to Item 2C if applicant answered "yes" to Item 2A or Item 2B.</i> | | |
| D. Is <i>applicant</i> ceasing its activities as a government securities broker or dealer? | <input type="radio"/> | <input checked="" type="radio"/> |

If *applicant* answers "yes" to Items 2A and 2D, *applicant* expressly consents to the withdrawal of its registration as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934. See "Instructions."

SECURITY FUTURES PRODUCTS ACTIVITIES

(Note: The field below is reserved exclusively for the reporting of single stock futures activities by registered broker-dealers. This field cannot be utilized until the SEC approves rules relating to the form and content of such reporting.)

BD - SRO / JURISDICTION

BD - SELF REGULATORY ORGANIZATIONS

- | | | | | |
|--|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| <input checked="" type="checkbox"/> NASD | <input type="checkbox"/> ARCA | <input type="checkbox"/> CBOE | <input type="checkbox"/> ISE | <input type="checkbox"/> NYSE |
| <input type="checkbox"/> AMEX | <input type="checkbox"/> BX | <input type="checkbox"/> CHX | <input type="checkbox"/> NSX | <input type="checkbox"/> NqLX |
| | | | | <input type="checkbox"/> PHLX |

BD - JURISDICTION

- | | | | |
|--|---|--|---|
| <input checked="" type="checkbox"/> Alabama | <input checked="" type="checkbox"/> Illinois | <input checked="" type="checkbox"/> Montana | <input checked="" type="checkbox"/> Puerto Rico |
| <input type="checkbox"/> Alaska | <input checked="" type="checkbox"/> Indiana | <input type="checkbox"/> Nebraska | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> Iowa | <input checked="" type="checkbox"/> Nevada | <input type="checkbox"/> South Carolina |
| <input type="checkbox"/> Arkansas | <input type="checkbox"/> Kansas | <input type="checkbox"/> New Hampshire | <input type="checkbox"/> South Dakota |
| <input checked="" type="checkbox"/> California | <input type="checkbox"/> Kentucky | <input checked="" type="checkbox"/> New Jersey | <input type="checkbox"/> Tennessee |
| <input type="checkbox"/> Colorado | <input checked="" type="checkbox"/> Louisiana | <input type="checkbox"/> New Mexico | <input checked="" type="checkbox"/> Texas |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> Maine | <input checked="" type="checkbox"/> New York | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Delaware | <input checked="" type="checkbox"/> Maryland | <input checked="" type="checkbox"/> North Carolina | <input type="checkbox"/> Vermont |
| <input type="checkbox"/> District of Columbia | <input checked="" type="checkbox"/> Massachusetts | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Virginia |
| <input checked="" type="checkbox"/> Florida | <input checked="" type="checkbox"/> Michigan | <input checked="" type="checkbox"/> Ohio | <input checked="" type="checkbox"/> Washington |
| <input checked="" type="checkbox"/> Georgia | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Oklahoma | <input type="checkbox"/> West Virginia |
| <input checked="" type="checkbox"/> Hawaii | <input type="checkbox"/> Mississippi | <input type="checkbox"/> Oregon | <input checked="" type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Idaho | <input type="checkbox"/> Missouri | <input checked="" type="checkbox"/> Pennsylvania | <input type="checkbox"/> Wyoming |

BD - LEGAL STATUS

3. A. Indicate legal status of *applicant*:

- ☒ Corporation
 ☐ Sole Proprietorship
 ☐ Other (*specify*)
- ☐ Partnership
 ☐ Limited Liability Company

B. Month *applicant's* fiscal year ends:
DECEMBER

C. If other than a sole proprietor, indicate date and place *applicant* obtained its legal status (i.e., state or country where incorporated, where partnership agreement was filed, or where *applicant* entity was formed):

State of formation:
California

Country of formation:
USA

Date of formation: MM/DD/YYYY
06/16/1998

Schedule A, Direct Owners and Executive Officers Section and, if applicable, Schedule B, Indirect Owners Section must be completed as part of all initial applications. Amendments to these schedules must be provided on Schedule C.

4. If *applicant* is a sole proprietor, state full residence address and Social Security Number.

Social Security Number:

Number and Street 2:

City:

State:

Country:

Zip/Postal Code:

BD - SUCCESSION

YES NO

5. Is *applicant* at the time of this filing *succeeding* to the business of a currently registered broker-dealer?

☐ ☒

Do not report previous successions already reported on Form BD.

If "Yes," contact CRD prior to submitting form; complete appropriate items on Schedule D, Page 1, Section III.

BD - ARRANGEMENTS

Yes No

6. Does *applicant* hold or maintain any funds or securities or provide clearing services for any other broker or dealer?

☐ ☒

7. Does *applicant* refer or introduce customers to any other broker or dealer?

☒ ☐

If "yes," complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

8. Does *applicant* have any arrangement with any other *person*, firm, or organization under which:

A. any books or records of *applicant* are kept or maintained by such other *person*, firm or organization?

☒ ☐

B. accounts, funds, or securities of the *applicant* are held or maintained by such other *person*, firm, or organization?

☒ ☐

C. accounts, funds, or securities of customers of the *applicant* are held or maintained by such other *person*, firm, or organization?

☒ ☐

For purposes of 8B and 8C, do not include a bank or satisfactory control location as defined in paragraph(c) of Rule 15c3-3 under the Securities Exchange Act of 1934 (17 CFR 240. 15c3-3).

If "Yes" to any part of Item 8, complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

9. Does any *person* not named in Item 1 or Schedules A, B, or C, directly or indirectly:

A. *control* the management or policies of the *applicant* through agreement or otherwise?

☐ ☒

B. wholly or partially finance the business of *applicant*?

☐ ☒

Do not answer "yes" to 9B if the person finances the business of the applicant through: 1) a public offering of securities made pursuant to the Securities Act of 1933; 2) credit extended in the ordinary course of business by suppliers, banks, and others; or 3) a satisfactory subordination agreement, as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 (17 CFR 240. 15c3-1).

If "Yes" to any part of Item 9, complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

BD - BUSINESS AFFILIATES

BD - Control Affiliates

YES NO

10. A. Directly or indirectly, does *applicant control*, is *applicant controlled* by, or is *applicant* under common *control* with, any partnership, corporation, or other organization that is engaged in the securities or investment advisory business?

☐ ☒

If "Yes" to Item 10A, complete appropriate items on Schedule D, Page 2, Section V, Firm Affiliates.

B. Directly or indirectly, is *applicant controlled* by any 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?

☐ ☒

If "Yes" to Item 10B, complete appropriate items on Schedule D, Page 3, Section VI, Bank Affiliates.

BD - DISCLOSURE QUESTIONS

11. Use the appropriate DRP for providing details to "yes" answers to the questions in Item 11. Refer to the Explanation of Terms section of Form BD Instructions for explanations of italicized terms.

CRIMINAL DISCLOSURE

A. In the past ten years has the <i>applicant</i> or a <i>control affiliate</i> :	YES NO
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to any <i>felony</i> ?	<input type="radio"/> <input checked="" type="radio"/>
(2) been <i>charged</i> with any <i>felony</i> ?	<input type="radio"/> <input checked="" type="radio"/>
B. In the past ten years has the <i>applicant</i> or a <i>control affiliate</i> :	
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a <i>misdemeanor involving</i> : investments or an <i>investment-related</i> business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="radio"/> <input checked="" type="radio"/>
(2) been <i>charged</i> with a <i>misdemeanor</i> specified in 11B(1)?	<input type="radio"/> <input checked="" type="radio"/>

REGULATORY ACTION DISCLOSURE

C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:	YES NO
(1) <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have made a false statement or omission?	<input type="radio"/> <input checked="" type="radio"/>
(2) <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have been <i>involved</i> in a violation of its regulations or statutes?	<input type="radio"/> <input checked="" type="radio"/>
(3) <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/> <input checked="" type="radio"/>
(4) entered an <i>order</i> against the <i>applicant</i> or a <i>control affiliate</i> in connection with an <i>investment-related</i> activity?	<input checked="" type="radio"/> <input type="radio"/>
(5) imposed a civil money penalty on the <i>applicant</i> or a <i>control affiliate</i> , or <i>ordered</i> the <i>applicant</i> or a <i>control affiliate</i> to cease and desist from any activity?	<input type="radio"/> <input checked="" type="radio"/>
D. Has any other federal regulatory agency, any state regulatory agency, or <i>foreign financial regulatory authority</i> :	
(1) ever <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have made a false statement or omission or been dishonest, unfair, or unethical?	<input type="radio"/> <input checked="" type="radio"/>
(2) ever <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?	<input type="radio"/> <input checked="" type="radio"/>
(3) ever <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/> <input checked="" type="radio"/>
(4) in the past ten years, entered an <i>order</i> against the <i>applicant</i> or a <i>control affiliate</i> in connection with an <i>investment-related</i> activity?	<input type="radio"/> <input checked="" type="radio"/>
(5) ever denied, suspended, or revoked the <i>applicant's</i> or a <i>control affiliate's</i> registration or license or otherwise, by <i>order</i> , prevented it from associating with an <i>investment-related</i> business or restricted its activities?	<input type="radio"/> <input checked="" type="radio"/>
E. Has any <i>self-regulatory organization</i> or commodities exchange ever:	
(1) <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have made a false statement or omission?	<input type="radio"/> <input checked="" type="radio"/>
(2) <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have been <i>involved</i> in a violation of its rules (other than a violation designated as a " <i>minor rule violation</i> " under a plan approved by the U.S. Securities and Exchange Commission)?	<input checked="" type="radio"/> <input type="radio"/>
(3) <i>found</i> the <i>applicant</i> or a <i>control affiliate</i> to have been the cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/> <input checked="" type="radio"/>
(4) disciplined the <i>applicant</i> or a <i>control affiliate</i> by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities?	<input checked="" type="radio"/> <input type="radio"/>
F. Has the <i>applicant's</i> or a <i>control affiliate's</i> authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended?	<input type="radio"/> <input checked="" type="radio"/>
G. Is the <i>applicant</i> or a <i>control affiliate</i> now the subject of any regulatory <i>proceeding</i> that could result in a "yes" answer to any part of 11C, D, or E?	<input type="radio"/> <input checked="" type="radio"/>

CIVIL JUDICIAL ACTION DISCLOSURE

H. (1) Has any domestic or foreign court:	YES NO
(a) in the past ten years, <i>enjoined</i> the <i>applicant</i> or a <i>control affiliate</i> in connection with any <i>investment-related</i> activity?	<input type="radio"/> <input checked="" type="radio"/>
(b) ever <i>found</i> that the <i>applicant</i> or a <i>control affiliate</i> was <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations?	<input type="radio"/> <input checked="" type="radio"/>
(c) ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against the <i>applicant</i> or <i>control affiliate</i> by a state or <i>foreign financial regulatory authority</i> ?	<input type="radio"/> <input checked="" type="radio"/>
(2) Is the <i>applicant</i> or a <i>control affiliate</i> now the subject of any civil <i>proceeding</i> that could result in a "yes" answer to any part of 11H(1)?	<input type="radio"/> <input checked="" type="radio"/>

FINANCIAL DISCLOSURE

I. In the past ten years has the <i>applicant</i> or a <i>control affiliate</i> of the <i>applicant</i> ever been a securities firm or a <i>control affiliate</i> of a securities firm that:	YES NO
(1) has been the subject of a bankruptcy petition?	<input type="radio"/> <input checked="" type="radio"/>
(2) has had a trustee appointed or a direct payment procedure initiated under the Securities Investor Protection Act?	<input type="radio"/> <input checked="" type="radio"/>
J. Has a bonding company ever denied, paid out on, or revoked a bond for the <i>applicant</i> ?	<input type="radio"/> <input checked="" type="radio"/>
K. Does the <i>applicant</i> have any unsatisfied judgments or liens against it?	<input type="radio"/> <input checked="" type="radio"/>

BD - TYPES OF BUSINESS

12. Check types of business engaged in (or to be engaged in, if not yet active) by <i>applicant</i> . Do not check any category that accounts for (or is expected to account for) less than 1% of annual revenue from the securities or investment advisory business.	
A. Exchange member engaged in exchange commission business other than floor activities.	<input type="checkbox"/> EMC
B. Exchange member engaged in floor activities.	<input type="checkbox"/> EMF
C. Broker or dealer making inter-dealer markets in corporate securities over-the-counter.	<input type="checkbox"/> IDM
D. Broker or dealer retailing corporate equity securities over-the-counter.	<input checked="" type="checkbox"/> BDR
E. Broker or dealer selling corporate debt securities.	<input checked="" type="checkbox"/> BDD
F. Underwriter or selling group participant (corporate securities other than mutual funds).	<input checked="" type="checkbox"/> USG

G. Mutual fund underwriter or sponsor.	<input type="checkbox"/> MFU
H. Mutual fund retailer.	<input checked="" type="checkbox"/> MFR
I. 1. U.S. government securities dealer.	<input type="checkbox"/> GSD
2. U.S. government securities broker.	<input type="checkbox"/> GSB
J. Municipal securities dealer.	<input type="checkbox"/> MSD
K. Municipal securities broker.	<input checked="" type="checkbox"/> MSB
L. Broker or dealer selling variable life insurance or annuities.	<input type="checkbox"/> VLA
M. Solicitor of time deposits in a financial institution.	<input type="checkbox"/> SSL
N. Real estate syndicator.	<input type="checkbox"/> RES
O. Broker or dealer selling oil and gas interests.	<input type="checkbox"/> OGI
P. Put and call broker or dealer or option writer.	<input checked="" type="checkbox"/> PCB
Q. Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds).	<input type="checkbox"/> BIA
R. Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals).	<input type="checkbox"/> NPB
S. Investment advisory services.	<input type="checkbox"/> IAD
T. 1. Broker or dealer selling tax shelters or limited partnerships in primary distributions.	<input type="checkbox"/> TAP
2. Broker or dealer selling tax shelters or limited partnerships in the secondary market.	<input type="checkbox"/> TAS
U. Non-exchange member arranging for transactions in listed securities by exchange member.	<input checked="" type="checkbox"/> NEX
V. Trading securities for own account.	<input type="checkbox"/> TRA
W. Private placement of securities.	<input checked="" type="checkbox"/> PLA
X. Broker or dealer selling interests in mortgages or other receivables.	<input type="checkbox"/> MRI
Y. Broker or dealer involved in a networking, kiosk or similar arrangement with a:	
1. bank, savings bank or association, or credit union.	<input type="checkbox"/> BNA
2. insurance company or agency	<input type="checkbox"/> INA
Z. Other (give details on Schedule D, Page 1, Section II, Other Business)	<input type="checkbox"/> OTH

	YES NO
13. A. Does <i>applicant</i> effect transactions in commodity futures, commodities or commodity options as a broker for others or as a dealer for its own account?	<input type="radio"/> <input checked="" type="radio"/>
B. Does <i>applicant</i> engage in any other non-securities business?	<input type="radio"/> <input checked="" type="radio"/>
<i>If "yes", describe each other business briefly on Schedule D, Page 1, Section II, Other Business.</i>	

BD - DIRECT OWNERS/EXECUTIVE OFFICERSAre there any indirect owners of the *applicant* required to be reported on Schedule B?☐ Yes ☒ No

Ownership Codes:	NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%
	A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more

Full Legal Name	DE/FE/I	Title or Status	Date Acquired	Own. Code	Control Person	PR	CRD #(or S.S.No., IRS Tax #, Emp. ID)
ARTZT, GARY STEVEN	I	PRESIDENT	06/2003	NA	N	N	2009945
ARTZT, GARY STEVEN	I	PRESIDENT AND CHIEF COMPLIANCE DIRECTOR	11/2003	NA	N	N	2009945
DAGRACA, JOHN DAVID	I	FINANCIAL & OPERATIONS PRINCIPAL	12/2002	NA	N	N	3249375
LITTAUER, MATTHEW NGUYEN	I	OWNER	08/2001	E	Y	N	2027330

BD - INDIRECT OWNERS**No Information Filed****BD Schedule C - Amendments to Schedules A & B**

In the Type of Amd. column, indicate "A" (addition), "D" (deletion), or "C" (change of information about the same *person*).

Ownership Codes are:	NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%	F - Other General Partners
	A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more	

List below all changes to Schedule A: (DIRECT OWNERS AND EXECUTIVE OFFICERS)

Full Legal Name	DE/FE/I	Type of Amd.	Title or Status	Date Acquired	Own. Code	Control Person	PR	CRD # (or SSN, IRS Tax #, Emp. ID)
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No Information Filed

List below all changes to Schedule B: (INDIRECT OWNERS)

Full Legal Name	DE/FE/I	Type of Amd.	Entity in Which Interest Is Owned	Status Date Acquired	Own. Code	Control Person	PR	CRD # (or SSN, IRS Tax #, Emp. ID)
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No Information Filed

BD - OTHER BUSINESS NAMES

No Information Filed

BD - OTHER BUSINESS

Briefly describe any other business (Item 12Z).

Briefly describe any other non-securities business (Item 13B).

BD - SUCCESSIONS

Date of Succession: MM/DD/YYYY

Name of Predecessor:

Firm CRD Number

IRS Employer Identification Number (if any)

SEC File Number (if any)
8-

Briefly describe details of the *succession* including any assets or liabilities not assumed by the *successor*.

BD - ARRANGEMENTS / CONTROL PERSONS / FINANCING

(check one)

☒ Item 7

☐ Item 8A

☐ Item 8B

☐ Item 8C

☐ Item 9A

☐ Item 9B

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name:
HUNTLEIGH SECURITIES CORPORATION

CRD Number:
7456

☒ Entity
☐ Individual

Business Address

Street 1:
7800 FORSYTH BLVD 5TH FLOOR

Street 2:

City:
ST LOUIS

State:
Missouri

Country:

Zip/Postal Code:
63105

Effective Date MM/DD/YYYY
03/27/2003

Termination Date MM/DD/YYYY

Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the *control* or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)

AS AN INTRODUCING BROKER/DEALER ON A FULLY DISCLOSED BASIS

(check one)

☐ Item 7

☒ Item 8A

☐ Item 8B

☐ Item 8C

☐ Item 9A

☐ Item 9B

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name:
HUNTLEIGH SECURITIES CORPORATION

CRD Number:
7456

☒ Entity
☐ Individual

Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER/DEALER ON A FULLY DISCLOSED BASIS			
(check one) <input type="radio"/> Item 7 <input type="radio"/> Item 8A <input checked="" type="radio"/> Item 8B <input type="radio"/> Item 8C <input type="radio"/> Item 9A <input type="radio"/> Item 9B			

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name: HUNTLEIGH SECURITIES CORPORATION		CRD Number: 7456	<input checked="" type="radio"/> Entity <input type="radio"/> Individual
Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER DEALER ON A FULLY DISCLOSED BASIS.			
(check one) <input type="radio"/> Item 7 <input type="radio"/> Item 8A <input type="radio"/> Item 8B <input checked="" type="radio"/> Item 8C <input type="radio"/> Item 9A <input type="radio"/> Item 9B			

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name: HUNTLEIGH SECURITIES CORPORATION		CRD Number: 7456	<input checked="" type="radio"/> Entity <input type="radio"/> Individual
Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER DEALER ON A FULLY DISCLOSED BASIS.			

BD - AFFILIATES

No Information Filed

BD - BRANCHES

No Information Filed

BD - CRIMINAL DRP

No Information Filed

BD - REGULATORY ACTION DRP

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ The *Applicant*

☐ *Applicant* and one or more *control affiliates*

☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
BALMER, GEORGE FLEISCHER	1046182	Y

☒ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD

2. Principal Sanction:

Censure

Other Sanctions:

FINE IN THE AMOUNT OF \$15,000 AND SUSPENSION FROM ASSOCIATING WITH ANY MEMBER OF THE NASD AS A FINANCIAL AND OPERATIONS PRINCIPAL FOR A PERIOD OF TWO YEARS.

3. Date Initiated (MM/DD/YYYY):

04/29/2002 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

E02010137

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

PACIFIC CONTINENTAL SECURITIES, CORP

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

THE MEMBER FIRM, ACTING THROUGH BALMER, VIOLATED SEC RULE 15C3-3 IN THAT AS OF AUGUST 31,2001, SEPTEMBER 30,2001 AND OCTOBER 31,2001, THE MEMBER FIRM FAILED TO COMPUTE ACCURATLEY THE AMOUNT REQUIRED TO BE DEPOSITED INTO ITS SPECIAL RESERVE BANK ACCOUNTS FOR EXCLUSIVE BENEFITS OF CUSTOMERS AS A RESULT, THE FIRM HAD DEFICIENCIES IN THEIR RESERVE BANK ACCOUNTS TOTALING \$957,924, \$1,341,249 AND \$1,142,766 RESPECTIVLEY, FOR EACH OF THE FOREGOING DATES. IN FURTHER CONTRAVENTION OF THE SEC RULE 15C3-3, THE MEMBER FIRM, ACTING THROUGH BALMER MADE NUMEROUS WITHDRAWALS FROM ITS RESERVE BANK ACCOUNTS FROM AUGUST THROUGH OCTOBER 2001, BUT FAILED TO COMPUTE ITS RESERVE REQUIREMENTS PRIOR TO MAKING SUCH WITHDRAWALS.

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):
06/05/2002 ☒ **Exact** ☐ **Explanation**
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ **Monetary/Fine**

Amount: \$ 15,000.00

☐ **Revocation/Expulsion/Denial**

☐ **Disgorgement/Restitution**

☐ **Censure**

☐ **Cease and Desist/Injunction**

☐ **Bar**

☒ **Suspension**

B. Other Sanctions Ordered:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN A FINANCIAL AND OPERATIONS PRINCIPAL (SERIES 27 AND 28) FOR TWO YEARS.
SUSPENSION EFFECTIVE WITH THE OPENING OF BUSINESS ON JULY 1, 2002 TO CLOSE OF BUSINESS ON JUNE 30, 2004.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
I ALSO CONSENT TO THE IMPOSITION, AT A MAXIMUM OF THE FOLLOWING SANCTIONS WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ENTRY OF FINDINGS BY NASD REGULATIONS, INC. FINE IN THE AMOUNT OF \$15000 AND SUSPENSION FROM ASSOCIATING WITH ANY MEMBER OF THE NASD AS A FINANCIAL AND OPERATIONS PRINCIPAL (SERIES 27 AND 28) FOR A PERIOD OF TWO YEARS, EFFECTIVE WITH THE OPENING OF BUSINESS ON JULY 1, 2002 TO CLOSE OF BUSINESS ON JUNE 30, 2004.

This Disclosure Reporting Page (DRP BD) is an ☐ **INITIAL OR** ☒ **AMENDED** response used to report details for affirmative responses to **Items 11C, 11D, 11E, 11F or 11G** of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization *not* registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ **The Applicant**

☐ **Applicant and one or more control affiliates**

☐ **One or more control affiliates**

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

☐ **This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.**

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ **Yes** ☐ **No**

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:
☒ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign
 (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
 NASD REGULATION, INC. DISTRICT # 10
2. Principal Sanction:
 Civil and Administrative Penalt(ies) /Fine(s)
 Other Sanctions:
3. Date Initiated (MM/DD/YYYY):
 10/07/2002 ☒ Exact ☐ Explanation
 If not exact, provide explanation:
4. Docket/Case Number:
 C10020113
5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
 No Product
 Other Product Types:
7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)
 WORLD FINANCIAL CONDUCTED A SECURITIES BUSINESS ON JULY 30, 2001, WHILE FAILING TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT IN VIOLATION OF SEC RULE 15C3-1.
8. Current status ? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
 Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):
 11/25/2002 ☒ Exact ☐ Explanation
 If not exact, provide explanation:
12. **Resolution Detail:**
 - A. Were any of the following Sanctions Ordered? (Check all appropriate items):

<input checked="" type="checkbox"/> Monetary/Fine <input type="checkbox"/> Revocation/Expulsion/Denial <input type="checkbox"/> Censure <input type="checkbox"/> Bar	Amount: \$ 12,500.00 <input type="checkbox"/> Disgorgement/Restitution <input type="checkbox"/> Cease and Desist/Injunction <input checked="" type="checkbox"/> Suspension
---	---
 - B. Other Sanctions Ordered:
 - C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
 FINE IN THE AMOUNT OF \$2,500.00 PAID BY WORLD FINANCIAL ON DECEMBER 23, 2002. FINE IN THE AMOUNT OF \$10,000.00 PAID BY A CONTROL AFFILIATE ON DECEMBER 23,2002. THE CONTROL AFFILIATE WAS SUSPENDED FROM ANY ASSOCIATION WITH ANY NASD MEMBER FIRM FOR TEN BUSINESS DAYS BEGINNING JANUARY 6, 2003; AND WAS SUSPENDED FROM SERVING AS A FINANCIAL AND OPERATIONS PRINCIPAL FOR 60 BUSINESS DAYS BEGINNING JANUARY 6, 2003.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
 ON JULY 30, 2001, WORLD FINANCIAL WAS SUBJECT TO A MINIMUM NET CAPITAL REQUIREMENT OF \$5,000 PURSUANT TO SEC RULE 15C3-1(A)(2) (VI). ON THAT DATE, WHILE CONDUCTING A SECURITIES BUSINESS, WORLD FINANCIAL FAILED TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT IN VIOLATION OF SEC RULE 15C3-1, AND THUS VIOLATED NASD CONDUCT RULE 2110.

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to **Items 11C, 11D, 11E, 11F or 11G** of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ The *Applicant*
- ☐ *Applicant* and one or more *control affiliates*
- ☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
BALMER, GEORGE FLEISCHER	1046182	Y

☒ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or SRO)
NASD REGULATION, INC. DISTRICT # 2

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE

3. Date Initiated (MM/DD/YYYY):

11/14/2001 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

C02010065

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

PACIFIC CONTINENTAL SECURITIES CORPORATION

6. Principal Product Type:

No Product
Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

NASD RULES 1014 AND 2110 AND SEC RULE 15C3-3. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BALMER CONSENTED TO THE ENTRY OF FINDINGS THAT BALMER, ACTING ON BEHALF OF A MEMBER FIRM, ACTED IN CONTRAVENTION OF SEC RULE 15C3-3 AND NASD MEMBERSHIP AND REGISTRATION RULE 1014 WHEN IT LOST ITS EXEMPTIVE STATUS BY HOLDING CERTAIN CUSTOMER FUNDS BEFORE TRANSFERRING THEM TO THE FIRM'S CLEARING BROKER. WHILE RESPONDENT MEMBER DEPOSITED THE FUNDS IN A SPECIAL RESERVE ACCOUNT, THE FIRM FAILED TO MAKE THE REQUIRED COMPUTATIONS AND DESPOSIT ADDITIONAL FUNDS INTO THE ACCOUNT TO MEET THE 105% REQUIREMENT. BECAUSE RESPONDENT MEMBER CONDUCTED CERTAIN OF ITS BUSINESS BEYOND THE LIMITATIONS SPECIFIED IN THE EXEMPTIVE PROVISION OF THE RULE, IT WAS REQUIRED TO OBTAIN PRIOR WRITTEN APPROVAL FROM THE NASD, BUT FAILED TO DO SO.

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

12/10/2001 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ Monetary/Fine

Amount: \$ 15,000.00

☐ Revocation/Expulsion/Denial☐ Disgorgement/Restitution☒ Censure☐ Cease and Desist/Injunction☐ Bar☐ Suspension

B. Other Sanctions Ordered:

CENSURED AND FINED \$15,000, JOINTLY AND SEVERALLY WITH PACIFIC CONTINENTAL SECURITIES CORPORATION.

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

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If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization *not* registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):☐ The *Applicant*☐ *Applicant* and one or more *control affiliates*☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
LITTAUER, MATTHEW NGUYEN	2027330	Y

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does *not* relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

A 7/14/03 NASD FINE AND SUSPENSION (DOCKET#CAF030037) AGAINST CONTROL AFFILIATE MATTHEW NGUYEN LITTAUER CRD # 2027330.

2. Principal Sanction:
Suspension
Other Sanctions:
30 DAY SUSPENSION FOR MATTHEW NGUYEN LITTAUER AND \$20,000 FINE.

3. Date Initiated (MM/DD/YYYY):
08/18/2003 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:
CAF#030037

5. Control Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):
WORLD FINANCIAL CAPITAL MARKETS, INC.

6. Principal Product Type:
Equity - OTC
Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)
MATTHEW NGUYEN LITTAUER ALLOWED OTHER BROKERS TO USE HIS NAME TO OPEN APPROXIMATELY 100 ACCOUNTS WITH WORLD FINANCIAL CAPITAL MARKETS, INC.

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):
08/04/2003 ☐ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

<input checked="" type="checkbox"/> Monetary/Fine	Amount: \$ 20,000.00
<input type="checkbox"/> Revocation/Expulsion/Denial	<input type="checkbox"/> Disgorgement/Restitution
<input type="checkbox"/> Censure	<input type="checkbox"/> Cease and Desist/Injunction
<input type="checkbox"/> Bar	<input checked="" type="checkbox"/> Suspension

B. Other Sanctions Ordered:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
30 DAY SUSPENSION FROM 8/18/2003 THROUGH 9/17/2003.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
THE ABOVE SUSPENSION HAS BEEN CONCLUDED.

BD - CIVIL JUDICIAL DRP
No Information Filed
BD - BANKRUPTCY DRP
No Information Filed
BD - BOND DRP
No Information Filed
BD - JUDGMENT LIEN DRP
No Information Filed

FORM BD
UNIFORM APPLICATION FOR BROKER-DEALER REGISTRATION

Primary Business Name: WORLD FINANCIAL CAPITAL MARKETS INC.

BD Number: 47747

BD - AMENDMENT

11/21/2003

BD - APPLICANT INFORMATION

OMB Number3235-0012

Expires.....
 Estimated average burden hours per:
 Response.....2.75
 Amendment.....0.33

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of business as a broker-dealer would violate the Federal securities laws and the laws of the *jurisdictions* and may result in disciplinary, administrative, injunctive or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS.

☐ APPLICATION ☒ AMENDMENT

1. Exact name, principal business address, mailing address, if different, and telephone number of *applicant*:

A. **Full name of *applicant***(if sole proprietor, state last, first and middle name):
 WORLD FINANCIAL CAPITAL MARKETS INC.

B. **IRS Empl. Ident. No.:**
 13-4150341

C. (1) Name under which broker-dealer business primarily is conducted, if different from Item 1A.
 WORLD FINANCIAL CAPITAL MARKETS INC.

(2) List on Schedule D, Page 1, Section I, Other Business Names any other name by which the firm conducts business and where it is used.

D. If this filing makes a name change on behalf of the *applicant*, enter the new name and specify whether the name change is of the
☐ **applicant name (1A)** or ☐ **business name (1C):**
 Please check above.

E. **Firm main address: (Do not use a P.O. Box)**

Number and Street 1: 13 CROSBY ST	Number and Street 2: SUITE 303	Zip/Postal Code: 10013
City: NEW YORK	State: New York	Country: UNITED STATES

F. **Mailing Address, if different:**

Number and Street 1: 13 CROSBY ST	Number and Street 2: SUITE 303	Zip/Postal Code: 10013
City: NEW YORK	State: New York	Country: UNITED STATES

G. **Business Telephone Number:**
 212-219-0277

H. **Contact Employee:**

Name: GARY S ARTZT	Title: PRESIDENT	Telephone Number: (646)414-1648
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BD - EXECUTION

EXECUTION:

For the purposes of complying with the laws of the State(s) designated in Item 2 relating to either the offer or sale of securities or commodities, the undersigned and *applicant* hereby certify that the *applicant* is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of each of those State(s) or such other person designated by law, and the successors in such office, attorney for the *applicant* in said State(s), upon whom may be served any notice, process, or pleading in any action or *proceeding* against the *applicant* arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of those State(s), and the *applicant* hereby consents that any such action or *proceeding* against the *applicant* may be commenced in any court of competent jurisdiction and proper venue within said State(s) by service of process upon said appointee with the same effect as if *applicant* were a resident in said State(s) and had lawfully been served with process in said State(s).

The *applicant* consents that service of any civil action brought by or notice of any *proceeding* before the Securities and Exchange Commission or any *self-regulatory organization* in connection with the *applicant's* broker-dealer activities, or of any application for a protective decree filed by the Securities Investor Protection Corporation, may be given by registered or certified mail or confirmed telegram to the *applicant's* contact employee at the main address, or mailing address if different, given in Items 1E and 1F.

The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, said *applicant*. The undersigned and *applicant* represent that the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and *applicant* further represent that to the extent any information previously submitted is not amended such information is currently accurate and complete.

Date MM/DD/YYYY
11/21/2003

Name of Applicant
WORLD FINANCIAL CAPITAL MARKETS INC.

Authorized Signatory
GARY S. ARTZT

Title
PRESIDENT

Subscribed and sworn before me this _____ day of _____, _____ by _____
Year

Notary Public

My commission expires _____ County of _____ State of _____

BD - SECURITIES AND EXCHANGE COMMISSION

2. Indicate by checking the appropriate box(es) each governmental authority, organization, or *jurisdiction* in which the *applicant* is registered or registering as a broker-dealer. ☒

If *applicant* is registered or registering with the SEC, check here and answer Items 2A through 2D below.

YES NO

A. Is *applicant* registered or registering as a broker-dealer under Section 15(b) or Section 15B of the Securities Exchange Act of 1934? ☒ ☐

B. Is *applicant* registered or registering as a broker-dealer under Section 15(b) of the Securities Exchange Act of 1934 and also acting or intending to act as a government securities broker or dealer? ☐ ☒

C. Is *applicant* registered or registering solely as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934? ☐ ☒

Do not answer "yes" to Item 2C if applicant answered "yes" to Item 2A or Item 2B.

D. Is *applicant* ceasing its activities as a government securities broker or dealer? ☐ ☒

If applicant answers "yes" to Items 2A and 2D, applicant expressly consents to the withdrawal of its registration as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934. See "Instructions."

SECURITY FUTURES PRODUCTS ACTIVITIES

(Note: The field below is reserved exclusively for the reporting of single stock futures activities by registered broker-dealers. This field cannot be utilized until the SEC approves rules relating to the form and content of such reporting.)

BD - SRO / JURISDICTION

BD - SELF REGULATORY ORGANIZATIONS

<input checked="" type="checkbox"/> NASD	<input type="checkbox"/> ARCA	<input type="checkbox"/> CBOE	<input type="checkbox"/> ISE	<input type="checkbox"/> NYSE
<input type="checkbox"/> AMEX	<input type="checkbox"/> BX	<input type="checkbox"/> CHX	<input type="checkbox"/> NSX	<input type="checkbox"/> NqLX
				<input type="checkbox"/> PHLX

BD - JURISDICTION

<input checked="" type="checkbox"/> Alabama	<input checked="" type="checkbox"/> Illinois	<input checked="" type="checkbox"/> Montana	<input checked="" type="checkbox"/> Puerto Rico
<input type="checkbox"/> Alaska	<input checked="" type="checkbox"/> Indiana	<input type="checkbox"/> Nebraska	<input type="checkbox"/> Rhode Island
<input type="checkbox"/> Arizona	<input type="checkbox"/> Iowa	<input checked="" type="checkbox"/> Nevada	<input type="checkbox"/> South Carolina
<input type="checkbox"/> Arkansas	<input type="checkbox"/> Kansas	<input type="checkbox"/> New Hampshire	<input type="checkbox"/> South Dakota
<input checked="" type="checkbox"/> California	<input type="checkbox"/> Kentucky	<input checked="" type="checkbox"/> New Jersey	<input type="checkbox"/> Tennessee
<input type="checkbox"/> Colorado	<input checked="" type="checkbox"/> Louisiana	<input type="checkbox"/> New Mexico	<input checked="" type="checkbox"/> Texas
<input type="checkbox"/> Connecticut	<input type="checkbox"/> Maine	<input checked="" type="checkbox"/> New York	<input type="checkbox"/> Utah
<input type="checkbox"/> Delaware	<input checked="" type="checkbox"/> Maryland	<input checked="" type="checkbox"/> North Carolina	<input type="checkbox"/> Vermont
<input type="checkbox"/> District of Columbia	<input checked="" type="checkbox"/> Massachusetts	<input type="checkbox"/> North Dakota	<input type="checkbox"/> Virginia
<input checked="" type="checkbox"/> Florida	<input checked="" type="checkbox"/> Michigan	<input checked="" type="checkbox"/> Ohio	<input checked="" type="checkbox"/> Washington
<input checked="" type="checkbox"/> Georgia	<input type="checkbox"/> Minnesota	<input type="checkbox"/> Oklahoma	<input type="checkbox"/> West Virginia
<input checked="" type="checkbox"/> Hawaii	<input type="checkbox"/> Mississippi	<input type="checkbox"/> Oregon	<input checked="" type="checkbox"/> Wisconsin
<input type="checkbox"/> Idaho	<input type="checkbox"/> Missouri	<input checked="" type="checkbox"/> Pennsylvania	<input type="checkbox"/> Wyoming

BD - LEGAL STATUS

3. A. Indicate legal status of *applicant*:

☒ Corporation ☐ Sole Proprietorship ☐ Other (*specify*)
☐ Partnership ☐ Limited Liability Company

B. Month *applicant's* fiscal year ends:
DECEMBER

C. If other than a sole proprietor, indicate date and place *applicant* obtained its legal status (i.e., state or country where incorporated, where partnership agreement was filed, or where *applicant* entity was formed):

State of formation:
California

Country of formation:
USA

Date of formation: MM/DD/YYYY
06/16/1998

Schedule A, Direct Owners and Executive Officers Section and, if applicable, Schedule B, Indirect Owners Section must be completed as part of all initial applications. Amendments to these schedules must be provided on Schedule C.

4. If *applicant* is a sole proprietor, state full residence address and Social Security Number.

Social Security Number:

Number and Street 2:

Number and Street 1:

City:

State:

Country:

Zip/Postal Code:

BD - SUCCESSION

YES NO

5. Is *applicant* at the time of this filing *succeeding* to the business of a currently registered broker-dealer?

☐ ☒

Do not report previous successions already reported on Form BD.

If "Yes," contact CRD prior to submitting form; complete appropriate items on Schedule D, Page 1, Section III.

BD - ARRANGEMENTS

Yes No

6. Does *applicant* hold or maintain any funds or securities or provide clearing services for any other broker or dealer?

☐ ☒

7. Does *applicant* refer or introduce customers to any other broker or dealer?

☒ ☐

If "yes," complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

8. Does *applicant* have any arrangement with any other *person*, firm, or organization under which:

A. any books or records of *applicant* are kept or maintained by such other *person*, firm or organization?

☒ ☐

B. accounts, funds, or securities of the *applicant* are held or maintained by such other *person*, firm, or organization?

☒ ☐

C. accounts, funds, or securities of customers of the *applicant* are held or maintained by such other *person*, firm, or organization?

☒ ☐

For purposes of 8B and 8C, do not include a bank or satisfactory control location as defined in paragraph(c) of Rule 15c3-3 under the Securities Exchange Act of 1934 (17 CFR 240. 15c3-3).

If "Yes" to any part of Item 8, complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

9. Does any *person* not named in Item 1 or Schedules A, B, or C, directly or indirectly:

A. *control* the management or policies of the *applicant* through agreement or otherwise?

☐ ☒

B. wholly or partially finance the business of *applicant*?

☐ ☒

Do not answer "yes" to 9B if the person finances the business of the applicant through: 1) a public offering of securities made pursuant to the Securities Act of 1933; 2) credit extended in the ordinary course of business by suppliers, banks, and others; or 3) a satisfactory subordination agreement, as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 (17 CFR 240. 15c3-1).

If "Yes" to any part of Item 9, complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

BD - BUSINESS AFFILIATES

BD - Control Affiliates

YES NO

10. A. Directly or indirectly, does *applicant control*, is *applicant controlled* by, or is *applicant* under common *control* with, any partnership, corporation, or other organization that is engaged in the securities or investment advisory business?

☐ ☒

If "Yes" to Item 10A, complete appropriate items on Schedule D, Page 2, Section V, Firm Affiliates.

B. Directly or indirectly, is *applicant controlled* by any 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?

☐ ☒

If "Yes" to Item 10B, complete appropriate items on Schedule D, Page 3, Section VI, Bank Affiliates.

BD - DISCLOSURE QUESTIONS

11. Use the appropriate DRP for providing details to "yes" answers to the questions in Item 11. Refer to the Explanation of Terms section of Form BD Instructions for explanations of italicized terms.

CRIMINAL DISCLOSURE

- A. In the past ten years has the *applicant* or a *control affiliate*:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to any *felony*? YES NO
- (2) been *charged* with any *felony*? ☐ ☒
- B. In the past ten years has the *applicant* or a *control affiliate*:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? ☐ ☒
- (2) been *charged* with a *misdemeanor* specified in 11B(1)? ☐ ☒

REGULATORY ACTION DISCLOSURE

- C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:
- (1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission? YES NO
- (2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its regulations or statutes? ☐ ☒
- (3) *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☒
- (4) entered an *order* against the *applicant* or a *control affiliate* in connection with an *investment-related* activity? ☐ ☒
- (5) imposed a civil money penalty on the *applicant* or a *control affiliate*, or *ordered* the *applicant* or a *control affiliate* to cease and desist from any activity? ☐ ☒
- D. Has any other federal regulatory agency, any state regulatory agency, or *foreign financial regulatory authority*:
- (1) ever *found* the *applicant* or a *control affiliate* to have made a false statement or omission or been dishonest, unfair, or unethical? ☐ ☒
- (2) ever *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes? ☐ ☒
- (3) ever *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☒
- (4) in the past ten years, entered an *order* against the *applicant* or a *control affiliate* in connection with an *investment-related* activity? ☐ ☒
- (5) ever denied, suspended, or revoked the *applicant's* or a *control affiliate's* registration or license or otherwise, by *order*, prevented it from associating with an *investment-related* business or restricted its activities? ☐ ☒
- E. Has any *self-regulatory organization* or commodities exchange ever:
- (1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission? ☐ ☒
- (2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the U.S. Securities and Exchange Commission)? ☒ ☐
- (3) *found* the *applicant* or a *control affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☒
- (4) disciplined the *applicant* or a *control affiliate* by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities? ☒ ☐
- F. Has the *applicant's* or a *control affiliate's* authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended? ☐ ☒
- G. Is the *applicant* or a *control affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of 11C, D, or E? ☐ ☒

CIVIL JUDICIAL ACTION DISCLOSURE

- H. (1) Has any domestic or foreign court:
- (a) in the past ten years, *enjoined* the *applicant* or a *control affiliate* in connection with any *investment-related* activity? YES NO
- (b) ever *found* that the *applicant* or a *control affiliate* was *involved* in a violation of *investment-related* statutes or regulations? ☐ ☒
- (c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against the *applicant* or *control affiliate* by a state or *foreign financial regulatory authority*? ☐ ☒
- (2) Is the *applicant* or a *control affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of 11H(1)? ☐ ☒

FINANCIAL DISCLOSURE

- I. In the past ten years has the *applicant* or a *control affiliate* of the *applicant* ever been a securities firm or a *control affiliate* of a securities firm that:
- (1) has been the subject of a bankruptcy petition? YES NO
- (2) has had a trustee appointed or a direct payment procedure initiated under the Securities Investor Protection Act? ☐ ☒
- J. Has a bonding company ever denied, paid out on, or revoked a bond for the *applicant*? ☐ ☒
- K. Does the *applicant* have any unsatisfied judgments or liens against it? ☐ ☒

BD - TYPES OF BUSINESS

12. Check types of business engaged in (or to be engaged in, if not yet active) by *applicant*. Do not check any category that accounts for (or is expected to account for) less than 1% of annual revenue from the securities or investment advisory business.

- A. Exchange member engaged in exchange commission business other than floor activities. ☐ EMC
- B. Exchange member engaged in floor activities. ☐ EMF
- C. Broker or dealer making inter-dealer markets in corporate securities over-the-counter. ☐ IDM
- D. Broker or dealer retailing corporate equity securities over-the-counter. ☒ BDR
- E. Broker or dealer selling corporate debt securities. ☒ BDD
- F. Underwriter or selling group participant (corporate securities other than mutual funds). ☒ USG

G. Mutual fund underwriter or sponsor.	<input type="checkbox"/> MFU
H. Mutual fund retailer.	<input checked="" type="checkbox"/> MFR
I. 1. U.S. government securities dealer.	<input type="checkbox"/> GSD
2. U.S. government securities broker.	<input type="checkbox"/> GSB
J. Municipal securities dealer.	<input type="checkbox"/> MSD
K. Municipal securities broker.	<input checked="" type="checkbox"/> MSB
L. Broker or dealer selling variable life insurance or annuities.	<input type="checkbox"/> VLA
M. Solicitor of time deposits in a financial institution.	<input type="checkbox"/> SSL
N. Real estate syndicator.	<input type="checkbox"/> RES
O. Broker or dealer selling oil and gas interests.	<input type="checkbox"/> OGI
P. Put and call broker or dealer or option writer.	<input checked="" type="checkbox"/> PCB
Q. Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds).	<input type="checkbox"/> BIA
R. Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals).	<input type="checkbox"/> NPB
S. Investment advisory services.	<input type="checkbox"/> IAD
T. 1. Broker or dealer selling tax shelters or limited partnerships in primary distributions.	<input type="checkbox"/> TAP
2. Broker or dealer selling tax shelters or limited partnerships in the secondary market.	<input type="checkbox"/> TAS
U. Non-exchange member arranging for transactions in listed securities by exchange member.	<input checked="" type="checkbox"/> NEX
V. Trading securities for own account.	<input type="checkbox"/> TRA
W. Private placement of securities.	<input checked="" type="checkbox"/> PLA
X. Broker or dealer selling interests in mortgages or other receivables.	<input type="checkbox"/> MRI
Y. Broker or dealer involved in a networking, kiosk or similar arrangement with a:	
1. bank, savings bank or association, or credit union.	<input type="checkbox"/> BNA
2. insurance company or agency	<input type="checkbox"/> INA
Z. Other (give details on Schedule D, Page 1, Section II, Other Business)	<input type="checkbox"/> OTH

	YES NO
13. A. Does <i>applicant</i> effect transactions in commodity futures, commodities or commodity options as a broker for others or as a dealer for its own account?	<input type="radio"/> <input checked="" type="radio"/>
B. Does <i>applicant</i> engage in any other non-securities business?	<input type="radio"/> <input checked="" type="radio"/>
<i>If "yes", describe each other business briefly on Schedule D, Page 1, Section II, Other Business.</i>	

BD - DIRECT OWNERS/EXECUTIVE OFFICERSAre there any indirect owners of the *applicant* required to be reported on Schedule B?☐ Yes ☒ No

Ownership Codes:	NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%
	A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more

Full Legal Name	DE/FE/I	Title or Status	Date Acquired	Own. Code	Control Person	PR	CRD # (or S.S.No., IRS Tax #, Emp. ID)
ARTZT, GARY STEVEN	I	PRESIDENT	06/2003	NA	N	N	2009945
ARTZT, GARY STEVEN	I	PRESIDENT AND CHIEF COMPLIANCE DIRECTOR	11/2003	NA	N	N	2009945
DAGRACA, JOHN DAVID	I	FINANCIAL & OPERATIONS PRINCIPAL	12/2002	NA	N	N	3249375
LITTAUER, MATTHEW NGUYEN	I	OWNER	08/2001	E	Y	N	2027330

BD - INDIRECT OWNERS**No Information Filed****BD Schedule C - Amendments to Schedules A & B**

In the Type of Amd. column, indicate "A" (addition), "D" (deletion), or "C" (change of information about the same *person*).

Ownership Codes are:	NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%	F - Other General Partners
	A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more	

List below all changes to Schedule A: (DIRECT OWNERS AND EXECUTIVE OFFICERS)

Full Legal Name	DE/FE/I	Type of Amd.	Title or Status	Date Acquired	Own. Code	Control Person	PR	CRD # (or SSN, IRS Tax #, Emp. ID)
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No Information Filed

List below all changes to Schedule B: (INDIRECT OWNERS)

Full Legal Name	DE/FE/I	Type of Amd.	Entity in Which Interest Is Owned	Status Date Acquired	Own. Code	Control Person	PR	CRD # (or SSN, IRS Tax #, Emp. ID)
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No Information Filed

BD - OTHER BUSINESS NAMES

No Information Filed

BD - OTHER BUSINESS

Briefly describe any other business (Item 12Z).

Briefly describe any other non-securities business (Item 13B).

BD - SUCCESSIONS

Date of Succession: MM/DD/YYYY

Name of Predecessor:

Firm CRD Number

IRS Employer Identification Number (if any)

SEC File Number (if any)
8-

Briefly describe details of the *succession* including any assets or liabilities not assumed by the *successor*.

BD - ARRANGEMENTS / CONTROL PERSONS / FINANCING

(check one)

☒ Item 7

☐ Item 8A

☐ Item 8B

☐ Item 8C

☐ Item 9A

☐ Item 9B

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name:
HUNTLEIGH SECURITIES CORPORATION

CRD Number:
7456

☒ Entity
☐ Individual

Business Address

Street 1:
7800 FORSYTH BLVD 5TH FLOOR

Street 2:

City:
ST LOUIS

State:
Missouri

Country:

Zip/Postal Code:
63105

Effective Date MM/DD/YYYY
03/27/2003

Termination Date MM/DD/YYYY

Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the *control* or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)

AS AN INTRODUCING BROKER/DEALER ON A FULLY DISCLOSED BASIS

(check one)

☐ Item 7

☒ Item 8A

☐ Item 8B

☐ Item 8C

☐ Item 9A

☐ Item 9B

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name:
HUNTLEIGH SECURITIES CORPORATION

CRD Number:
7456

☒ Entity
☐ Individual

Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER/DEALER ON A FULLY DISCLOSED BASIS			
(check one) <input type="radio"/> Item 7 <input type="radio"/> Item 8A <input checked="" type="radio"/> Item 8B <input type="radio"/> Item 8C <input type="radio"/> Item 9A <input type="radio"/> Item 9B			

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name: HUNTLEIGH SECURITIES CORPORATION		CRD Number: 7456	<input checked="" type="radio"/> Entity <input type="radio"/> Individual
Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER DEALER ON A FULLY DISCLOSED BASIS.			
(check one) <input type="radio"/> Item 7 <input type="radio"/> Item 8A <input type="radio"/> Item 8B <input checked="" type="radio"/> Item 8C <input type="radio"/> Item 9A <input type="radio"/> Item 9B			

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name: HUNTLEIGH SECURITIES CORPORATION		CRD Number: 7456	<input checked="" type="radio"/> Entity <input type="radio"/> Individual
Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER DEALER ON A FULLY DISCLOSED BASIS.			

BD - AFFILIATES

No Information Filed

BD - BRANCHES

No Information Filed

BD - CRIMINAL DRP

No Information Filed

BD - REGULATORY ACTION DRP

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization *not* registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ **The Applicant**

☐ *Applicant and one or more control affiliates*

☐ *One or more control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ **Yes** ☐ **No**

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION, INC. DISTRICT # 10

2. Principal Sanction:

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

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

10/07/2002 ☒ **Exact** ☐ **Explanation**

If not exact, provide explanation:

4. Docket/Case Number:

C10020113

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

WORLD FINANCIAL CONDUCTED A SECURITIES BUSINESS ON JULY 30, 2001, WHILE FAILING TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT IN VIOLATION OF SEC RULE 15C3-1.

8. Current status ? ☐ Pending ☐ On Appeal ☒ **Final**

9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

11/25/2002 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ Monetary/Fine

Amount: \$ 12,500.00

☐ Revocation/Expulsion/Denial☐ Disgorgement/Restitution☐ Censure☐ Cease and Desist/Injunction☐ Bar☒ Suspension

B. Other Sanctions Ordered:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:

FINE IN THE AMOUNT OF \$2,500.00 PAID BY WORLD FINANCIAL ON DECEMBER 23, 2002. FINE IN THE AMOUNT OF \$10,000.00 PAID BY A CONTROL AFFILIATE ON DECEMBER 23, 2002. THE CONTROL AFFILIATE WAS SUSPENDED FROM ANY ASSOCIATION WITH ANY NASD MEMBER FIRM FOR TEN BUSINESS DAYS BEGINNING JANUARY 6, 2003; AND WAS SUSPENDED FROM SERVING AS A FINANCIAL AND OPERATIONS PRINCIPAL FOR 60 BUSINESS DAYS BEGINNING JANUARY 6, 2003.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)

ON JULY 30, 2001, WORLD FINANCIAL WAS SUBJECT TO A MINIMUM NET CAPITAL REQUIREMENT OF \$5,000 PURSUANT TO SEC RULE 15C3-1(A)(2) (VI). ON THAT DATE, WHILE CONDUCTING A SECURITIES BUSINESS, WORLD FINANCIAL FAILED TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT IN VIOLATION OF SEC RULE 15C3-1, AND THUS VIOLATED NASD CONDUCT RULE 2110.

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization *not* registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):☐ The *Applicant*☐ *Applicant* and one or more *control affiliates*☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate

Control Affiliate Name	CRD#	Registered
LITTAUER, MATTHEW NGUYEN	2027330	Y

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does *not* relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign
 (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
 A 7/14/03 NASD FINE AND SUSPENSION (DOCKET#CAF030037) AGAINST CONTROL AFFILIATE MATTHEW NGUYEN LITTAUER CRD # 2027330.
2. Principal Sanction:
 Suspension
 Other Sanctions:
 30 DAY SUSPENSION FOR MATTHEW NGUYEN LITTAUER AND \$20,000 FINE.
3. Date Initiated (MM/DD/YYYY):
 08/18/2003 ☒ Exact ☐ Explanation
 If not exact, provide explanation:
4. Docket/Case Number:
 CAF#030037
5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
 WORLD FINANCIAL CAPITAL MARKETS, INC.
6. Principal Product Type:
 Equity - OTC
 Other Product Types:
7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)
 MATTHEW NGUYEN LITTAUER ALLOWED OTHER BROKERS TO USE HIS NAME TO OPEN APPROXIMATELY 100 ACCOUNTS WITH WORLD FINANCIAL CAPITAL MARKETS, INC.
8. Current status ? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
 Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):
 08/04/2003 ☐ Exact ☐ Explanation
 If not exact, provide explanation:
12. Resolution Detail:
- A. Were any of the following Sanctions Ordered? (Check all appropriate items):
- | | |
|--|--|
| <input checked="" type="checkbox"/> Monetary/Fine | Amount: \$ 20,000.00 |
| <input type="checkbox"/> Revocation/Expulsion/Denial | <input type="checkbox"/> Disgorgement/Restitution |
| <input type="checkbox"/> Censure | <input type="checkbox"/> Cease and Desist/Injunction |
| <input type="checkbox"/> Bar | <input checked="" type="checkbox"/> Suspension |
- B. Other Sanctions Ordered:
- C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
 30 DAY SUSPENSION FROM 8/18/2003 THROUGH 9/17/2003.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
 THE ABOVE SUSPENSION HAS BEEN CONCLUDED.

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input checked="" type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ **The Applicant**
☐ **Applicant and one or more control affiliates**
☐ **One or more control affiliates**

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

☐ **This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.**

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ **Yes** ☒ **No**

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ **SEC** ☐ **Other Federal** ☐ **State** ☒ **SRO** ☐ **Foreign**
 (Full name of regulator, foreign financial regulatory authority, federal, state, or SRO)
 NASD

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

11/07/2003 ☒ **Exact** ☐ **Explanation**
 If not exact, provide explanation:

4. Docket/Case Number:

CAF030057

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity - OTC
 Other Product Types:
 UNKNOWN TYPE OF SECURITIES

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

SECTION 17(B) OF THE SECURITIES ACT OF 1933, SEC RULES 17A-3, 17A-4, NASD RULES 2110,2210(D)(1)(A) AND (B), 2510(B), 3010, 3011,3110-RESPONDENT MEMBER, ACTING THROUGH AN INDIVIDUAL, ESTABLISHED PROCEDURES FOR HANDLING SECURITIES TRANSACTIONS IN WHICH UNREGISTERED PERSONNS SOLICITED FOREIGN CUSTOMERS, PREPARED NEW ACCOUNT FORMS, AND PLACED THE ORDERS AT THE FIRM; THE FIRM'S REGISTERED REPRESENTATIVES HAD NO CONTACT WITH THE CUSTOMERS PRIOR TO THE TRANSACTIONS BEING EXECUTED AND THE FIRM DID NOT RECEIVE WRITTEN AUTHORIZATION FROM THE CUSTOMERS AUTHORIZING THE FIRM TO ACCEPT ORDERS FROM UNREGISTERED PERSONS; THE CUSTOMERS' NEW ACCOUNTS WERE OPENED AND PROCESSED AT THE FIRM USING THE REGISTERED REPRESENTATIVE NUMBERS OF REGISTERED PERSONS WHEREBY THE FIRM, ACTING THROUGH AN INDIVIDUAL, IMPROPERLY EXERCISED DISCRETION IN THE CUSTOMERS' ACCOUNTS; ESTABLISHED AND MAINTAINED A FIRM WEBSITE THAT POSTED RESEARCH REPORTS PREPARED BY AN UNREGISTERED PERSON THAT CONTAINED EXAGGERATED, UNWARRANTED, OR MISLEADING STATEMENTS AND FAILED TO DISCLOSE MATERIAL FACTS; FAILED TO DISCLOSE IN RESEARCH REPORTS THAT THE COMPANIES HAD AN AGREEMENT TO PROVIDE THE FIRM WITH SHARES OF ITS SECURITIES IN CONSIDERATION FOR RESEARCH SERVICES; THE FIRM'S SUPERVISORY SYSTEMS AND PROCEDURES FAILED TO ADEQUATELY SET FORTH PROCEDURES AND SYSTEMS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FEDERAL SECURITIES LAWS AND NASD RULES WITH RESPECT TO PUBLISHING AND DISTRIBUTING RESEARCH REPORTS AND THE HANDLING OF CUSTOMER ORDERS PLACED BY THIRD PERSONS OR DISCRETIONARY TRADING; AND FAILED TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS TRANSACTIONS, ENSURE COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER, TO PROVIDE FOR INDEPENDENT TESTING FOR COMPLIANCE, AND TO PROVIDE FOR ONGOING TRAINING FOR APPROPRIATE PERSONNEL.

8. Current status ? ☐ **Pending** ☐ **On Appeal** ☒ **Final**

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

11/07/2003 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ Monetary/Fine

Amount: \$ 100,000.00

☐ Revocation/Expulsion/Denial☐ Disgorgement/Restitution☒ Censure☐ Cease and Desist/Injunction☐ Bar☐ Suspension

B. Other Sanctions Ordered:

UNDERTAKINGS

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, WORLD FINANCIAL CAPITAL MARKETS CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$100,000, \$40,000 OF WHICH IS JOINTLY AND SEVERALLY, REQUIRED TO PROVIDE THE DEPT. OF ENFORCEMENT AND DISTRICT 10 ITS REVISED ANTI-MONEY LAUNDERING COMPLIANCE PROCEDURES WITHIN 30 DAYS OF ACCEPTANCE OF THIS AWC; HIRE AN INDEPENDENT OUTSIDE QUALIFIED CONSULTANT TO CONDUCT INDEPENDENT TESTING TO DETERMINE IF THE FIRM'S AML PROCEDURES ARE IN COMPLIANCE WITH NASD RULE 3011 WITHIN 60 DAYS OF EFFECTIVE DATE OF AWC, THE INDEPENDENT TESTING SHALL COMMENCE WITHIN 75 DAYS OF THE EFFECTIVE DATE OF THE AWC, THE FIRM MUST COOPERATE FULLY WITH THE CONSULTANT INCLUDING OBTAINING THE COOPERATION OF FIRM EMPLOYEES. THE FIRM MUST NOT PLACE RESTRICTIONS ON THE CONSULTANT'S COMMUNICATIONS AND MAKE AVAILABLE TO NASD ALL COMMUNICATIONS BETWEEN THE CONSULTANT AND THE FIRM, ANY DOCUMENTS REVIEWED BY THE CONSULTANT, AND HAVE THE CONSULTANT PROVIDE A COPY OF FINDINGS AND RECOMMENDATIONS TO THE DEPT. OF ENFORCEMENT AND DISTRICT 10 NLT 105 DAYS OF EFFECTIVE DATE OF AWC. THE FIRM SHALL IMPLEMENT THE RECOMMENDATIONS NLT 30 DYAS FROM ISSUANCE OF THE FINDINGS AND PROVIDE NASD WRITTEN PROOF OF IMPEMETATION OF RECOMMENDATIONS NLT 30 DAYS AFTER IMPLEMENTATION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)

BD - CIVIL JUDICIAL DRP

No Information Filed

BD - BANKRUPTCY DRP

No Information Filed

BD - BOND DRP

No Information Filed

BD - JUDGMENT LIEN DRP

No Information Filed

FORM BD
UNIFORM APPLICATION FOR BROKER-DEALER REGISTRATION

Primary Business Name: WORLD FINANCIAL CAPITAL MARKETS INC.

BD Number: 47747

BD - AMENDMENT

10/30/2003

BD - APPLICANT INFORMATION

OMB Number3235-0012

Expires.....
 Estimated average burden hours per:
 Response.....2.75
 Amendment.....0.33

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of business as a broker-dealer would violate the Federal securities laws and the laws of the *jurisdictions* and may result in disciplinary, administrative, injunctive or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS.

☐ APPLICATION ☒ AMENDMENT

1. Exact name, principal business address, mailing address, if different, and telephone number of *applicant*:

A. **Full name of *applicant***(if sole proprietor, state last, first and middle name):
 WORLD FINANCIAL CAPITAL MARKETS INC.

B. **IRS Empl. Ident. No.:**
 13-4150341

C. (1) Name under which broker-dealer business primarily is conducted, if different from Item 1A.
 WORLD FINANCIAL CAPITAL MARKETS INC.

(2) List on Schedule D, Page 1, Section I, Other Business Names any other name by which the firm conducts business and where it is used.

D. If this filing makes a name change on behalf of the *applicant*, enter the new name and specify whether the name change is of the
☐ **applicant name (1A)** or ☐ **business name (1C):**
 Please check above.

E. **Firm main address: (Do not use a P.O. Box)**

Number and Street 1: 13 CROSBY ST		Number and Street 2: SUITE 303	
City: NEW YORK	State: New York	Country: UNITED STATES	Zip/Postal Code: 10013

F. **Mailing Address, if different:**

Number and Street 1: 13 CROSBY ST		Number and Street 2: SUITE 303	
City: NEW YORK	State: New York	Country: UNITED STATES	Zip/Postal Code: 10013

G. **Business Telephone Number:**
 212-219-0277

H. **Contact Employee:**

Name: GARY S ARTZT	Title: PRESIDENT	Telephone Number: (646)414-1648
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BD - EXECUTION

EXECUTION:

For the purposes of complying with the laws of the State(s) designated in Item 2 relating to either the offer or sale of securities or commodities, the undersigned and *applicant* hereby certify that the *applicant* is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of each of those State(s) or such other person designated by law, and the successors in such office, attorney for the *applicant* in said State(s), upon whom may be served any notice, process, or pleading in any action or *proceeding* against the *applicant* arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of those State(s), and the *applicant* hereby consents that any such action or *proceeding* against the *applicant* may be commenced in any court of competent jurisdiction and proper venue within said State(s) by service of process upon said appointee with the same effect as if *applicant* were a resident in said State(s) and had lawfully been served with process in said State(s).

The *applicant* consents that service of any civil action brought by or notice of any *proceeding* before the Securities and Exchange Commission or any *self-regulatory organization* in connection with the *applicant's* broker-dealer activities, or of any application for a protective decree filed by the Securities Investor Protection Corporation, may be given by registered or certified mail or confirmed telegram to the *applicant's* contact employee at the main address, or mailing address if different, given in Items 1E and 1F.

The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, said *applicant*. The undersigned and *applicant* represent that the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and *applicant* further represent that to the extent any information previously submitted is not amended such information is currently accurate and complete.

Date MM/DD/YYYY
10/30/2003

Name of Applicant
WORLD FINANCIAL CAPITAL MARKETS INC.

Authorized Signatory
GARY S. ARTZT

Title
PRESIDENT

Subscribed and sworn before me this _____ day of _____, _____ by _____
Year

Notary Public

My commission expires _____ County of _____ State of _____

BD - SECURITIES AND EXCHANGE COMMISSION

2. Indicate by checking the appropriate box(es) each governmental authority, organization, or *jurisdiction* in which the *applicant* is registered or registering as a broker-dealer. ☒

If *applicant* is registered or registering with the SEC, check here and answer Items 2A through 2D below.

- | | YES | NO |
|---|----------------------------------|----------------------------------|
| A. Is <i>applicant</i> registered or registering as a broker-dealer under Section 15(b) or Section 15B of the Securities Exchange Act of 1934? | <input checked="" type="radio"/> | <input type="radio"/> |
| B. Is <i>applicant</i> registered or registering as a broker-dealer under Section 15(b) of the Securities Exchange Act of 1934 and also acting or intending to act as a government securities broker or dealer? | <input type="radio"/> | <input checked="" type="radio"/> |
| C. Is <i>applicant</i> registered or registering <u>solely</u> as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934? | <input type="radio"/> | <input checked="" type="radio"/> |
| <i>Do not answer "yes" to Item 2C if applicant answered "yes" to Item 2A or Item 2B.</i> | | |
| D. Is <i>applicant</i> ceasing its activities as a government securities broker or dealer? | <input type="radio"/> | <input checked="" type="radio"/> |

If applicant answers "yes" to Items 2A and 2D, applicant expressly consents to the withdrawal of its registration as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934. See "Instructions."

SECURITY FUTURES PRODUCTS ACTIVITIES

(Note: The field below is reserved exclusively for the reporting of single stock futures activities by registered broker-dealers. This field cannot be utilized until the SEC approves rules relating to the form and content of such reporting.)

BD - SRO / JURISDICTION

BD - SELF REGULATORY ORGANIZATIONS

- | | | | | |
|--|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| <input checked="" type="checkbox"/> NASD | <input type="checkbox"/> ARCA | <input type="checkbox"/> CBOE | <input type="checkbox"/> ISE | <input type="checkbox"/> NYSE |
| <input type="checkbox"/> AMEX | <input type="checkbox"/> BX | <input type="checkbox"/> CHX | <input type="checkbox"/> NSX | <input type="checkbox"/> NqLX |
| | | | | <input type="checkbox"/> PHLX |

BD - JURISDICTION

- | | | | |
|--|---|--|---|
| <input checked="" type="checkbox"/> Alabama | <input checked="" type="checkbox"/> Illinois | <input checked="" type="checkbox"/> Montana | <input checked="" type="checkbox"/> Puerto Rico |
| <input type="checkbox"/> Alaska | <input checked="" type="checkbox"/> Indiana | <input type="checkbox"/> Nebraska | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> Iowa | <input checked="" type="checkbox"/> Nevada | <input type="checkbox"/> South Carolina |
| <input type="checkbox"/> Arkansas | <input type="checkbox"/> Kansas | <input type="checkbox"/> New Hampshire | <input type="checkbox"/> South Dakota |
| <input checked="" type="checkbox"/> California | <input type="checkbox"/> Kentucky | <input checked="" type="checkbox"/> New Jersey | <input type="checkbox"/> Tennessee |
| <input type="checkbox"/> Colorado | <input checked="" type="checkbox"/> Louisiana | <input type="checkbox"/> New Mexico | <input checked="" type="checkbox"/> Texas |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> Maine | <input checked="" type="checkbox"/> New York | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Delaware | <input checked="" type="checkbox"/> Maryland | <input checked="" type="checkbox"/> North Carolina | <input type="checkbox"/> Vermont |
| <input type="checkbox"/> District of Columbia | <input checked="" type="checkbox"/> Massachusetts | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Virginia |
| <input checked="" type="checkbox"/> Florida | <input checked="" type="checkbox"/> Michigan | <input checked="" type="checkbox"/> Ohio | <input checked="" type="checkbox"/> Washington |
| <input checked="" type="checkbox"/> Georgia | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Oklahoma | <input type="checkbox"/> West Virginia |
| <input checked="" type="checkbox"/> Hawaii | <input type="checkbox"/> Mississippi | <input type="checkbox"/> Oregon | <input checked="" type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Idaho | <input type="checkbox"/> Missouri | <input checked="" type="checkbox"/> Pennsylvania | <input type="checkbox"/> Wyoming |

BD - LEGAL STATUS

3. A. Indicate legal status of *applicant*:

- ☒ Corporation
 ☐ Sole Proprietorship
 ☐ Other (*specify*)
- ☐ Partnership
 ☐ Limited Liability Company

B. Month *applicant's* fiscal year ends:
DECEMBER

C. If other than a sole proprietor, indicate date and place *applicant* obtained its legal status (i.e., state or country where incorporated, where partnership agreement was filed, or where *applicant* entity was formed):

State of formation:
California

Country of formation:
USA

Date of formation: MM/DD/YYYY
06/16/1998

Schedule A, Direct Owners and Executive Officers Section and, if applicable, Schedule B, Indirect Owners Section must be completed as part of all initial applications. Amendments to these schedules must be provided on Schedule C.

4. If *applicant* is a sole proprietor, state full residence address and Social Security Number.

Social Security Number:

Number and Street 2:

City:

State:

Country:

Zip/Postal Code:

BD - SUCCESSION

YES NO

5. Is *applicant* at the time of this filing *succeeding* to the business of a currently registered broker-dealer?

☐ ☒

Do not report previous successions already reported on Form BD.

If "Yes," contact CRD prior to submitting form; complete appropriate items on Schedule D, Page 1, Section III.

BD - ARRANGEMENTS

Yes No

6. Does *applicant* hold or maintain any funds or securities or provide clearing services for any other broker or dealer?

☐ ☒

7. Does *applicant* refer or introduce customers to any other broker or dealer?

☒ ☐

If "yes," complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

8. Does *applicant* have any arrangement with any other *person*, firm, or organization under which:

A. any books or records of *applicant* are kept or maintained by such other *person*, firm or organization?

☒ ☐

B. accounts, funds, or securities of the *applicant* are held or maintained by such other *person*, firm, or organization?

☒ ☐

C. accounts, funds, or securities of customers of the *applicant* are held or maintained by such other *person*, firm, or organization?

☒ ☐

For purposes of 8B and 8C, do not include a bank or satisfactory control location as defined in paragraph(c) of Rule 15c3-3 under the Securities Exchange Act of 1934 (17 CFR 240. 15c3-3).

If "Yes" to any part of Item 8, complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

9. Does any *person* not named in Item 1 or Schedules A, B, or C, directly or indirectly:

A. *control* the management or policies of the *applicant* through agreement or otherwise?

☐ ☒

B. wholly or partially finance the business of *applicant*?

☐ ☒

Do not answer "yes" to 9B if the person finances the business of the applicant through: 1) a public offering of securities made pursuant to the Securities Act of 1933; 2) credit extended in the ordinary course of business by suppliers, banks, and others; or 3) a satisfactory subordination agreement, as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 (17 CFR 240. 15c3-1).

If "Yes" to any part of Item 9, complete appropriate items on Schedule D, Page 1, Section IV, Arrangement Detail.

BD - BUSINESS AFFILIATES

BD - Control Affiliates

YES NO

10. A. Directly or indirectly, does *applicant control*, is *applicant controlled* by, or is *applicant* under common *control* with, any partnership, corporation, or other organization that is engaged in the securities or investment advisory business?

☐ ☒

If "Yes" to Item 10A, complete appropriate items on Schedule D, Page 2, Section V, Firm Affiliates.

B. Directly or indirectly, is *applicant controlled* by any 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?

☐ ☒

If "Yes" to Item 10B, complete appropriate items on Schedule D, Page 3, Section VI, Bank Affiliates.

BD - DISCLOSURE QUESTIONS

11. Use the appropriate DRP for providing details to "yes" answers to the questions in Item 11. Refer to the Explanation of Terms section of Form BD Instructions for explanations of italicized terms.

CRIMINAL DISCLOSURE

- A. In the past ten years has the *applicant* or a *control affiliate*:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to any *felony*? YES NO
☐ ☒
- (2) been *charged* with any *felony*?
☐ ☒
- B. In the past ten years has the *applicant* or a *control affiliate*:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? YES NO
☐ ☒
- (2) been *charged* with a *misdemeanor* specified in 11B(1)?
☐ ☒

REGULATORY ACTION DISCLOSURE

- C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:
- (1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission? YES NO
☐ ☒
- (2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its regulations or statutes? YES NO
☐ ☒
- (3) *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? YES NO
☐ ☒
- (4) entered an *order* against the *applicant* or a *control affiliate* in connection with an *investment-related* activity? YES NO
☒ ☒
- (5) imposed a civil money penalty on the *applicant* or a *control affiliate*, or *ordered* the *applicant* or a *control affiliate* to cease and desist from any activity? YES NO
☐ ☒
- D. Has any other federal regulatory agency, any state regulatory agency, or *foreign financial regulatory authority*:
- (1) ever *found* the *applicant* or a *control affiliate* to have made a false statement or omission or been dishonest, unfair, or unethical? YES NO
☐ ☒
- (2) ever *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes? YES NO
☐ ☒
- (3) ever *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? YES NO
☐ ☒
- (4) in the past ten years, entered an *order* against the *applicant* or a *control affiliate* in connection with an *investment-related* activity? YES NO
☐ ☒
- (5) ever denied, suspended, or revoked the *applicant's* or a *control affiliate's* registration or license or otherwise, by *order*, prevented it from associating with an *investment-related* business or restricted its activities? YES NO
☐ ☒
- E. Has any *self-regulatory organization* or commodities exchange ever:
- (1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission? YES NO
☐ ☒
- (2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the U.S. Securities and Exchange Commission)? YES NO
☒ ☐
- (3) *found* the *applicant* or a *control affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? YES NO
☐ ☒
- (4) disciplined the *applicant* or a *control affiliate* by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities? YES NO
☒ ☐
- F. Has the *applicant's* or a *control affiliate's* authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended? YES NO
☐ ☒
- G. Is the *applicant* or a *control affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of 11C, D, or E? YES NO
☐ ☒

CIVIL JUDICIAL ACTION DISCLOSURE

- H. (1) Has any domestic or foreign court:
- (a) in the past ten years, *enjoined* the *applicant* or a *control affiliate* in connection with any *investment-related* activity? YES NO
☐ ☒
- (b) ever *found* that the *applicant* or a *control affiliate* was *involved* in a violation of *investment-related* statutes or regulations? YES NO
☐ ☒
- (c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against the *applicant* or *control affiliate* by a state or *foreign financial regulatory authority*? YES NO
☐ ☒
- (2) Is the *applicant* or a *control affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of 11H(1)? YES NO
☐ ☒

FINANCIAL DISCLOSURE

- I. In the past ten years has the *applicant* or a *control affiliate* of the *applicant* ever been a securities firm or a *control affiliate* of a securities firm that: YES NO
- (1) has been the subject of a bankruptcy petition? YES NO
☐ ☒
- (2) has had a trustee appointed or a direct payment procedure initiated under the Securities Investor Protection Act? YES NO
☐ ☒
- J. Has a bonding company ever denied, paid out on, or revoked a bond for the *applicant*? YES NO
☐ ☒
- K. Does the *applicant* have any unsatisfied judgments or liens against it? YES NO
☐ ☒

BD - TYPES OF BUSINESS

12. Check types of business engaged in (or to be engaged in, if not yet active) by *applicant*. Do not check any category that accounts for (or is expected to account for) less than 1% of annual revenue from the securities or investment advisory business.

- A. Exchange member engaged in exchange commission business other than floor activities. ☐ EMC
- B. Exchange member engaged in floor activities. ☐ EMF
- C. Broker or dealer making inter-dealer markets in corporate securities over-the-counter. ☐ IDM
- D. Broker or dealer retailing corporate equity securities over-the-counter. ☒ BDR
- E. Broker or dealer selling corporate debt securities. ☒ BDD
- F. Underwriter or selling group participant (corporate securities other than mutual funds). ☒ USG

G. Mutual fund underwriter or sponsor.	<input type="checkbox"/> MFU
H. Mutual fund retailer.	<input checked="" type="checkbox"/> MFR
I. 1. U.S. government securities dealer.	<input type="checkbox"/> GSD
2. U.S. government securities broker.	<input type="checkbox"/> GSB
J. Municipal securities dealer.	<input type="checkbox"/> MSD
K. Municipal securities broker.	<input checked="" type="checkbox"/> MSB
L. Broker or dealer selling variable life insurance or annuities.	<input type="checkbox"/> VLA
M. Solicitor of time deposits in a financial institution.	<input type="checkbox"/> SSL
N. Real estate syndicator.	<input type="checkbox"/> RES
O. Broker or dealer selling oil and gas interests.	<input type="checkbox"/> OGI
P. Put and call broker or dealer or option writer.	<input checked="" type="checkbox"/> PCB
Q. Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds).	<input type="checkbox"/> BIA
R. Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals).	<input type="checkbox"/> NPB
S. Investment advisory services.	<input type="checkbox"/> IAD
T. 1. Broker or dealer selling tax shelters or limited partnerships in primary distributions.	<input type="checkbox"/> TAP
2. Broker or dealer selling tax shelters or limited partnerships in the secondary market.	<input type="checkbox"/> TAS
U. Non-exchange member arranging for transactions in listed securities by exchange member.	<input checked="" type="checkbox"/> NEX
V. Trading securities for own account.	<input type="checkbox"/> TRA
W. Private placement of securities.	<input checked="" type="checkbox"/> PLA
X. Broker or dealer selling interests in mortgages or other receivables.	<input type="checkbox"/> MRI
Y. Broker or dealer involved in a networking, kiosk or similar arrangement with a:	
1. bank, savings bank or association, or credit union.	<input type="checkbox"/> BNA
2. insurance company or agency	<input type="checkbox"/> INA
Z. Other (give details on Schedule D, Page 1, Section II, Other Business)	<input type="checkbox"/> OTH

	YES NO
13. A. Does <i>applicant</i> effect transactions in commodity futures, commodities or commodity options as a broker for others or as a dealer for its own account?	<input type="radio"/> <input checked="" type="radio"/>
B. Does <i>applicant</i> engage in any other non-securities business?	<input type="radio"/> <input checked="" type="radio"/>
<i>If "yes", describe each other business briefly on Schedule D, Page 1, Section II, Other Business.</i>	

BD - DIRECT OWNERS/EXECUTIVE OFFICERSAre there any indirect owners of the *applicant* required to be reported on Schedule B?☐ Yes ☒ No

Ownership Codes:	NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%
	A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more

Full Legal Name	DE/FE/I	Title or Status	Date Acquired	Own. Code	Control Person	PR CRD #(or S.S.No., IRS Tax #, Emp. ID)
ARTZT, GARY STEVEN	I	PRESIDENT	06/2003	NA	N	N 2009945
BELL, FRANK RICHARD	I	CEO / DIRECTOR OF COMPLIANCE	05/2002	NA	Y	1425780
DAGRACA, JOHN DAVID	I	FINANCIAL & OPERATIONS PRINCIPAL	12/2002	NA	N	N 3249375
LITTAUER, MATTHEW NGUYEN	I	OWNER	08/2001	E	Y	N 2027330

BD - INDIRECT OWNERS**No Information Filed****BD Schedule C - Amendments to Schedules A & B**

In the Type of Amd. column, indicate "A" (addition), "D" (deletion), or "C" (change of information about the same *person*).

Ownership Codes are:	NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%	F - Other General Partners
	A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more	

List below all changes to Schedule A: (DIRECT OWNERS AND EXECUTIVE OFFICERS)

Full Legal Name	DE/FE/I	Type of Amd.	Title or Status	Date Acquired	Own. Code	Control Person	PR	CRD # (or SSN, IRS Tax #, Emp. ID)
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No Information Filed

List below all changes to Schedule B: (INDIRECT OWNERS)

Full Legal Name	DE/FE/I	Type of Amd.	Entity in Which Interest Is Owned	Status Date Acquired	Own. Code	Control Person	PR	CRD # (or SSN, IRS Tax #, Emp. ID)
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No Information Filed

BD - OTHER BUSINESS NAMES

No Information Filed

BD - OTHER BUSINESS

Briefly describe any other business (Item 12Z).

Briefly describe any other non-securities business (Item 13B).

BD - SUCCESSIONS

Date of Succession: MM/DD/YYYY

Name of Predecessor:

Firm CRD Number

IRS Employer Identification Number (if any)

SEC File Number (if any)
8-

Briefly describe details of the *succession* including any assets or liabilities not assumed by the *successor*.

BD - ARRANGEMENTS / CONTROL PERSONS / FINANCING

(check one)

☒ Item 7

☐ Item 8A

☐ Item 8B

☐ Item 8C

☐ Item 9A

☐ Item 9B

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name:
HUNTLEIGH SECURITIES CORPORATION

CRD Number:
7456

☒ Entity
☐ Individual

Business Address

Street 1:
7800 FORSYTH BLVD 5TH FLOOR

Street 2:

City:
ST LOUIS

State:
Missouri

Country:

Zip/Postal Code:
63105

Effective Date MM/DD/YYYY
03/27/2003

Termination Date MM/DD/YYYY

Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the *control* or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)

AS AN INTRODUCING BROKER/DEALER ON A FULLY DISCLOSED BASIS

(check one)

☐ Item 7

☒ Item 8A

☐ Item 8B

☐ Item 8C

☐ Item 9A

☐ Item 9B

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name:
HUNTLEIGH SECURITIES CORPORATION

CRD Number:
7456

☒ Entity
☐ Individual

Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER/DEALER ON A FULLY DISCLOSED BASIS			
(check one) <input type="radio"/> Item 7 <input type="radio"/> Item 8A <input checked="" type="radio"/> Item 8B <input type="radio"/> Item 8C <input type="radio"/> Item 9A <input type="radio"/> Item 9B			

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name: HUNTLEIGH SECURITIES CORPORATION		CRD Number: 7456	<input checked="" type="radio"/> Entity <input type="radio"/> Individual
Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER DEALER ON A FULLY DISCLOSED BASIS.			
(check one) <input type="radio"/> Item 7 <input type="radio"/> Item 8A <input type="radio"/> Item 8B <input checked="" type="radio"/> Item 8C <input type="radio"/> Item 9A <input type="radio"/> Item 9B			

Applicant must complete a separate Schedule D Page 1, Arrangement Detail for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date" box with Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Organization/Individual Name: HUNTLEIGH SECURITIES CORPORATION		CRD Number: 7456	<input checked="" type="radio"/> Entity <input type="radio"/> Individual
Business Address			
Street 1: 7800 FORSYTH BLVD 5TH FLOOR		Street 2:	
City: ST LOUIS	State: Missouri	Country:	Zip/Postal Code: 63105
Effective Date MM/DD/YYYY 03/27/2003		Termination Date MM/DD/YYYY	
Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the <i>control</i> or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B)			
AS AN INTRODUCING BROKER DEALER ON A FULLY DISCLOSED BASIS.			

BD - AFFILIATES

No Information Filed

BD - BRANCHES

No Information Filed

BD - CRIMINAL DRP

No Information Filed

BD - REGULATORY ACTION DRP

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ The *Applicant*

☐ *Applicant* and one or more *control affiliates*

☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
BALMER, GEORGE FLEISCHER	1046182	Y

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD

2. Principal Sanction:

Censure

Other Sanctions:

FINE IN THE AMOUNT OF \$15,000 AND SUSPENSION FROM ASSOCIATING WITH ANY MEMBER OF THE NASD AS A FINANCIAL AND OPERATIONS PRINCIPAL FOR A PERIOD OF TWO YEARS.

3. Date Initiated (MM/DD/YYYY):

04/29/2002 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

E02010137

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

PACIFIC CONTINENTAL SECURITIES, CORP

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

THE MEMBER FIRM, ACTING THROUGH BALMER, VIOLATED SEC RULE 15C3-3 IN THAT AS OF AUGUST 31,2001, SEPTEMBER 30,2001 AND OCTOBER 31,2001, THE MEMBER FIRM FAILED TO COMPUTE ACCURATLEY THE AMOUNT REQUIRED TO BE DEPOSITED INTO ITS SPECIAL RESERVE BANK ACCOUNTS FOR EXCLUSIVE BENEFITS OF CUSTOMERS AS A RESULT, THE FIRM HAD DEFICIENCIES IN THEIR RESERVE BANK ACCOUNTS TOTALING \$957,924, \$1,341,249 AND \$1,142,766 RESPECTIVLEY, FOR EACH OF THE FOREGOING DATES. IN FURTHER CONTRAVENTION OF THE SEC RULE 15C3-3, THE MEMBER FIRM, ACTING THROUGH BALMER MADE NUMEROUS WITHDRAWALS FROM ITS RESERVE BANK ACCOUNTS FROM AUGUST THROUGH OCTOBER 2001, BUT FAILED TO COMPUTE ITS RESERVE REQUIREMENTS PRIOR TO MAKING SUCH WITHDRAWALS.

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):
06/05/2002 ☒ **Exact** ☐ **Explanation**
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ **Monetary/Fine**

Amount: \$ 15,000.00

☐ **Revocation/Expulsion/Denial**

☐ **Disgorgement/Restitution**

☐ **Censure**

☐ **Cease and Desist/Injunction**

☐ **Bar**

☒ **Suspension**

B. Other Sanctions Ordered:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN A FINANCIAL AND OPERATIONS PRINCIPAL (SERIES 27 AND 28) FOR TWO YEARS.
SUSPENSION EFFECTIVE WITH THE OPENING OF BUSINESS ON JULY 1, 2002 TO CLOSE OF BUSINESS ON JUNE 30, 2004.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
I ALSO CONSENT TO THE IMPOSITION, AT A MAXIMUM OF THE FOLLOWING SANCTIONS WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ENTRY OF FINDINGS BY NASD REGULATIONS, INC. FINE IN THE AMOUNT OF \$15000 AND SUSPENSION FROM ASSOCIATING WITH ANY MEMBER OF THE NASD AS A FINANCIAL AND OPERATIONS PRINCIPAL (SERIES 27 AND 28) FOR A PERIOD OF TWO YEARS, EFFECTIVE WITH THE OPENING OF BUSINESS ON JULY 1, 2002 TO CLOSE OF BUSINESS ON JUNE 30, 2004.

This Disclosure Reporting Page (DRP BD) is an ☐ **INITIAL OR** ☒ **AMENDED** response used to report details for affirmative responses to **Items 11C, 11D, 11E, 11F or 11G** of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization *not* registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ **The Applicant**
☒ **Applicant and one or more control affiliates**
☐ **One or more control affiliates**

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
BALMER, GEORGE FLEISCHER	1046182	Y

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ **Yes** ☐ **No**

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign
 (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
 NASD REGULATION, INC. DISTRICT # 10
2. Principal Sanction:
 Civil and Administrative Penalt(ies) /Fine(s)
 Other Sanctions:
3. Date Initiated (MM/DD/YYYY):
 10/07/2002 ☒ Exact ☐ Explanation
 If not exact, provide explanation:
4. Docket/Case Number:
 C10020113
5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
 No Product
 Other Product Types:
7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)
 WORLD FINANCIAL CONDUCTED A SECURITIES BUSINESS ON JULY 30, 2001, WHILE FAILING TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT IN VIOLATION OF SEC RULE 15C3-1.
8. Current status ? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
 Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):
 11/25/2002 ☒ Exact ☐ Explanation
 If not exact, provide explanation:
12. **Resolution Detail:**
 - A. Were any of the following Sanctions Ordered? (Check all appropriate items):

<input checked="" type="checkbox"/> Monetary/Fine	Amount: \$ 12,500.00
<input type="checkbox"/> Revocation/Expulsion/Denial	<input type="checkbox"/> Disgorgement/Restitution
<input type="checkbox"/> Censure	<input type="checkbox"/> Cease and Desist/Injunction
<input type="checkbox"/> Bar	<input checked="" type="checkbox"/> Suspension
 - B. Other Sanctions Ordered:
 - C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
 FINE IN THE AMOUNT OF \$2,500.00 PAID BY WORLD FINANCIAL ON DECEMBER 23, 2002. FINE IN THE AMOUNT OF \$10,000.00 PAID BY A CONTROL AFFILIATE ON DECEMBER 23,2002. THE CONTROL AFFILIATE WAS SUSPENDED FROM ANY ASSOCIATION WITH ANY NASD MEMBER FIRM FOR TEN BUSINESS DAYS BEGINNING JANUARY 6, 2003; AND WAS SUSPENDED FROM SERVING AS A FINANCIAL AND OPERATIONS PRINCIPAL FOR 60 BUSINESS DAYS BEGINNING JANUARY 6, 2003.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
 ON JULY 30, 2001, WORLD FINANCIAL WAS SUBJECT TO A MINIMUM NET CAPITAL REQUIREMENT OF \$5,000 PURSUANT TO SEC RULE 15C3-1(A)(2) (VI). ON THAT DATE, WHILE CONDUCTING A SECURITIES BUSINESS, WORLD FINANCIAL FAILED TO MAINTAIN ITS MINIMUM NET CAPITAL REQUIREMENT IN VIOLATION OF SEC RULE 15C3-1, AND THUS VIOLATED NASD CONDUCT RULE 2110.

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)

- | | | | |
|---------------------------------|---------------------------------|--|---------------------------------|
| <input type="checkbox"/> 11C(2) | <input type="checkbox"/> 11D(1) | <input type="checkbox"/> 11D(5) | <input type="checkbox"/> 11E(4) |
| <input type="checkbox"/> 11C(3) | <input type="checkbox"/> 11D(2) | <input type="checkbox"/> 11E(1) | <input type="checkbox"/> 11F |
| <input type="checkbox"/> 11C(4) | <input type="checkbox"/> 11D(3) | <input checked="" type="checkbox"/> 11E(2) | <input type="checkbox"/> 11G |

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ The *Applicant*
- ☐ *Applicant* and one or more *control affiliates*
- ☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
BALMER, GEORGE FLEISCHER	1046182	Y

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NASD REGULATION, INC. DISTRICT # 2

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE

3. Date Initiated (MM/DD/YYYY):

11/14/2001 ☒ Exact ☐ Explanation
If not exact, provide explanation:

4. Docket/Case Number:

C02010065

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

PACIFIC CONTINENTAL SECURITIES CORPORATION

6. Principal Product Type:

No Product
Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

NASD RULES 1014 AND 2110 AND SEC RULE 15C3-3. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BALMER CONSENTED TO THE ENTRY OF FINDINGS THAT BALMER, ACTING ON BEHALF OF A MEMBER FIRM, ACTED IN CONTRAVENTION OF SEC RULE 15C3-3 AND NASD MEMBERSHIP AND REGISTRATION RULE 1014 WHEN IT LOST ITS EXEMPTIVE STATUS BY HOLDING CERTAIN CUSTOMER FUNDS BEFORE TRANSFERRING THEM TO THE FIRM'S CLEARING BROKER. WHILE RESPONDENT MEMBER DEPOSITED THE FUNDS IN A SPECIAL RESERVE ACCOUNT, THE FIRM FAILED TO MAKE THE REQUIRED COMPUTATIONS AND DESPOSIT ADDITIONAL FUNDS INTO THE ACCOUNT TO MEET THE 105% REQUIREMENT. BECAUSE RESPONDENT MEMBER CONDUCTED CERTAIN OF ITS BUSINESS BEYOND THE LIMITATIONS SPECIFIED IN THE EXEMPTIVE PROVISION OF THE RULE, IT WAS REQUIRED TO OBTAIN PRIOR WRITTEN APPROVAL FROM THE NASD, BUT FAILED TO DO SO.

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):
12/10/2001 ☒ Exact ☐ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ Monetary/Fine

Amount: \$ 15,000.00

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☒ Censure

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions Ordered:

CENSURED AND FINED \$15,000, JOINTLY AND SEVERALLY WITH PACIFIC CONTINENTAL SECURITIES CORPORATION.

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL OR ☒ AMENDED response used to report details for affirmative responses to *Items 11C, 11D, 11E, 11F or 11G* of Form BD;

Check item(s) being responded to:

Regulatory Action			
<input type="checkbox"/> 11C(1)	<input type="checkbox"/> 11C(5)	<input type="checkbox"/> 11D(4)	<input type="checkbox"/> 11E(3)
<input type="checkbox"/> 11C(2)	<input type="checkbox"/> 11D(1)	<input type="checkbox"/> 11D(5)	<input checked="" type="checkbox"/> 11E(4)
<input type="checkbox"/> 11C(3)	<input type="checkbox"/> 11D(2)	<input type="checkbox"/> 11E(1)	<input type="checkbox"/> 11F
<input type="checkbox"/> 11C(4)	<input type="checkbox"/> 11D(3)	<input checked="" type="checkbox"/> 11E(2)	<input type="checkbox"/> 11G

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ The *Applicant*
- ☐ *Applicant* and one or more *control affiliates*
- ☒ One or more *control affiliates*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name). If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered" by checking the appropriate checkbox.

BD DRP - Control Affiliate		
Control Affiliate Name	CRD#	Registered
LITTAUER, MATTHEW NGUYEN	2027330	Y

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U4) or BD DRP to the CRD System for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign
 (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
 A 7/14/03 NASD FINE AND SUSPENSION (DOCKET#CAF030037) AGAINST CONTROL AFFILIATE MATTHEW NGUYEN LITTAUER CRD # 2027330.
2. Principal Sanction:
 Suspension
 Other Sanctions:
 30 DAY SUSPENSION FOR MATTHEW NGUYEN LITTAUER AND \$20,000 FINE.
3. Date Initiated (MM/DD/YYYY):
 08/18/2003 ☒ Exact ☐ Explanation
 If not exact, provide explanation:
4. Docket/Case Number:
 CAF#030037
5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
 WORLD FINANCIAL CAPITAL MARKETS, INC.
6. Principal Product Type:
 Equity - OTC
 Other Product Types:
7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)
 MATTHEW NGUYEN LITTAUER ALLOWED OTHER BROKERS TO USE HIS NAME TO OPEN APPROXIMATELY 100 ACCOUNTS WITH WORLD FINANCIAL CAPITAL MARKETS, INC.
8. Current status ? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
 Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):
 08/04/2003 ☐ Exact ☐ Explanation
 If not exact, provide explanation:
12. **Resolution Detail:**
 - A. Were any of the following Sanctions Ordered? (Check all appropriate items):

<input checked="" type="checkbox"/> Monetary/Fine <input type="checkbox"/> Revocation/Expulsion/Denial <input type="checkbox"/> Censure <input type="checkbox"/> Bar	Amount: \$ 20,000.00 <input type="checkbox"/> Disgorgement/Restitution <input type="checkbox"/> Cease and Desist/Injunction <input checked="" type="checkbox"/> Suspension
---	---
 - B. Other Sanctions Ordered:
 - C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate*, date paid and if any portion of penalty was waived:
 30 DAY SUSPENSION FROM 8/18/2003 THROUGH 9/17/2003.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)
 THE ABOVE SUSPENSION HAS BEEN CONCLUDED.

BD - CIVIL JUDICIAL DRP

No Information Filed

BD - BANKRUPTCY DRP

No Information Filed

BD - BOND DRP

No Information Filed

BD - JUDGMENT LIEN DRP

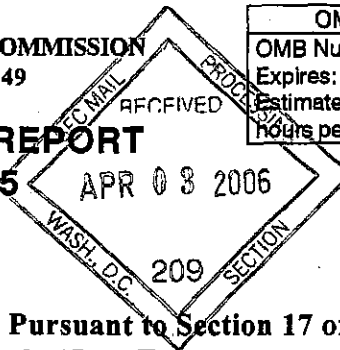
No Information Filed



06007157

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



OMB APPROVAL
OMB Number: 3235-0123
Expires: January 31, 2007
Estimated average burden
hours per response..... 12.00

SEC FILE NUMBER
B- 51915

AD 4/6

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

New World Financial Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

AVENIDA RICARDO SORIANO 65, 2nd FLOOR, NO. 4

(No. and Street)

MARBELLA

(City)

SPAIN

(State)

29600

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JOHN DAGRACATEL # : 1-212-809-1758

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LICHTER, YU AND ASSOCIATES

(Name - if individual, state last, first, middle name)

9191 TOWNE CENTRE DR.

(Address)

SAN DIEGO

(City)

CA

(State)

92122

(Zip Code)

CHECK ONE

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.**PROCESSED****JUN 26 2006****THOMSON
FINANCIAL****FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

YH 6/23/06

OATH OR AFFIRMATION

I, JOHN DAGRACA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NEW WORLD FINANCIAL INC., as of DECEMBER 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

SWORN TO AND SUBSCRIBED
BEFORE ME ON THIS DATE

MAR 29, 2006

ROBERT JASPAN
Notary Public of New Jersey
Commission Expires 6/27/2010

Robert Jaspas
Notary Public

John da Graca
Signature
CFO
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

LICHTER, YU & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

LOS ANGELES:
16133 VENTURA BOULEVARD
SUITE 520
ENCINO, CA 91436
(818) 789-0265 TELEPHONE
(818) 784-3292 FACSIMILE

SAN DIEGO:
9191 TOWNE CENTRE DRIVE
SUITE 406
SAN DIEGO, CA 92122
(858) 320-2808 TELEPHONE
(858) 320-2828 FACSIMILE

Independent Auditor's Report

The Board of Directors
New World Financial, Inc.
Formerly Known as World Financial Capital Markets, Inc.
New York, New York

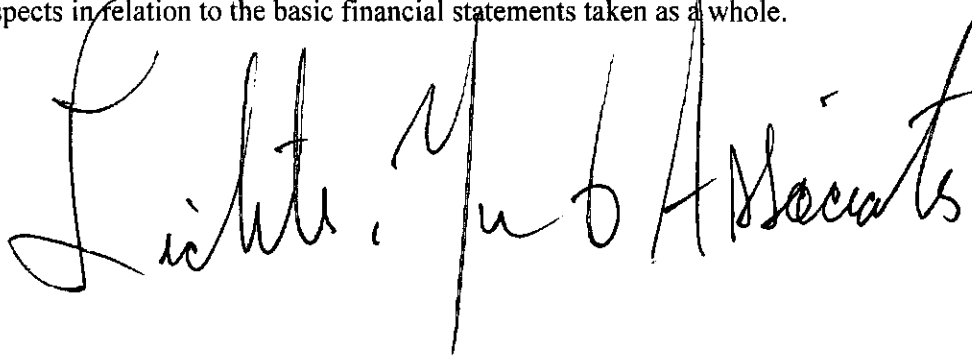
We have audited the accompanying statements of financial condition of New World Financial, Inc. as of December 31, 2005 and 2004, and the related statements of operations and changes in stockholder's equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities and Exchange act of 1934. These financial statements are the representations of New World Financial, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New World Financial, Inc. as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II are presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

San Diego, California
March 27, 2006



MEMBER
CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2005 AND 2004

ASSETS

	2005	2004
Current Assets		
Cash	\$196,622	\$133,002
Receivable from brokers and dealers	0	27,834
Marketable securities	23,503	526,506
Other receivables	0	0
Prepaid expenses	0	0
Total current assets	220,125	687,342
Fixed Assets		
Furniture and equipment (net)	2,546	4,946
Total fixed assets	2,546	4,946
Other Assets		
Clearing deposit	100,000	100,000
Deposits	2,141	2,141
Total other assets	102,141	102,141
	\$324,812	\$794,429

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities		
Accounts payable and accrued expenses	\$266,537	\$304,423
Total current liabilities	266,537	304,423
Stockholder's Equity		
Common stock, no par value, authorized 1,000 shares, 160 shares issued and outstanding	160	160
Additional paid in capital	201,211	201,211
Retained earnings	(143,096)	288,634
Total Stockholder's Equity	58,275	490,005
Total Liabilities and Stockholder's Equity	\$324,812	\$794,429

See Accompanying Notes and Auditor's Report

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Revenue		
Commissions and fees	\$404,388	\$585,186
Gains and losses on marketable securities	<u>(437,157)</u>	<u>(14,114)</u>
Total Revenue	<u>(32,769)</u>	<u>571,072</u>
Expense		
Commissions	60,203	71,175
Floor broker, exchange and clearance fees	67,086	84,088
Employee compensation and benefits	82,222	132,712
Selling expenses	39,971	6,826
Communications	1,111	15,955
Occupancy and equipment costs	20,926	60,999
Registration	2,242	19,779
Professional services	58,629	22,284
Other expenses	<u>62,573</u>	<u>89,410</u>
Total Expenses	<u>394,963</u>	<u>503,229</u>
Income (loss) from operations	<u>(427,732)</u>	<u>67,843</u>
Other (Income) and Expense		
Interest income	(471)	0
Interest expense	2,069	4,625
Litigation expense	0	100,000
Depreciation and amortization	2,400	5,184
Loss on disposal of equipment	0	15,186
Bad debts	<u>0</u>	<u>22,000</u>
Total Other (Income) and Expense	<u>3,998</u>	<u>146,995</u>
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	<u>(431,730)</u>	<u>(79,152)</u>
Income tax provision	<u>0</u>	<u>0</u>
NET INCOME (LOSS)	<u><u>(\$431,730)</u></u>	<u><u>(\$79,152)</u></u>

See Accompanying Notes and Auditor's Report

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss)	(\$431,730)	(\$79,152)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,400	5,184
Loss on disposal of equipment	0	15,186
Unrealized (gain) loss on investments	503,004	144,502
Realized (gain) loss on sale of investments	(65,847)	(130,388)
Decrease(increase) in receivable from Brokers and Dealers	27,834	2,427
Decrease(increase) in other receivables	0	9,340
Decrease(increase) in prepaid expenses	0	8,251
Decrease(increase) in deposits	0	891
(Decrease) increase in accounts payable and accrued expenses	(37,886)	28,833
Total Adjustments	<u>429,505</u>	<u>84,226</u>
Net cash (used in) provided by operating activities	<u>(2,225)</u>	<u>5,074</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	0	(3,971)
Decrease in bank overdraft	0	0
Sale of investments	<u>65,845</u>	<u>130,388</u>
Net cash provided by investing activities	<u>65,845</u>	<u>126,417</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution	<u>0</u>	<u>0</u>
Net cash provided by financing activities	<u>0</u>	<u>0</u>
Net change in cash	63,620	131,491
Cash at beginning of period	<u>133,002</u>	<u>1,511</u>
Cash at end of period	<u>\$196,622</u>	<u>\$133,002</u>
Supplemental cash flow disclosures:		
Interest payments	<u>\$2,069</u>	<u>\$4,625</u>

NEW WORLD FINANCIAL, INC.
 FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
 STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Common Stock		
Balance at beginning of period	\$160	\$160
Sale of stock	<u>0</u>	<u>0</u>
Balance at end of period	<u>160</u>	<u>160</u>
 Additional Paid In Capital		
Balance at beginning of period	201,211	201,211
Contributions from stockholder	<u>0</u>	<u>0</u>
Balance at end of period	<u>201,211</u>	<u>201,211</u>
 Retained Earnings		
Balance at beginning of period	288,634	367,786
Net income (loss) for the period	<u>(431,730)</u>	<u>(79,152)</u>
Balance at end of period	<u>(143,096)</u>	<u>288,634</u>
 Total Stockholder's Equity	 <u><u>\$58,275</u></u>	 <u><u>\$490,005</u></u>

See Accompanying Notes and Auditor's Report

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

Note A - Nature Of Activities

The Company was formed as a corporation in the State of California to operate as a registered broker-dealer with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD). The Company operates offices in New York and Marbella, Spain. The Company's primary source of revenue is providing brokerage services to customers, who are predominately individuals, and investment banking services.

Note B - Accounting Policies

Revenue Recognition

The Company recognizes income and expense on the accrual basis for financial and income tax reporting purposes.

Securities transactions and the related commission revenue and expense are recorded on a settlement date basis. Investment consulting fees are recognized as earned.

Securities Transactions

Proprietary securities transactions in regular-way trades are recorded on the settlement date. Profit and loss arising from all securities transactions entered into for the account and risk of the company are recorded on a settlement date basis. Customers' securities transactions are reported on a settlement date basis with related commission income and expenses reported on a settlement date basis.

Risks and Uncertainties

The Company believes that the diversity and breadth of the Company's products and services offering to customers, as well as the general stability of the economies in the markets in which it operates, significantly mitigates the risk of a severe impact occurring in the near term as a result of changes in its customer base, competition, or composition of its markets.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with the accrual basis of accounting. Those estimates and assumptions affect the reported amounts of assets and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Receivable from Brokers and Dealers

All accounts are current and have been determined to be fully collectible and no adjustment or allowance has been made for bad debts.

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

Note B - Accounting Policies (Continued)

Customer Transactions

The Company does not hold inventory for customers. Securities transactions are cleared through another broker-dealer on a fully disclosed basis.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with initial maturities of three months or less to be cash equivalents.

Note C - Cash

The Company maintains its cash balance at a bank located in New York, New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of December 31, 2005 and 2004 there were \$96,663 and \$0 respectively in uninsured portions of the balances held at the bank.

Note D - Net Capital

Pursuant to the net capital provisions of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined under such provisions (SEC Rule 15c3-1). Net capital and the related net capital ratio may fluctuate on a daily basis. As of December 31, 2005 and 2004, the Company had net capital requirements of \$17,770 and \$20,296, respectively and actual net capital of approximately \$27,294 and \$82,222, respectively.

Note E - K(2)(ii) Exemption

The Company relied on Section K(2)(ii) of the Securities and Exchange Commission Rule 15c3-3 to exempt them from the provisions of the rule.

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

Note F - Income Tax provision

As of December 31, 2005 and 2004, the Company has made no provision for federal and state taxes due to the operating loss for the periods and net operating loss carryovers applicable to future periods.

Note G - Marketable Securities

At December 31, 2005 and 2004 the Company included Marketable Securities on its balance sheet. These securities are recorded at fair market value as of the end of the trading day on December 31, 2005 and 2004. As of December 31, 2005 the Company has an unrealized loss on investments held of \$503,004 and a realized gain of \$65,847. As of December 31, 2004 the Company had an unrealized loss on investments held of \$144,502 and a realized gain of \$130,388.

Note H - Furniture and Equipment

	2005	2004
Furniture and equipment	\$ 5,964	\$ 5,964
Less accumulated depreciation	(3,418)	(1,018)
Net fixed assets	<u>\$ 2,546</u>	<u>\$ 4,946</u>

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

Note I – Contingencies

In 2002 the National Association of Securities Dealers (NASD) began an ongoing investigation against the Company and its principals concerning possible violations of NASD Rules 2110, 2120, 2210, 2510, and 3010. As of November 2003 the NASD completed their investigation and fined the Company, and its owner, a total of \$120,000. The Company made an initial payment of \$30,000 and is making monthly payments according to an agreed upon schedule with the NASD. As of December 31, 2005 and 2004 the respective remaining unpaid balance was \$13,913 and \$52,451, which have been accrued in the financial statements.

On January 31, 2003 the Company vacated its office space on Rector Street in New York and moved to a new office space in New York. The lease term on Rector Street was from March 1, 2002 through February 28, 2009. The Company believes that it terminated the lease under a clause, which alleviates all future rental payment obligations that it may have. The Lessor has not responded to the termination in any manner nor has it made any attempts at collection of future rents as of December 31, 2005 and 2004.

During 2003 the Company vacated its then current office space in Hawaii. The Landlord subsequently filed suit against the Company and on January 12, 2004 won a judgment in the amount of \$14,974. The Company has accordingly recorded this amount as a liability as of December 31, 2005 and 2004.

During 2004 the Company vacated its then current office space in New York, New York prior to the expiration of their lease. The landlord held a security deposit in the amount of \$9,687 which they used to offset amounts owed under the lease. The former landlord has at this time not pursued the Company or asked for any amount due. The Company has accrued a reserve as a contingency in this matter.

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

Note J – Lease Commitments

The Company is currently on a month-to-month lease agreement for their office space located in the New York. Rental expense was \$18,445 and \$55,095 as of December 31, 2005 and 2004, respectively.

Note K – Subsequent Event

Subsequent to December 31, 2005 the Company is no longer registered as a securities broker dealer with the NASD.

SUPPLEMENTAL SCHEDULES

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
COMPUTATION OF NET CAPITAL
AND AGGREGATE INDEBTEDNESS
DECEMBER 31, 2005 AND 2004

SCHEDULE I

	<u>2005</u>	<u>2004</u>
EQUITY - END OF YEAR	<u>\$58,275</u>	<u>\$490,005</u>
Less Non Allowable Assets		
Securities not readily marketable	21,928	357,830
Fixed assets	2,546	4,946
Deposits	<u>2,141</u>	<u>2,141</u>
Total Non Allowable Assets	<u>26,615</u>	<u>364,917</u>
Net capital before haircuts	<u>31,660</u>	<u>125,088</u>
(Increase) Decrease for Hair Cuts or Undue Concentration	<u>4,366</u>	<u>42,866</u>
NET CAPITAL	<u>\$27,294</u>	<u>\$82,222</u>
Total Liabilities	<u>266,537</u>	<u>304,423</u>
Aggregated Indebtedness	<u>266,537</u>	<u>304,423</u>
Net Aggregated Indebtedness	<u>266,537</u>	<u>304,423</u>
Net Capital Required	<u>5,000</u>	<u>5,000</u>
Minimum Net Capital Required 6 2/3% of Aggregated Indebtedness	<u>17,770</u>	<u>20,296</u>
Minimum Dollar Requirement	<u>5,000</u>	<u>5,000</u>
Net Capital Requirement (greater of the two)	<u>17,770</u>	<u>20,296</u>
Excess (Deficit) Net Capital	<u>9,524</u>	<u>61,926</u>
Excess (Deficit) Net Capital @ 1000% (Net Capital - 10% of Aggregate Indebtedness)	<u>\$641</u>	<u>\$51,780</u>

NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.
RECONCILIATION OF NET CAPITAL COMPUTATION WITH FOCUS II
DECEMBER 31, 2005 AND 2004

SCHEDULE II

	<u>2005</u>	<u>2004</u>
NET CAPITAL PER FOCUS II REPORT	\$27,294	\$186,794
Increase (Decrease) in Income due to audit adjustments	0	(153,809)
Increase (Decrease) due to change in non-allowable assets	0	49,237
(Increase) Decrease in Hair Cuts and Undue Concentration	<u>0</u>	<u>0</u>
NET CAPITAL	<u>\$27,294</u>	<u>\$82,222</u>
RECONCILIATION OF AUDIT ADJUSTMENTS:		
Write off deposits and prepaid expenses	\$0	(\$29,464)
Accrue litigation settlements and contingencies	0	(100,000)
Adjust accrued commissions and clearing charges	0	(5,740)
Increase in accrued expenses	0	(6,294)
Other adjustments	0	2,875
Record loss on disposal of equipment	<u>0</u>	<u>(15,186)</u>
Increase (Decrease) in income due to audit adjustments	<u>\$0</u>	<u>(\$153,809)</u>

**NEW WORLD FINANCIAL, INC.
FORMERLY KNOWN AS WORLD FINANCIAL CAPITAL MARKETS, INC.**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
AND INFORMATION RELATING TO THE POSSESSION AND CONTROL
REQUIREMENTS UNDER RULE 15C3-3**

DECEMBER 31, 2005 AND 2004

New World Financial, Inc. relies on Section K(2)(ii) of the Securities and Exchange Rule 15c3-3 to exempt them from the provisions of these rules.

LICHTER, YU & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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The Board of Directors
New World Financial, Inc.
Formerly World Financial Capital Market, Inc.
New York, New York

In planning and performing our audits of the financial statements of New World Financial, Inc. for the years ended December 31, 2005 and 2004 we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by New World Financial, Inc. that we considered relevant to the objectives stated in Rule 17a-5(g): (1) in making the periodic computations of aggregate indebtedness and net capital under Securities and Exchange Commission Rule 17a-3(a)(II); and (2) the procedures for determining compliance with the exemptive provision of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities audits, counts, verification and comparison, and the recordation of differences required by Rule 17a-13 in complying with the requirements for prompt payment for securities under Section 8 of regulation T of the Board of Governors of the Federal Reserve System because the Company does not carry security accounts for customers or perform custodial functions relating to customer deposits.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required, to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objective. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of the financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in condition, and that the degree of compliance with procedures may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However we noted no matters involving the internal control structure that would be considered material weaknesses as defined above. In addition, no condition came to our attention to cause us to believe that the Company was not in compliance with the exemptive provision of Rule 15c3-3.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practice and procedures were adequate, at December 31, 2005 and 2004, to meet the Commission's objective.

This report is intended solely for the use of management, the Securities and Exchange Commission and the National Association of Securities Dealers, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

Sincerely,

San Diego, California
March 27, 2006

Lichter, Ju & Associates