



**Lorraine Lee-Stepney**  
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April 14, 2014

**Via Commercial Courier**

Ms. Elizabeth Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

**Re: In the Matter of the Association of George L. Prost (CRD # 1334567) with Intercoastal Capital Markets, Inc. (BD # 83)**

Dear Ms. Murphy:

Effective April 14, 2014, and pursuant to the Securities Exchange Act of 1934 (“SEA” or “Exchange Act”) Rule 19h-1(a)(3)(ii) (“Rule 19h-1”), the Financial Industry Regulatory Authority (“FINRA”) hereby gives notification to the United States Securities and Exchange Commission (“SEC” or “the Commission”) of the association of George L. Prost (“Prost”) As a General Securities Representative (Series 7) with Intercoastal Capital Markets, Inc. (“Intercoastal” or “the Firm”). In March 2014, the Firm submitted a Membership Continuance Application (“MC-400” or “the Application”) with FINRA’s Department of Registration and Disclosure, seeking to permit Prost’s association with the Firm.<sup>1</sup>

**Prost’s Disqualifying Event**

Prost is subject to a statutory disqualification, as that term is defined Section 3(a)(39) of the Exchange Act, as a result of a January 4, 2005 guilty plea to the criminal charge of “death by auto,” a felony in the state of New Jersey. The two-car accident that led to the felony charge against Prost occurred on December 10, 2001, and killed the driver of the other vehicle. The

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<sup>1</sup> See the MC-400 Application, as well as related documents, filed by Intercoastal Capital Markets, Inc. on behalf of George L. Prost dated March 4, 2014 (attached as Exhibit 1).

accident was attributed to “reckless driving” by Prost, but did not involve drugs or alcohol. The court sentenced Prost to 364 days in jail; he served three months in a work-release facility; five years’ probation; and he had his driving privileges revoked for four years.<sup>2</sup> On January 4, 2015, Prost will no longer be subject to disqualification.

### **Prost’s Disciplinary History**

Member Regulation is unaware of any disciplinary proceedings or additional criminal actions against Prost.

### **Prost’s Proposed Business Activities**

Intercoastal proposes that Prost will work from a branch office of the Firm, which is located at 1199, Route 22 East, Suite 310, Mountainside, NJ 08092.<sup>3</sup> The Firm represents that Prost will work in the capacity of a “CMO<sup>4</sup> trader”.<sup>5</sup> Prost’s proposed compensation will be “50% of revenues generated.”<sup>6</sup>

### **Prost’s Registration and Employment History**

#### **Registration History**

Prost was first registered in the securities industry as a Municipal Securities Representative (Series 52) in October 1985.<sup>7</sup> Prost also holds the following registrations:

Series 63 - Uniform Securities Agent State Law Exam (since 07/1991)  
Series 7 - General Securities Representative (since 04/1992)

#### **Employment History**

Prost has been associated with the following firms during the following periods of time<sup>8</sup>:

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<sup>2</sup> See Prost’s Plea Form wherein he pled guilty (attached as Exhibit 2).

<sup>3</sup> See Exhibit 1, Bates p. 101.

<sup>4</sup> CMOs are collateralized mortgage obligations.

<sup>5</sup> See Exhibit 1, Bates p. 101.

<sup>6</sup> Id.

<sup>7</sup> See Central Registration Depository (“CRD”) Examination Information for Prost (attached as Exhibit 3).

|                                       |                   |
|---------------------------------------|-------------------|
| Intercoastal                          | 02/2014 - Present |
| R. Seelaus & Co., Inc.                | 02/2009 – 11/2012 |
| SecureVest Financial Group            | 03/2008 – 11/2008 |
| R. Seelaus & Co., Inc.                | 01/2006 – 3/2008  |
| RBC Dain Rauscher, Inc.               | 03/2003 – 05/2005 |
| First Institutional Securities, LLC   | 06/1992 – 03/2003 |
| Gilmore Securities & Co.              | 12/1990 – 06/1992 |
| First Colonial Securities Group, Inc. | 08/1990 – 04/1991 |
| William M. Cadden & Co., Inc.         | 06/1988 – 05/1989 |
| Glickenhau & Co.                      | 04/1984 – 05/1988 |

#### Other Business Activities for Prost<sup>9</sup>

The records of CRD reflect that Prost is 100% owner of Mikebrit, LLC which was established to hold his personal investments.<sup>10</sup> He also owns 50% of SI Green Recycling Inc., a recycling operation currently awaiting a government grant, which he indicates is currently inactive.

#### Prior Rule 19h-1 Approvals

On October 20, 2006, Prost was approved by FINRA to associate with R.Seelaus & Co., Inc. (“R. Seelaus”) pursuant to SEA Rule 19h-1.<sup>11</sup> The SEC acknowledged Prost’s approval on November 29, 2006.<sup>12</sup> He was later approved to associate with SecureVest Financial Group, on April 28, 2008, pursuant to a Rule 19h-1 Notification filing with the SEC.<sup>13</sup> The SEC acknowledged Prost’s association with SecureVest Financial Group on May 20, 2008.<sup>14</sup> Prost was again approved to associate with R. Seelaus on March 6, 2009, pursuant to a Rule 19h-1

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<sup>8</sup>See CRD Employment History for Prost (attached as Exhibit 4).

<sup>9</sup>See Other Business Activities for Prost from the records of CRD (attached as Exhibit 5).

<sup>10</sup>See the Operating Agreement for MikeBrit LLC (attached as Exhibit 6).

<sup>11</sup>See Notice Pursuant to Rule 19h-1 In the Matter of the Association of George L. Prost as a General Securities Representative with R. Seelaus & Co., Inc., dated October 20, 2006 (attached as Exhibit 7).

<sup>12</sup>See the SEC’s Acknowledgement Letter, dated November 29, 2006 (attached as Exhibit 8).

<sup>13</sup>See letter from Lorraine Lee, of FINRA, to Nancy M. Morris, of the SEC, dated April 28, 2008 (attached as Exhibit 9)

<sup>14</sup>See the SEC’s Acknowledgement Letter, dated May 20, 2008 (attached as Exhibit 10).

Notification filing with the SEC.<sup>15</sup> The SEC acknowledged Prost's association with R. Seelaus on April 14, 2009.<sup>16</sup>

### **The Firm's Information**

Intercoastal is headquartered in Boca Raton, Florida. The Firm has been a FINRA member since September 2012.<sup>17</sup> Intercoastal is also a member of the Municipal Securities Rulemaking Board ("MSRB"). The Firm describes its business as "proprietary fixed income trading with very limited retail account."<sup>18</sup>

The Firm represents that it has 2 Offices of Supervisory Jurisdiction ("OSJ") and 2 branch offices. The Firm employs 17 registered representatives, 7 registered principals and 18 associated persons.

### **Supervision of Prost**

#### *Prost's Primary Supervisor – Bruce Glasser*

As earlier stated, Prost will work from the Firm's branch office in Mountainside, New Jersey. He will be supervised by Bruce Glasser ("Glasser"), a General Securities Principal.<sup>19</sup> Glasser has been employed with Intercoastal since 2012.<sup>20</sup> He also works from the branch office in Mountainside, New Jersey. He supervises three additional individuals; none of whom are subject to statutory disqualification.

#### *Glasser's Registration and Employment History*

#### **Registration History**

Glasser first qualified for the Uniform Securities Agent State Law Exam (Series 63) in May 1985. He has also qualified for the following registrations:<sup>21</sup>

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<sup>15</sup> See letter from Lorraine Lee, of FINRA, to Elizabeth Murphy, of the SEC, dated March 6, 2009 (attached as Exhibit 11).

<sup>16</sup> See the SEC's Acknowledgement Letter, dated April 14, 2009 (attached as Exhibit 12).

<sup>17</sup> See Bates page 105 of Exhibit 1.

<sup>18</sup> See Bates page 105 of Exhibit 1.

<sup>19</sup> See Bates p. 102 of Exhibit 1.

<sup>20</sup> See CRD records for Glasser (attached as Exhibit 13).

<sup>21</sup> Id.

|           |   |
|-----------|---|
| Series 5  | Interest Rate Options (since 6/85)                            |
| Series 3  | National Commodity Futures (CR) (since 7/85)                  |
| Series 7  | General Securities Representative (GS) (since 8/85)           |
| Series 15 | Foreign Currency Options (since 8/85)                         |
| Series 24 | General Securities Principal (GP) (since 8/92)                |
| Series 8  | General Securities Sales Supervisor (since 10/94)             |
| Series 53 | Municipal Securities Principal (MP) (since 1/97)              |
| Series 79 | Limited Representative – Investment Banking (IB) (since 9/12) |
| Series 52 | Municipal Securities Representative (MP) (since 2/14)         |

#### Employment History

Since entering the securities industry in 1985, Glasser has been employed with 16 broker dealer firms. Prior to being employed at the Firm, he was employed with Halcyon Cabot Partners from October 2010 to November 2012.<sup>22</sup>

#### *Customer Complaints Against Glasser*

There have been two customer complaints filed against Glasser. One of the complaints, from 1991, alleged misrepresentation and unsuitability. The alleged compensatory damage amount was \$29,500; the complaint was settled for \$6,000.<sup>23</sup> The second complaint, from 1992 alleged misrepresentation. The alleged compensatory damage amount was \$25,000; the complaint was settled in arbitration for \$13,000.<sup>24</sup> Glasser did not contribute to either settlement.

#### Disciplinary History

Member Regulation is unaware of any disciplinary proceedings or regulatory actions against Glasser.

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<sup>22</sup>See Exhibit 13.

<sup>23</sup>See CRD Disclosure Occurrence Composite # 12808 (attached as Exhibit 14).

<sup>24</sup>See CRD Disclosure Occurrence Composite # 12809 (attached as Exhibit 15).

*Prost's Interim Supervisor – John W. Rogers, Jr.*

In Glasser's absence, John W. Rogers, Jr. will act as Prost's interim supervisor.<sup>25</sup> Rogers works from the Firm's home office in Boca Raton and he currently serves as the Firm's President and Chief Operating Officer.

Registration History

Rogers was first registered in the securities industry as an Investment Company Products/Variable Contracts Representative (Series 6) in July 1994. He has also qualified for the following registrations:<sup>26</sup>

|           |  |
|-----------|--|
| Series 63 | Uniform Securities Agent State Law Examination (AG) (7/94) |
| Series 7  | General Securities Representative (GS) (6/95)              |
| Series 24 | General Securities Principal (GP) (5/97)                   |
| Series 99 | Operations Professional (OS) (12/12)                       |
| Series 79 | Limited Representative – Investment Banking (IB) (9/13)    |

Employment History

Rogers has been associated with nine broker/dealers since first entering the industry in May 1994. Most recently, he has been employed with Intercoastal since June 2012, and prior to that he was employed with JVB Financial Group, LLC from January 2009 to January 2012.<sup>27</sup>

Disciplinary History

Member Regulation is unaware of any disciplinary proceedings or regulatory actions against Rogers.

**Basis for FINRA's Filing of the 19h-1 Notification**

SEA Rule 19h-1(a)(3)(ii) reads:

A notice need not be filed with the Commission pursuant to this rule if. . .

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<sup>25</sup> See email from John Rogers to Lorraine Lee, wherein he indicates that he will serve as the alternate (secondary) supervisor for Prost, dated April 9, 2014 (attached as Exhibit 16).

<sup>26</sup> See CRD records for John W. Rogers, Jr. CRD # 2424004 (attached as Exhibit 17).

<sup>27</sup> See Exhibit 17.

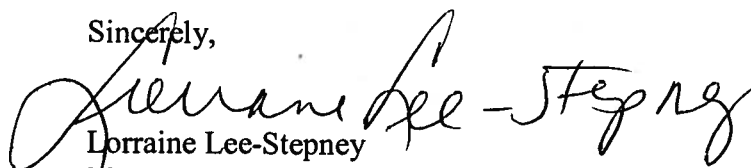
- ii. The self-regulatory organization finds, after reasonable inquiry, that except for the identity of the employer concerned, the terms and conditions of the proposed admission or continuance are the same in all material respects as those imposed or not disapproved in connection with a prior admission or continuance of the person subject to the statutory disqualification pursuant to an order of the Commission under paragraph (d) of this section or other substantially equivalent written communication and that there is no intervening conduct or other circumstance that would cause the employment to be inconsistent with the public interest or the protection of investors;

The Application meets all applicable conditions of this rule. Pursuant to Rule 19h-1 Prost's except for the identity of the supervisors and the employing firm, Prost's association with Intercoastal is the same in all material respects as those imposed in his prior Rule 19h-1 approval to associate with R. Seelaus. Further, there is no evidence of new or intervening misconduct by Prost since his last approval. Much like he did at prior approved firms, Prost will be associating with Intercoastal as a General Securities Representative.

While employed with Intercoastal, Prost will be subject to the same plan of heightened supervision as outlined in his prior Rule 19h-1 approval.<sup>28</sup> In addition to the plan of heightened supervision, Glasser and Rogers have agreed to supervise Prost's activities, related to specific provisions of the Mikebrit LLC, in accordance with all applicable FINRA Rules including but not limited to FINRA Rule 3270 and NASD Rule 3040.<sup>29</sup>

FINRA knows of no other conduct or other circumstances that would cause Prost's association with Intercoastal to be inconsistent with the public interest or the protection of investors and believes that this form of notification is appropriate. Aside from the MSRB, the Firm is not a member of any other self-regulatory organization.

Sincerely,

  
Lorraine Lee-Stepney  
Manager, Statutory Disqualification Program  
FINRA

Enclosures

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<sup>28</sup> See Exhibit 7.

<sup>29</sup> See page 1, paragraph 5, "Business Purposes" of Exhibit 6, the LLC Agreement for MikeBrit LLC.

Ms. Elizabeth Murphy  
U.S. Securities and Exchange Commission  
April 14, 2014  
Page 8

cc: John Rogers  
President and Chief Operating Officer  
Intercoastal Capital Markets, Inc.  
5550 Glades Road, Ste. #308  
Boca Raton, FL 33431  
(Via Electronic Mail &  
Commercial Courier)

Daniel M. Sibears  
Executive Vice President  
Member Regulation Programs  
FINRA  
(Via Electronic Mail)

Ann-Marie Mason, Esq.  
Director and Counsel  
Regulatory Operations  
FINRA  
(Via Electronic Mail)

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Senior Statutory Disqualification Analyst  
Registration and Disclosure  
FINRA  
(Via Electronic Mail)

Robert C. Cushmac  
Special Counsel  
Division of Trading and Markets  
U.S. Securities and Exchange Commission  
(Via Commercial Courier)



## List of Exhibits

1. The MC-400 Application, as well as related documents, filed by Intercoastal Capital Markets, Inc. on behalf of George L. Prost dated March 4, 2014.
2. Prost's Plea Form wherein he pled guilty.
3. Central Registration Depository ("CRD") Examination Information for Prost.
4. CRD Employment History for Prost.
5. Other Business Activities for Prost from the records of CRD.
6. The Operating Agreement for MikeBrit LLC.
7. Notice Pursuant to Rule 19h-1 In the Matter of the Association of George L. Prost as a General Securities Representative with R. Seelaus & Co., Inc., dated October 20, 2006.
8. The SEC's Acknowledgement Letter, dated November 29, 2006.
9. Letter from Lorraine Lee, of FINRA, to Nancy M. Morris, of the SEC, dated April 28, 2008.
10. The SEC's Acknowledgement Letter, dated May 20, 2008.
11. Letter from Lorraine Lee, of FINRA, to Elizabeth Murphy, of the SEC, dated March 6, 2009.
12. The SEC's Acknowledgement Letter, dated April 14, 2009.
13. CRD records for Bruce Glasser.
14. CRD Disclosure Occurrence Composite # 12808.
15. CRD Disclosure Occurrence Composite # 12809.
16. Email from John Rogers to Lorraine Lee, wherein he indicates that he will serve as the alternate (secondary) supervisor for Prost, dated April 9, 2014.
17. CRD records for John W. Rogers, Jr. CRD # 2424004.

# EXHIBIT 1



## FINRA

# MEMBERSHIP CONTINUANCE APPLICATION

## ("MC-400" or "Application")

*Please Typewrite or Print*

This Application should be completed by the Member Firm ("Applicant" or "Firm") and filed on behalf of the individual subject to disqualification. Please indicate which of the following applies to the individual:

- ☒ Currently associated with the Firm but not registered with FINRA;
- ☐ Currently associated with the Firm and registered with FINRA;
- ☐ A prospective employee that intends to register with FINRA through the member firm (a Form U4 must be filed electronically with FINRA before the MC-400 Application is submitted and the individual must qualify for the registration prior to the submission of the MC-400 Application); or
- ☐ A prospective employee that intends to associate with the Firm but not register with FINRA.

For ease of reference, an individual in any of the aforementioned categories will be identified as "prospective employee" throughout this application.

Application must be made by the member to the FINRA, 9509 Key West Avenue, Rockville, MD 20850, Attn: SD Group.

Intercoastal Capital Markets, Inc. (CRD#83)

(Full Member Firm Name & CRD No.)

MICHAEL CLEMENTS (845) 671-9705

(Firm Contact and Phone Number)

5530 Gables Rd., STE#308, Boca Raton, FL 33431

(Address)

George L. Prost (CRD#1334567)

(Full Name & CRD No. (if applicable) of Prospective Employee)

### Section One: Nature of the Disqualifying Event

1. Describe the event that is the basis for the statutory disqualification.

on December 10, 2002 Mr. Prost was involved in a motor vehicle



## FINRA

**MEMBERSHIP CONTINUANCE APPLICATION  
("MC-400" or "Application")***Please Typewrite or Print*

This Application should be completed by the Member Firm ("Applicant" or "Firm") and filed on behalf of the individual subject to disqualification. Please indicate which of the following applies to the individual:

- ☒ Currently associated with the Firm but not registered with FINRA;
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- ☐ A prospective employee that intends to register with FINRA through the member firm (a Form U4 must be filed electronically with FINRA before the MC-400 Application is submitted and the individual must qualify for the registration prior to the submission of the MC-400 Application); or
- ☐ A prospective employee that intends to associate with the Firm but not register with FINRA.

For ease of reference, an individual in any of the aforementioned categories will be identified as "prospective employee" throughout this application.

Application must be made by the member to the FINRA, 9509 Key West Avenue, Rockville, MD 20850, Attn: SD Group.

Intercoastal Capital Markets, Inc. (CRD#83)

(Full Member Firm Name & CRD No.)

MICHAEL CLEMENTS (845)

(Firm Contact and Phone Number)

George L. Prost (CRD#1334567)

(Full Name & CRD No. (if applicable) of Prospective Employee)

**Section One: Nature of the Disqualifying Event**

1. Describe the event that is the basis for the statutory disqualification.

on December 10, 2002 Mr. Prost was involved in a motor vehicle

accident that caused the death of another individual and led to his indictment on September 23, 2002 and subsequently plead guilty to 1 felony count of death by Auto (2nd Degree) 1/04/2005.

2. Furnish a copy of any final determination, rendered by any disciplinary body or court that is the basis for the statutory disqualification. (See Article III, Section 4, NASD By-Laws.)

See Attached

3. Does the firm or prospective employee have any reason to believe that the event does not constitute a statutory disqualification under Article III, Section 4 of NASD's By-Laws? ☐ Yes ☒ No

If yes, explain briefly below.

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4. If the statutory disqualification is based upon a criminal conviction:

- (a) is the prospective employee currently on probation? ☐ Yes ☒ No  
 (b) was any form of post-conviction relief granted? ☐ Yes ☒ No

Please furnish a copy of any documentation related to the post-conviction relief.

5. Submit a signed statement, from the prospective employee that addresses (i.e., describes the circumstances surrounding or provides context for) the event underlying the statutory disqualification.

SEE Attached

6. Outline the prospective employee's experience in the investment banking or securities business and include a statement from the prospective employee as to why he/she should be approved to associate in the capacity(s) requested.

see Attached

**Section Two: Information About the Prospective Employee and the Proposed Association with the Firm**

1. Is the prospective employee currently, or is it contemplated that he/she will become, a partner, executive officer, or direct or indirect owner of the Applicant? ☐ Yes ☒ No

If yes, describe the prospective employee's current and contemplated relationship(s) to the Applicant.

Response Page 2 # 214

**Disclosure Event Details**

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

**Criminal - Final Disposition**

This type of disclosure event involves a criminal charge against the broker that has resulted in a conviction, acquittal, dismissal or plea. The criminal matter may pertain to any felony or certain misdemeanor offenses, including bribery, perjury, forgery, counterfeiting, extortion, fraud, and wrongful taking of property.

Disclosure 1 of 1

**Reporting Source:**

Firm

**Court Details:**

SUPERIOR COURT OF NEW JERSEY, PASSAIC COUNTY-LAW DIVISION 401  
GRAND STREET, PATERSON, NEW JERSEY 07505, INDICTMENT # 02 05  
1012 1 PROSECUTORS DOCKET NO. 02-4.30 MUNICIPAL DOCKET NO: GJA  
09/23/2002

**Charge Details:**

1 FELONY COUNT OF DEATH BY AUTO (2ND DEGREE) 01/04/2005 GUILTY  
PLEA

**Felony?**

Yes

**Current Status:**

Final

**Status Date:**

04/29/2005

**Disposition Details:**

MR. PROST WAS SENTENCED TO 364 DAYS IN A CITY FACILITY WITH  
ELIGIBILITY FOR PAROLE BEGINNING IN 105 DAYS - 5 YEARS PROBATION,  
5 YEARS ALCOHOL AND DRUG TESTING AND 4 YEARS LOSS OF DRIVERS  
LICENSE.

**Summary:**

ON DECEMBER 10, 2002 MR. GEORGE PROST JR. WAS INVOLVED IN A  
MOTORVEHICLE ACCIDENT THAT CAUSED THE DEATH OF ANOTHER  
INDIVIDUAL AND LED TO HIS INDICTMENT ON SEPTEMBER 23, 2002.

**Reporting Source:**

Broker

**Court Details:**

SUPERIOR COURT OF NEW JERSEY, PASSAIC COUNTY-LAW DIVISION

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Report# 92735 25866 about GEORGE L. PROST. Data current as of Monday, March 03, 2014.

Case 1:14-cv-00009-Document 1-1 Filed 03/03/14 Page 1 of 1

*Page 2 of 2 (b)***Charge Date:****Charge Details:**

401 GRAND STREET, PATERSON, NEW JERSEY 07605.  
 INDICTMENT # 02 05 1012 1  
 PROSECUTOR'S DOCKET NO: 02-4-30  
 MUNICIPAL DOCKET NO: GJA  
 09/23/2002

**Felony?****Current Status:****Status Date:**

1 FELONY COUNT OF DEATH BY AUTO (2ND DEGREE)  
 01/04/2005 GUILTY PLEA  
 Yes  
 Final  
 04/29/2005

**Disposition Details:**

MR. PROST WAS SENTENCED TO 364 DAYS IN A CTY FACILITY WITH  
 ELIGIBILITY FOR PAROLE BEGINNING IN 105 DAYS-6 YEARS PROBATION, 6  
 YEARS ALCOHOL AND DRUG TESTING AND 4 YEARS LOSS OF DRIVERS  
 LICENSE.

**Summary:**

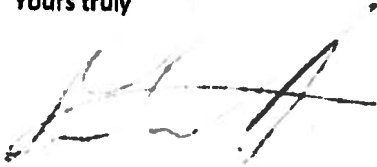
ON DECEMBER 10, 2002 MR. GEORGE PROST JR. WAS INVOLVED IN A  
 MOTORVEHICLE ACCIDENT THAT CAUSED THE DEATH OF ANOTHER  
 INDIVIDUAL AND LED TO HIS INDICTMENT ON SEPTEMBER 23, 2002.

3/3/14

*Response page 2 #5*

On Monday morning, December 10, 2001, while on my way to work, I had a tragic accident at approximately 9:30 AM. Traveling westbound toward work about 100 yards from my office I was involved in a head on crash. While on a downward winding, snake like road, I saw a car heading towards me coming from around the bend. On the right side of the road there was less than 2 yards of room. Beyond that was a chain link fence protecting a cliff, which leads down to the reservoir. Moving my car to the right was not an option. After moving to the left lane the other car involved repositioned itself in the left lane. The car traveling east was subject to severe sun glare, there were two blind spots coming up on the winding hill. I had no time to react again. In a split second, there was a head on collision. Tragically, there was a loss of life and I was critically injured. This was a horrible tragic accident, which could have happened to anyone (and happens every minute somewhere). I deeply regret the circumstances of that day, which I would gladly change if that was at all possible. In 5 seconds 2 lives were changed forever and could never be the same again.

Yours truly

A handwritten signature in black ink, appearing to read 'George Prost', with a large, sweeping flourish extending from the end of the name.

George Prost



March 3, 2014

Response page 2 # 6.

To Whom It May Concern,

I, George Prost, formally request for FINRA to reinstate my securities licenses. My disqualification was not related to the Securities Industry. This tragic accident happened more than 12 years ago. While a tragic responsibility that I accept, there is a time for healing and to move forward. I have more than 30 years in the Securities Industry, holding various positions from clerk to sales and trading management. I have never worked in any other field, having started in the Securities Industry while I was still in high school. These are the only skills that I have, having trained my whole life, while currently I have no other means to support myself. During all my years I have never had a blemish on my record. The reason for my original suspension was not financial related. I am the sole provider for my immediate and extended family and would like to be able to continue working in the only employment field I have ever known. Having all this experience in the Securities Industry, I feel, I still have a lot to offer both Intercoastal Capital Markets Inc. and new people just entering this exciting field. I have appreciated my inclusion by FINRA to continue my career both at R. Seelaus & Co. 2 times and SecureVest Financial, but I believe that Intercoastal Capital Markets offers both myself and my family, the best opportunity for my future security and would like to end my career here with a clean FINRA license.

Thank You,

  
George Prost

2. Will the prospective employee have any supervisory duties? ☐ Yes ☒ No

If yes, describe in detail.

3. Specify the capacity, registered or non-registered, in which the prospective employee will function.

CMO Trader for Intercoastal Capital Market, Inc.

4. Fully describe the duties contemplated for the prospective employee as well as any limitations and restrictions that will be placed upon him/her.

CMO Trader. Strictly.

5. Describe the proposed compensation method for the prospective employee.

50% Commission of revenues generated

6. Provide the address of the office in which the prospective employee is/will be employed.

1199 Route 22 East, Ste. 310, Mountainside, NJ 07092

- a. Is this a ☐ home office ☒ branch office?

- b. Is this an Office of Supervisory Jurisdiction ("OSJ")? (See NASD Rule 3010)

☒ Yes ☐ No If "yes" state name of person designated to carry out supervisory procedures for the OSJ.

Bruce Glasser

- c. If the prospective employee is not to be employed in an OSJ, what OSJ of the Firm has/would have ultimate jurisdiction over him/her? Provide the name and title of the individual in that office designated to carry out supervisory procedures over the prospective employee.

**Section Three: Proposed Supervision of the Prospective Employee**

Please answer the following questions regarding the proposed supervision of the prospective employee.

1. a. Provide the name, title and CRD number of the individual who will provide direct supervision over the prospective employee.  
Bruce Glasser (CRD# 1371726)
- b. Is there any familial relationship between the prospective employee and the proposed supervisor (e.g., are they related by blood or marriage?) ☐ Yes ☒ No  
If yes, describe the nature of the relationship.  
\_\_\_\_\_
- c. Is the proposed supervisor a partner, executive officer, direct or indirect owner of the Applicant? ☐ Yes ☒ No  
If yes, describe the supervisor's relationship to the Applicant.  
\_\_\_\_\_
- d. Provide a schedule below, showing the days and hours that the proposed supervisor and the prospective employee will work in the same office location.  
See Attached Respon
- e. Does the prospective employee have any business or financial relationship with the proposed supervisor that is distinct from the proposed employment? ☐ Yes ☒ No  
If yes, please describe the relationship.  
\_\_\_\_\_  
\_\_\_\_\_
- f. Describe the business experience of, and the principal registrations held by, the proposed supervisor. Also list his/her other duties.  
See Attached Response -  
\_\_\_\_\_  
\_\_\_\_\_

*Response page 4, #1(f.)*

I have worked on Wall St. since May 1, 1985. I first worked for Drexel Burnham Lambert as a retail stockbroker. I went to Shearson Lehman Bros in 1989 for 5 years just before Drexel closed. I was a retail and institutional broker at Lehman Bros. At both firms, I focused primarily on Fixed Income portfolios for my clients.

For the next 20 years, I was a branch sales manager and investment banker at a number of smaller broker dealers. I was responsible for hiring brokers, and supervising their business. I also interacted and supervised a number of fixed income salesmen.

For revenue, my business for the past 20 years has been in investment banking for Venture Capital stage companies.

My registrations include, series 7, 63, 79, 24, 53.

My duties at the ICM NJ OSJ will be the daily supervision of the traders. I will review and sign off on the transaction tickets every day. I will review and sign off on the trade blotter every day. I will be especially focused on supervising George Prost since he is still on Heightened Supervision status. I will also be responsible for the general supervision of the traders, and will keep in daily contact with the main office and compliance manager.

*L. B. Z...*  
*3/4/14*

MC400 George Prost

Page 4, 1(d.) and Page 5 #3

Both Mr. Glasser and George Prost will be working from the same Mountainside, NJ OSJ branch office. As a trader, Mr. Prost will be working during market hours. As a supervisory officer, Mr. Glasser will working from the OSJ branch office on a daily basis.

Mr. Prost will be seated in close proximity to Mr. Glasser, his supervisor, so that all trading and account activity can be closely monitored. Both Mr. Glasser, his direct supervisor, and John Rogers, Head of Operations will be reviewing and signing off on all activity on a daily basis.

All branch documented reviews will be maintained at the branch in a supervisory review file and all corporate reviews of account activity will be retained by operations at the corporate headquarters.

As there are two individuals reviewing the daily activity of Mr. Prost, the firm does not have to worry about not adequately supervising Mr. Prost's activity on a daily basis. Once Mr. Prost's disqualification expires January 2015, Mr. Prost will return to normal supervision.

Page 8, #13

Mr. Prost is a very knowledgeable and experienced CMO trader. He has an excellent work ethic and is very effective and proficient in his trade. He understands his responsibilities and works very well within the firm and FINRA legal framework. As a CMO trader, he would be an asset to the firm.

Mr. Prost has NO securities related violations and his Form U-4 has been clean and completely non-eventful other than the one criminal event that occurred in 2002.

  
3/4/14

2. Does the proposed supervisor currently supervise any other employees of the Firm? ☒ Yes ☐ No

If so, how many individuals does the proposed supervisor currently supervise? 3

What are the job functions of the supervised individuals?

CMO and Muni traders

3. Describe in specific detail, on a blank page, the proposed plan of supervision for the prospective employee. Attached is a link which describes a checklist of items to consider when submitting a plan of heightened supervision. (An example of a plan of heightened supervision.)

Submit a current copy of the Applicant's written supervisory procedures.

#### Section Four: Background Information About the Firm (General)

1. a. Number of years the Applicant has been in securities business. 1.5 years as Enkronastel
- b. Effective date of membership in FINRA. 9/26/2012
- c. Number of Offices of Supervisory Jurisdiction. 2
- d. Number of branch offices. 2
- e. Number of employees. 18
- f. Number of registered principals. 7
- g. Number of registered representatives. 17
- h. Type(s) of business [es] in which the Applicant is engaged. Proprietary Fixed Income trading with very limited retail Account.

2. Please indicate whether the Applicant is a member of any Self-Regulatory Organization, and for each please provide the effective dates of memberships:

☐ AMEX ☐ BSE ☐ CBOE ☐ CHX ☐ ISE  
☐ NSX ☐ NYSE ☐ NYSE Arca ☐ PHLX ☒ MSRB  
☐ NQX ☐ OTHER

3. Does the Applicant currently employ any other individuals who are subject to a statutory disqualification?  
☐ Yes ☒ No

If yes, please identify those individuals, and for each, identify the supervisor and provide the address of the office at which they are located. \_\_\_\_\_

4. Will the prospective employee be permitted to participate, directly or indirectly, in the ownership of the Applicant through stock purchases, capital contributions or otherwise? ☐ Yes ☒ No

If yes, supply complete facts. \_\_\_\_\_

5. Does the Applicant, or any officer, partner, direct or indirect owner of the Applicant, have or contemplate loans to the prospective employee either directly or indirectly? Loans contemplated would include, but are not limited to those of fixed assets, cash, securities, advances, promissory notes and subordinated loans. ☐ Yes ☒ No

If yes, supply complete facts. The response should take into account any oral or written agreements. If the arrangement is based on a written agreement, please supply copies of the relevant documentation.

6. Does the prospective employee have or contemplate loans to the Applicant, or any officer, partner, direct or indirect owner of the Applicant, either directly or indirectly? Loans would include, but are not limited to those of fixed assets, cash, securities, advances, promissory notes and subordinated loans. ☐ Yes ☒ No

If yes, provide a detailed description of each such loan. The response should take into account any oral or written agreements. If the arrangement is based on a written agreement, please supply copies of the relevant documentation.

7. Are there any personal relations between the prospective employee and any officer, partner, or direct or indirect owner of the Applicant? (This statement should include any marriage or blood relations.)

☐ Yes ☒ No

If yes, please describe the relationship. \_\_\_\_\_

8. Are there any business or financial relations between the prospective employee and any officer, partner, direct or indirect owner of the Applicant? ☐ Yes ☒ No

If yes, please describe the relationship. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9. a. Within the past 5 years, has the Applicant, its registered principals (in the employing office), or the proposed supervisor, ever been the subject of any proceeding which has resulted in the imposition of disciplinary sanctions by FINRA, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, any federal or regulatory agency, foreign financial regulatory authority, any self-regulatory organization or commodities exchange, or any court or state agency? ☐ Yes ☒ No

If yes, describe the proceeding and include in the description the following: nature of such proceeding; by whom it was initiated; the date it became final; and the penalties or remedial actions imposed, including any provision for restitution, rescission or disgorgement or any undertaking (i.e. to review a supervisory system or hire an independent consultant). Attach a copy of any order, decisions or document issued by the court or agency involved, if available.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- b. Are any such proceedings presently pending against the Applicant? ☐ Yes ☒ No

If yes, describe fully. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Has the Applicant or proposed supervisor ever been found to have failed to supervise conduct which was similar in nature to the disqualifying conduct of the prospective employee?

11. Has the Applicant, at anytime within the past 5 years, been involved in any litigation where it was alleged that any person associated with the Applicant engaged in conduct similar in nature to the disqualifying conduct in which the prospective employee was engaged? ☐ Yes ☒ No

If yes, state details. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



- 
- 
- 
12. Furnish duplicate copies of Applicant's balance sheet or trial balance as of a date within thirty days of the date on which this application is filed.
13. Explain the Firm's basis for sponsoring the prospective employee. Specifically speak to the fitness and character of the individual as it relates to the investing public and why he/she should be permitted to become or remain associated in the capacity requested. Briefly present reasons on an attached sheet.

Complete and accurate answers to all questions listed will eliminate delay and assist in prompt handling of the application. If there is not sufficient space to answer any question, please attach a separate sheet noting the number of the question being answered.

#### APPLICANT'S CERTIFICATION

I hereby certify, on behalf of the above-named Firm, that I have read and understand the questions and statements contained in this Application and that each of the responses hereto is true and complete. I have taken the appropriate steps to verify the accuracy and completeness of the information contained in and with this Application, including information in the Form U4 submitted on behalf of the prospective employee.

I hereby certify, on behalf of the above-named Firm, that the Firm's Form BD is current in all respects as provided in Article IV, section 1(c) of NASD's By-Laws.

I swear or affirm that I have read and understand the items and instructions on this application and that the answers (including attachments) are true and complete to the best of my knowledge.

I understand that the Firm and I are subject to the imposition of sanctions under NASD rules or Section 32 of the Securities Exchange Act of 1934, as amended, in the event false information is provided on this application or there are omissions of material facts. I further certify that I will at all times keep the information called for herein accurate and up-to-date by supplementary written notices to the Secretary of the Corporation or his/her designee.

I agree that at all times if there are any material and relevant changes which may affect the outcome of this Application, that information will be submitted immediately to FINRA.

3/04/2014  
[Date]

  
(Signature of Executive Representative or Registered Principal of Applicant as Authorized Signatory)

Chief Compliance Officer

3:42 PM

03/04/14

Accrual Basis

**Intercoastal Capital Markets, Inc**  
**Trial Balance**  
 As of January 31, 2014

|  | Jan 31, 14   |              |
|--|--------------|--------------|
|  | Debit        | Credit       |
| NY Community Bank  |              |              |
| TD Bank  | 285,718.28   |              |
| Due From Clearing Broker                                       | 4.00         |              |
| Due From Southwest * 1690                                      | 860,776.94   |              |
| Due From Southwest * 1740                                      | 1,745.24     |              |
| Due From Southwest * 1880                                      | 0.00         |              |
| Due To/From Trifecta   | 0.00         |              |
| Margin Deposit   | 1,058.48     |              |
| Securities Inventory Mkt to Mkt                                | 0.00         |              |
| Southwest Sec Position * 0700                                  | 38,481.00    |              |
| Southwest Sec Position * 1690                                  | 278,825.00   |              |
| Southwest Sec Position * 1740                                  | 983,647.47   |              |
| Southwest Sec Position * 1880                                  | 550,384.61   |              |
| Southwest Sec Position Mkt to Mkt                              | 867,301.25   |              |
| Southwest Securities*1690 SHORT                                | 29,815.31    |              |
| Southwest Securities*1880 SHORT                                |              | 421,887.43   |
| Southwest Securities*7988                                      |              | 10,131.90    |
| Southwest Securities*8981                                      | 1,881,829.88 |              |
| Stame Agee * 1057  | 100,004.50   |              |
| Stame Agee * 1072  | 1,445,739.75 |              |
| Stame Agee Securities * 1072                                   | 0.00         |              |
| StameAgee Sec Inv and Position                                 | 100,000.00   |              |
| Accumulated Depreciation                                       | 2,204,816.78 |              |
| Computer Equipment   |              | 4,010.53     |
| Furniture and Equipment  | 9,740.84     |              |
| Other Assets   | 15,949.93    |              |
| Accrued Expenses   | 9,301.00     |              |
| Commissions / Profits Payable                                  |              | 19,250.00    |
| Debt Lease   |              | 144,435.79   |
| Due to Dave Bird   | 1,597.87     |              |
| Management Fees Payable  |              | 48,664.68    |
| Payable to Clearing Broker                                     |              | 144,435.89   |
| Payable to Southwest * 0700                                    |              | 2,204,816.78 |
| Payable to Southwest * 1690                                    |              | 278,825.00   |
| Payable to Southwest * 1740                                    |              | 983,647.47   |
| Payable to Southwest * 1880                                    |              | 550,384.61   |
| Payroll Liabilities  |              | 857,169.35   |
| Payroll Taxes Payable  | 0.00         |              |
| Salaries Payable   |              | 13,768.50    |
| SIPC Fees Payable  |              | 236,488.47   |
| Debt Lease - Long Term Loan                                    | 0.00         |              |
| Additional Paid in Capital                                     |              | 1,256.00     |
| Capital Stock  |              | 2,301,083.00 |
| Distributions to Parent  |              | 500,000.00   |
| Retained Earnings  | 221,350.00   |              |
| Trading Income   |              | 1,884,071.95 |
| Trading Income Unrealized                                      |              | 28,720.19    |
| Bank and Investment Fees:Bank Service Charges                  | 38.00        |              |
| Bank and Investment Fees:Clearing Charges                      | 4,000.00     |              |
| Bank and Investment Fees:Finra Fees                            | 318.13       |              |
| Business Licenses and Permits                                  | 250.00       |              |
| Commission compensation Expense:Ron Phillips Jr Comm & Comp    | 1,000.00     |              |
| Commission compensation Expense:Ronald Phillips SR Comm & comp | 500.00       |              |
| Commissions / Profit Share Exp                                 | 144,435.79   |              |
| Computer Expenses:Computer Supplies                            | 222.57       |              |
| Computer Expenses:Email and Data Monitoring                    | 340.00       |              |
| Computer Expenses:Terminal Service                             | 6,728.20     |              |
| Depreciation Expense   | 222.82       |              |
| Employee Benefits  | 8,647.78     |              |
| Insurance Expense:Workers Comp                                 | 478.75       |              |
| Meals and Entertainment  | 218.64       |              |
| Office Supplies  | 113.78       |              |
| Payroll Processing Fees  | 485.40       |              |
| Payroll Taxes Expense  | 13,892.31    |              |

3:42 PM

03/04/14

Accrual Basis

**Intercoastal Capital Markets, Inc**  
**Trial Balance**  
 As of January 31, 2014

| Jan 31, 14                                  |                      |
|---|----------------------|
| Debit                                       | Credit               |
| Postage and Delivery                        |                      |
| Professional Fees:Accounting Fees           | 28.34                |
| Professional Fees:Audit & Tax prep expenses | 2,544.00             |
| Professional Fees:Consulting Fees           | 1,250.00             |
| Professional Fees:Management Fees           | 2,450.00             |
| Recruiting Fees                             | 294,607.77           |
| Rent Expense                                | 30.00                |
| Salaries Expenses                           | 12,832.00            |
| Interest Income                             | 236,488.47           |
| Investment Int Income/Expense               | 6,389.54             |
|   | 25,570.41            |
| <b>TOTAL</b>                                |                      |
| <b>10,399,768.84</b>                        | <b>10,399,768.84</b> |

3:33 PM

03/04/14

Accrual Basis

**Intercoastal Capital Markets, Inc**  
**Balance Sheet**  
**As of January 31, 2014**

|  | Jan 31, 14          |
|--|---------------------|
| <b>ASSETS</b>                          |                     |
| <b>Current Assets</b>                  |                     |
| <b>Checking/Savings</b>                |                     |
| NY Community Bank                      | 265,718.26          |
| TD Bank                                | 4.00                |
| <b>Total Checking/Savings</b>          | 265,722.26          |
| <b>Other Current Assets</b>            |                     |
| Due From Clearing Broker               | 660,776.94          |
| Due From Southwest * 1690              | 1,745.24            |
| Due To/From Trifecta                   | 1,058.46            |
| Securities Inventory Mkt to Mkt        | 38,461.00           |
| Southwest Sec Position * 0700          | 278,625.00          |
| Southwest Sec Position * 1690          | 983,847.47          |
| Southwest Sec Position * 1740          | 550,364.61          |
| Southwest Sec Position * 1880          | 867,301.25          |
| Southwest Sec Position Mkt to Mkt      | 28,815.31           |
| Southwest Securities*1690 SHORT        | -421,867.43         |
| Southwest Securities*1880 SHORT        | -10,131.90          |
| Southwest Securities*7956              | 1,681,829.88        |
| Southwest Securities*8991              | 100,004.50          |
| Stame Agee * 1057                      | 1,445,739.75        |
| Stame Agee Securities * 1072           | 100,000.00          |
| StameAgee Sec Inv and Position         | 2,204,616.78        |
| <b>Total Other Current Assets</b>      | 8,711,966.86        |
| <b>Total Current Assets</b>            | 8,977,689.12        |
| <b>Fixed Assets</b>                    |                     |
| Accumulated Depreciation               | -4,010.53           |
| Computer Equipment                     | 9,740.84            |
| Furniture and Equipment                | 15,949.93           |
| <b>Total Fixed Assets</b>              | 21,680.24           |
| <b>Other Assets</b>                    |                     |
| Other Assets                           | 9,301.00            |
| <b>Total Other Assets</b>              | 9,301.00            |
| <b>TOTAL ASSETS</b>                    | <b>9,008,670.36</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                     |
| <b>Liabilities</b>                     |                     |
| <b>Current Liabilities</b>             |                     |
| <b>Other Current Liabilities</b>       |                     |
| Accrued Expenses                       | 19,250.00           |
| Commissions / Profits Payable          | 144,435.79          |
| Dell Lease                             | -1,597.87           |
| Due to Dave Bird                       | 48,584.68           |
| Management Fees Payable                | 144,435.89          |
| Payable to Clearing Broker             | 2,204,616.78        |
| Payable to Southwest * 0700            | 278,625.00          |
| Payable to Southwest * 1690            | 861,760.04          |
| Payable to Southwest * 1740            | 550,364.61          |
| Payable to Southwest * 1880            | 857,169.35          |
| Payroll Taxes Payable                  | 13,766.50           |
| Salaries Payable                       | 236,488.47          |
| <b>Total Other Current Liabilities</b> | 5,057,879.24        |
| <b>Total Current Liabilities</b>       | 5,057,879.24        |
| <b>Long Term Liabilities</b>           |                     |
| Dell Lease - Long Term Loan            | 1,256.00            |
| <b>Total Long Term Liabilities</b>     | 1,256.00            |
| <b>Total Liabilities</b>               | 5,059,135.24        |

3:33 PM

03/04/14

Accrual Basis

**Intercoastal Capital Markets, Inc**  
**Balance Sheet**  
**As of January 31, 2014**

|                                       | <u>Jan 31, 14</u>          |
|---------------------------------------|----------------------------|
| <b>Equity</b>                         |                            |
| Additional Paid in Capital            | 2,301,063.00               |
| Capital Stock                         | 500,000.00                 |
| Distributions to Parent               | -221,350.00                |
| Retained Earnings                     | 1,884,071.95               |
| Net Income                            | -514,249.63                |
| <b>Total Equity</b>                   | <u>3,949,535.12</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u><u>9,008,670.36</u></u> |

SD Application Processing Fee

CHECK NUMBER 1260  
 CHECK AMOUNT \$1,500.00  
 APPLICANT NAME George Prost  
 FIRM NAME Intercoastal Capital Markets, Inc. #83  
 TYPE OF SD FILING:  
 LONG FORM \_\_\_\_\_ SHORT FORM ☒ NRF \_\_\_\_\_  
 CRD # 1334567  
 BD # 83  
 CHECK RECEIVED BY Cathy Williams  
 DATE RECEIVED 3/6/14  
 DOCUMENT SERVICES CONFIRMATION OF  
 CHECK ~~1260~~ 3/6/14

|  |                           |                           |
|--|---------------------------|---------------------------|
| <b>INTERCOASTAL CAPITAL MARKET INC</b><br>5550 GLADES ROAD STE 308<br>BOCA RATON, FL 33431   |                           | 1260<br>17100/2260<br>049 |
| Pay to the<br>Order of <b>FINRA</b>  | Date <b>3/5/14</b>        | \$ <b>1500.00</b>         |
| <b>One Thousand Five Hundred 00/100</b>  |                           | Dollars                   |
| The Family <small>New York Community Bank • Member FDIC and its Divisions<br/>         Citicorp Country Building Bank • Citicorp Building Bank<br/>         Citicorp Country Building Bank • Citicorp Building Bank<br/>         Citicorp Country Building Bank • Citicorp Building Bank</small> |                           |                           |
| For <b>MC400 George Prost 1334567</b>  | <b>Robert Benin Smith</b> |                           |
| ⑆226071004⑆ 56450000221⑆ 1260  |                           |                           |

# EXHIBIT 2

**MANDELBAUM, SALSBERG, GOLD, LAZRIS, DISCENZA & STEINBERG, P.C.****ATTORNEYS AT LAW****FOUNDED IN 1938****155 PROSPECT AVENUE****WEST ORANGE, NEW JERSEY 07052****TELEPHONE (973) 796-4600****TELECOPIER (973) 325-7467****Website: www.mandelbaum-salsberg.com****E-Mail: @mandelbaum-salsberg.com****IRVING MANDELBAUM, (1906-1993)****BARRY R. MANDELBAUM****RICHARD M. SALSBERG****AVIOM J. GOLD****YALE I. LAZRIS****JOHN R. DUBNER****JOSEPH J. DISCENZA****BARRY M. PACKIN****JOSEPH A. VENA****LYNNE STRUBER****OWEN T. HUGHES****GARY S. YOUNG****RICHARD L. SLAVITT****CHARLES S. LOHNER****DEBORAH L. GUTNE****ROBERT W. GLUCK****MICHAEL A. BAER****MARK F. KLUG****WILLIAM H. NEALEY****CRAIG W. ALEXANDER****WILLIAM S. GARETT****DENNIS J. ALLEN****STUART GOLD****CHERYL H. ROSEN****ROBIN F. LEWIS****CELEBRATING OUR 75<sup>th</sup> YEAR**

**UNION COUNTY OFFICE**  
 75 ELIZABETH AVENUE  
 ELIZABETH, NJ 07208  
 TELEPHONE (908) 333-6764  
 TELECOPIER (908) 333-6760

**MONMOUTH COUNTY OFFICE**  
 115 MAPLE AVENUE  
 RED BANK, NJ 07068  
 TELEPHONE (732) 933-1515  
 TELECOPIER (732) 933-1551

**MIDDLESEX COUNTY OFFICE**  
 109 GEORGE STREET, SUITE 110  
 NEW BRUNSWICK, NJ 08901  
 TELEPHONE (732) 628-0900  
 TELECOPIER (732) 628-0910

**FLORIDA OFFICE**  
 1030 CROSBY PLACE  
 FORT ST. LUCIE, FL 34986  
 TELEPHONE (772) 460-4856  
 TELECOPIER (772) 460-4857  
 E-Mail: steinberg\_015@yahoo.com

**MANUEL R. GROVA, JR.****RICKI ANNE SOCOL****ALONA MAGDOVA****RICHARD H. DELIN****DEBORAH A. WHITE****BRIAN M. GERSTEIN****ARLA D. CAHILL****PAUL T. GREGORY****ANDREA L. ALEXANDER****DEANE M. WEBER****DAVID S. CARTON****SHERI ORENBERG-RUGGIERI****PHILLIP G. RAY****LAUREN BETTMAN GERSHENGORN****ALL REFERS TO MIDDLESEX COUNTY OFFICE**

**~ COUNSEL ~**  
**ALAN L. RUSSELL** **GAIL M. COOKSON**  
**THOMAS W. ACKERMANN** **SHARON T. JACOBSON**

**~ OF COUNSEL ~**  
**RICHARD H. STEINBERG** **JEROME A. DEENER**  
**RICHARD I. SIMON** **MARK BAUMGARTEN**

**REFERENCE FILE #**

- \* FELLOW OF THE AMERICAN ACADEMY OF MATRIMONIAL LAWYERS
- \* CERTIFIED BY THE SUPREME COURT OF NEW JERSEY AS A CERTIFIED TRIAL ATTORNEY
- \* COURT APPROVED MEDIATOR
- \* ACCREDITED PROFESSIONAL MEDIATOR
- \* COURT APPOINTED MEDIATOR
- 1 MEMBER OF NJ & PA BAR
- 2 MEMBER OF NJ & FLA BAR
- 3 MEMBER OF NJ & NY BAR
- 4 MEMBER OF NJ & MA BAR
- 5 MEMBER OF NJ, NY & PA BAR
- 6 MEMBER OF NJ, NY & PA BAR
- 7 MEMBER OF NJ, NY & DC BAR

January 7, 2005

**MATT BOARDMAN**  
 3 Garrett Mountain Plaza  
 West Paterson, N.J. 07424

**RE: STATE v. GEORGE PROST, JR.****Dear Mr. Boardman:**

Enclosed please find the Plea Form executed by George Prost, Jr. on January 4, 2005. The form explains the sentence recommendation which will be binding. The promised sentence of probation for the offence of Death By Auto is almost unheard of in its leniency. The reason for this treatment is that the factual basis for the plea did not involve alcohol or drugs of any sort, but was a pure act of recklessness. Mr. Prost's admitted that he deviated from the norm by driving while knowingly tired and groggy. This factual basis was provided under oath by Mr. Prost.

In short, Mr. Prost pled guilty to a reckless act, not an intentional crime and will be sentenced accordingly.

Very truly yours,

ROBERT W. GLUCK

RWG/trv

cc: Mr. George Prost, Jr.



FINRA00087

## PLEA FORM

County PASSAICProsecutor File Number 02-4130DEFENDANT'S NAME GEORGE PAUST JR.before Judge MARINO

## 1. List the charges to which you are pleading guilty:

| Ind./Acc./Comp.#                                   | Count | Nature of Offense | Degree          |     | Statutory Maximum |                 |             |
|--|-------|-------------------|-----------------|-----|-------------------|-----------------|-------------|
|  |       |                   |                 |     | Time              | Fine            | VCCB Assmt* |
| 04 03 0372 1                                       | 1     | DEATH BY AUTO     | 2 <sup>nd</sup> | MAX | 10 yrs            | \$15,000        | \$100       |
|  |       |                   |                 | MAX |                   |                 |             |
|  |       |                   |                 | MAX |                   |                 |             |
|  |       |                   |                 | MAX |                   |                 |             |
|  |       |                   |                 | MAX |                   |                 |             |
| Your total exposure as the result of this plea is: |       |                   |                 |     | TOTAL             | 10 yrs \$15,000 | \$100       |

PLEASE CIRCLE  
APPROPRIATE ANSWER

2. a. Did you commit the offense(s) to which you are pleading guilty? ☒ [YES] ☐ [NO]
- b. Do you understand that before the judge can find you guilty, you will have to tell the judge what you did that makes you guilty of the particular offense(s)? ☒ [YES] ☐ [NO]
3. Do you understand what the charges mean? ☒ [YES] ☐ [NO]
4. Do you understand that by pleading guilty you are giving up certain rights? Among them are:
- a. The right to a jury trial in which the State must prove you guilty beyond a reasonable doubt? ☒ [YES] ☐ [NO]
- b. The right to remain silent? ☒ [YES] ☐ [NO]
- c. The right to confront the witnesses against you? ☒ [YES] ☐ [NO]
5. Do you understand that if you plead guilty:
- a. You will have a criminal record? ☒ [YES] ☐ [NO]
- b. Unless the plea agreement provides otherwise, you could be sentenced to serve the maximum time in confinement, to pay the maximum fine and to pay the maximum Violent Crimes Compensation Board Assessment? ☒ [YES] ☐ [NO]
- c. You must pay a minimum Violent Crimes Compensation Board assessment of \$50 (\$100 minimum if you are convicted of a crime of violence) for each count to which you plead guilty? (Penalty is \$30 if offense occurred between January 9, 1986 and December 22, 1991 inclusive, \$25 if offense occurred before January 1, 1986.) ☒ [YES] ☐ [NO]
- d. If the offense occurred on or after February 1, 1993 but was before March 13, 1995, and you are being sentenced to probation or a State correctional facility, you must pay a transaction fee of up to \$1.00 for each occasion when a payment or installment payment is made? If the offense occurred on or after March 13, 1995 and the sentence is to probation, or the sentence otherwise requires payments of financial obligations to the probation division, you must pay a transaction fee of up to \$2.00 for each occasion when a payment or installment payment is made? ☒ [YES] ☐ [NO]

\* VIOLENT CRIMES COMPENSATION BOARD ASSESSMENT

Administrative Office of the Courts -- Revised November 6, 2003;  
Corrected December 31, 2003Defendant's Initials GP

page 1 of 3

WHITE: ORIGINAL-FILE; YELLOW: JUDGE; PINK: PROSECUTOR; GOLD: DEFENDANT

FINRA00088

5. c. If the offense occurred on or after August 2, 1993 you must pay a \$75 Safe Neighborhood Services Fund assessment for each conviction? ☒ [YES] ☐ [NO]
- f. If the offense occurred on or after January 5, 1994 and you are being sentenced to probation, you must pay a fee of up to \$25 per month for the term of probation? ☒ [YES] ☐ [NO]
- g. If the crime occurred on or after January 9, 1997 you must pay a Law Enforcement Officers Training and Equipment Fund penalty of \$30? ☒ [YES] ☐ [NO]
- h. You will be required to provide a DNA sample, which could be used by law enforcement for the investigation of criminal activity, and pay for the cost of testing? ☒ [YES] ☐ [NO]
6. Do you understand that the court could, in its discretion, impose a minimum time in confinement to be served before you become eligible for parole, which period could be as long as one half of the period of the custodial sentence imposed? ☒ [YES] ☐ [NO]
7. Did you enter a plea of guilty to any charges that require a mandatory period of parole ineligibility or a mandatory extended term? ☒ [YES] ☐ [NO]
- a. If you are pleading guilty to such a charge, the minimum mandatory period of parole ineligibility is        years and        months (fill in the number of years/months) and the maximum period of parole ineligibility can be        years and        months (fill in the number of years/months) and this period cannot be reduced by good time, work, or minimum custody credits.
8. Are you pleading guilty to a crime that contains a presumption of imprisonment which means that it is almost certain that you will go to state prison? ☒ [YES] ☐ [NO]
9. Are you presently on probation or parole? ☐ [YES] ☒ [NO]
- a. Do you realize that a guilty plea may result in a violation of your probation or parole? ☐ [YES] ☐ [NO] ☒ [N/A]
10. Are you presently serving a custodial sentence on another charge? ☐ [YES] ☒ [NO]
- a. Do you understand that a guilty plea may affect your parole eligibility? ☐ [YES] ☐ [NO] ☒ [N/A]
11. Do you understand that if you have plead guilty to, or have been found guilty on other charges, or are presently serving a custodial term and the plea agreement is silent on the issue, the court may require that all sentences be made to run consecutively? ☐ [YES] ☐ [NO] ☒ [N/A]
12. List any charges the prosecutor has agreed to recommend for dismissal:

| Ind./Acc./Comp.# | Count   | Nature of Offense and Degree |
|------------------|---------|------------------------------|
| MV SUMMONS       | 0041223 | FAILURE TO KEEP RIGHT 39:4-2 |
| WEST PETERSON    |         |                              |

13. Specify any sentence the prosecutor has agreed to recommend: SENTENCE AS 3<sup>rd</sup> OFFENDER. MAX. PROBATION WITH 364 DAYS IN COUNTY JAIL; PROSECUTOR HAS NO OBJECTION TO DEFENDANT SERVING CUSTODIAL PORTION OF SENTENCE (IF ANY) AT WORK DETAIL IN PREPARATION; MAXIMUM FOUR YEARS LOSS OF DRIVING PRIVILEGES

Defendant's Initials 

FINRA00089

14. Has the prosecutor promised that he or she will NOT:
- a. Speak at sentencing? [YES] [NO] ☒ [NO]
- b. Seek an extended term of confinement? [YES] [NO] ☒ [NO]
- c. Seek a stipulation of parole ineligibility? [YES] [NO] ☒ [NO]
15. Are you aware that you must pay restitution if the court finds there is a victim who has suffered a loss and if the court finds that you are able or will be able in the future to pay restitution? [YES] [NO] ☒ [N/A]
16. Do you understand that if you are a public officer holder or employee, you can be required to forfeit your office or job by virtue of your plea of guilty? [YES] [NO] ☒ [N/A]
17. Do you understand that if you are not a United States citizen or national, you may be deported by virtue of your plea of guilty? [YES] [NO] ☒ [N/A]
18. Have you discussed with your attorney the legal doctrine of merger? [YES] [NO] ☒ [N/A]
19. Are you giving up your right at sentence to argue that there are charges you pleaded guilty to for which you cannot be given a separate sentence? [YES] [NO] ☒ [N/A]
20. List any other promises or representations that have been made by you, the prosecutor, your defense attorney, or anyone else as a part of this plea of guilty.  
NONE
- 
21. Have any promises other than those mentioned on this form, or any threats, been made in order to cause you to plead guilty? [YES] ☒ [NO]
22. a. Do you understand that the judge is not bound by any promises or recommendations of the prosecutor and that the judge has the right to reject the plea before sentencing you and the right to impose a more severe sentence? [YES] [NO] ☒ [YES]
- b. Do you understand that if the judge decides to impose a more severe sentence than recommended by the prosecutor, that you may take back your plea? ☒ [YES] [NO]
- c. Do you understand that if you are permitted to take back your plea of guilty because of the judge's sentence, that anything you say in furtherance of the guilty plea cannot be used against you at trial? ☒ [YES] [NO]
23. Are you satisfied with the advice you have received from your lawyer? ☒ [YES] [NO]
24. Do you have any questions concerning this plea? ☒ [YES] ☒ [NO]
- DATE 1/4/05 DEFENDANT [Signature]
- DEFENSE ATTORNEY [Signature]
- PROSECUTOR [Signature]
- [ ] This plea is the result of the judge's conditional indications of the maximum sentence he or she would impose independent of the prosecutor's recommendation. Accordingly, the "Supplemental Plea Form for Non-Negotiated Pleas" has been completed.



STATE of NEW JERSEY  
STANDARD CONDITIONS OF ADULT PROBATION  
PASSAIC COUNTY

Probationer: Georg Prost

Caps I.D. \_\_\_\_\_

Case File# / Docket # 04-03-00372-I

The Court, believing that you are capable of living a useful and law-abiding life in the community, has sentenced you to Probation for a period of 4-29-05 3 years beginning 4-29-05. While on probation, you will be under the supervision of a Probation Officer. You are required to comply with the conditions of Probation listed below.

If there is probable cause to believe that you have committed another offense during your term of probation, the Court may commit you to jail without bail. If the Court finds that you have violated your probation, it may impose on you any sentence authorized by law for the offense of which you were originally convicted, up to and including the maximum term of incarceration.

STANDARD CONDITIONS

1. You shall obey all Federal, State, and Municipal laws and ordinances. You shall notify your Probation Officer if you are arrested or issued a summons in any jurisdiction.
2. You shall report to your Probation Officer as directed.
3. You shall answer truthfully all inquiries made by your Probation Officer.
4. You shall permit your officer to visit your residence or any suitable place.
5. You shall submit at any time to a search conducted by a Probation Officer, without a warrant, of your person, place of residence, vehicle or other personal property.
6. You shall promptly report any change of address or residence to your Probation Officer. You must obtain permission from your Probation Officer if you wish to move outside the county or state. You may not leave the state of New Jersey for more than 24 hours without permission from your Probation Officer.
7. You shall cooperate in any medical and/or psychological examinations, test and/or counseling.
8. You shall submit to drug or alcohol testing at any time, as directed by your probation officer.
9. You shall support your dependents and meet your family responsibilities.
10. You shall seek and maintain gainful employment, and promptly notify your officer when you change your place of employment or find your self out of work.

# EXHIBIT 3

## Exam Information

Individual CRD#: 1334567

Individual Name: PROST, GEORGE L

### Exam History

| Exam | Enrollment ID | Exam Status     | Status Date | Exam Date  | Grade  | Score | Window Begin Date | Window End Date |
|------|---------------|-----------------|-------------|------------|--------|-------|-------------------|-----------------|
| S7   | 18334233      | Official Result | 04/21/1992  | 04/21/1992 | Passed | 84    |                   |                 |
|      | 18334232      | Official Result | 04/15/1991  | 04/15/1991 | Failed | 68    |                   |                 |
|      | 18334231      | Official Result | 01/04/1991  | 01/04/1991 | Failed | 58    |                   |                 |
|      | 18334230      | Window Expired  | 11/14/1990  |            |        | 0     |                   |                 |
|      | 18334229      | Withdraw        | 06/07/1989  |            |        |       |                   |                 |
|      | 18334228      | Window Expired  | 10/28/1988  |            |        | 0     |                   |                 |
|      | 18334227      | Window Expired  | 01/28/1987  |            |        | 0     |                   |                 |
|      | 18334226      | Window Expired  | 02/28/1986  |            |        | 0     |                   |                 |
|      | 18334225      | Official Result | 06/15/1985  | 06/15/1985 | Failed | 66    |                   |                 |
|      | 18334224      | Official Result | 02/16/1985  | 02/16/1985 | Failed | 66    |                   |                 |
| S24  | 18334216      | Window Expired  | 10/27/2008  |            |        |       | 06/28/2008        | 10/26/2008      |
| S52  | 18334218      | Official Result | 10/03/1985  | 10/03/1985 | Passed | 83    |                   |                 |
|      | 18334217      | Window Expired  | 04/04/1985  |            |        | 0     |                   |                 |
| S63  | 18334223      | Official Result | 07/01/1991  | 07/01/1991 | Passed | 86    |                   |                 |
|      | 18334222      | Window Expired  | 03/03/1991  |            |        | 0     |                   |                 |
|      | 18334221      | Window Expired  | 11/14/1990  |            |        | 0     |                   |                 |
|      | 18334220      | Window Expired  | 04/24/1989  |            |        | 0     |                   |                 |
|      | 18334219      | Window Expired  | 10/18/1988  |            |        | 0     |                   |                 |

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# EXHIBIT 4

**U4 Employment History****Individual CRD#: 1334567****Individual Name: PROST, GEORGE L****Office of Employment Address History**

| From       | To         | Firm  | CRD<br>Branch<br>Number       | NYSE<br>Branch<br>Code<br>Number | Firm<br>Billing<br>Code | Address  | Type<br>of<br>Office | Private<br>Residence |
|------------|------------|---|-------------------------------|----------------------------------|-------------------------|--|----------------------|----------------------|
| 02/18/2014 | Present    | INTERCOASTAL<br>CAPITAL<br>MARKETS,<br>INC. (83)        | 555937                        |                                  |                         | 1199 ROUTE 22 EAST<br>STE. 310<br>MOUNTAINSIDE, NJ 07092                                 | Located<br>At        | No                   |
| 02/04/2009 | 11/16/2012 | R. SEELAUS &<br>CO., INC. (14974)                       | BD Main                       |                                  |                         | 25 DEFOREST AVENUE<br>SUITE 304<br>SUMMIT, NJ 07901                                      | Located<br>At        | No                   |
| 03/24/2008 | 11/10/2008 | SECUREVEST<br>FINANCIAL<br>GROUP (10100)                | 364048                        |                                  |                         | 355 MADISON AVE<br>MORRISTOWN, NJ 07960  | Located<br>At        | No                   |
| 01/04/2006 | 03/14/2008 | R. SEELAUS &<br>CO., INC. (14974)                       | BD Main                       |                                  |                         | 25 DEFOREST AVENUE -<br>SUITE 102<br>SUMMIT, NJ 07901                                    | Located<br>At        | No                   |
| 03/07/2003 | 05/02/2005 | RBC DAIN<br>RAUSCHER<br>INC. (31194)                    | Non<br>Registered<br>Location |                                  | 1655                    | 3 GARRET MOUNTAIN<br>PLAZA<br>WEST<br>PATTERSON, NJ 07424                                | Located<br>At        | No                   |
| 06/15/1992 | 03/10/2003 | FIRST<br>INSTITUTIONAL<br>SECURITIES,<br>L.L.C. (23910) | Non<br>Registered<br>Location |                                  |                         | 3 GARRET MOUNTAIN<br>PLAZA<br>WEST<br>PATERSON, NJ 07424                                 | Located<br>At        | No                   |
| 12/14/1990 | 06/15/1992 | GILMORE<br>SECURITIES &<br>CO. (27210)                  | Non<br>Registered<br>Location |                                  |                         | 2100 ROUTE 208<br>FAIR LAWN, NJ 07410  | Located<br>At        | No                   |
| 08/08/1990 | 04/20/1991 | FIRST COLONIAL<br>SECURITIES<br>GROUP,<br>INC. (25121)  | Non<br>Registered<br>Location |                                  |                         | 10 LAKE CENTER<br>EXEUCITVE PARK<br>401 NORTH ROUTE 73<br>SUITE 101<br>MARLTON, NJ 08053 | Located<br>At        | No                   |
| 06/17/1988 | 05/31/1989 | WILLIAM M.<br>CADDEN & CO.,<br>INC. (16363)             | Non<br>Registered<br>Location |                                  |                         | S-10 RT 17 @ RT 4<br>PARAMUS, NJ 07652   | Located<br>At        | No                   |
| 04/01/1984 | 05/20/1988 | GLICKENHAUS &<br>CO. - NEW<br>JERSEY (7302)             | Non<br>Registered<br>Location |                                  |                         | 460 COLFAX AVENUE<br>CLIFTON, NJ 07013   | Located<br>At        | No                   |

Please note that data contained in the U4 EMPLOYMENT HISTORY SCREEN is updated only by a U4 and does not reflect any changes made by the filing of a U5.

**Employment History**

| From    | To      | Name                            | Investment<br>Related<br>Business? | City          | State | Country | Position          |
|---------|---------|---------------------------------|------------------------------------|---------------|-------|---------|-------------------|
| 02/2014 | Present | INTERCOASTAL CAPITAL<br>MARKETS | Y                                  | MOUNTAINSIDE  | NJ    |         | REGISTERED<br>REP |
| 11/2012 | 02/2014 | UNEMPLOYED                      | N                                  | STATEN ISLAND | NY    | USA     | UNEMPLOYED        |
| 02/2009 | 10/2012 | R.SEELAUS & CO. INC             | Y                                  | SUMMIT        | NJ    | USA     | TRADER            |
| 03/2008 | 12/2008 | SECUREVEST                      | Y                                  | MORRISTOWN    | NJ    | USA     | TRADER            |



|         |         |   |   |                   |    |                  |                        |
|---------|---------|---|---|-------------------|----|------------------|------------------------|
| 01/2006 | 03/2008 | R. SEELAUS & CO., INC                       | Y | SUMMIT            | NJ | USA              | REGISTERED<br>REP      |
| 08/2005 | 01/2006 | UNEMPLOYED                                  | Y | STATEN ISLAND     | NY | USA              | UNEMPLOYED             |
| 03/2003 | 05/2005 | RBC DAIN RAUSCHER<br>INC.                   | Y | WEST<br>PATTERSON | NJ | UNITED<br>STATES | TRADING                |
| 06/1992 | 03/2003 | FIRST INSTITUTIONAL<br>SECURITIES, L.L.C.   | Y | CLIFTON           | NJ |                  | NOT PROVIDED           |
| 06/1988 | 07/1999 | TENNER & GILMORE                            | N | PARAMUS           | NJ |                  | NOT PROVIDED           |
| 12/1990 | 06/1992 | GILMORE SECURITIES &<br>CO.                 | Y | FAIR LAWN         | NJ |                  | NOT PROVIDED           |
| 08/1990 | 04/1991 | FIRST COLONIAL<br>SECURITIES GROUP,<br>INC. | Y | MARLTON           | NJ |                  | NOT PROVIDED           |
| 05/1989 | 08/1990 | GATEWAY SEC.                                | N | GREENWICH         | CT |                  | OTHER -<br>TRADER      |
| 06/1988 | 05/1989 | WILLIAM M. CADDEN &<br>CO., INC.            | Y | PARAMUS           | NJ |                  | NOT PROVIDED           |
| 04/1984 | 05/1988 | GLICKENHAUS & CO. -<br>NEW JERSEY           | Y | CLIFTON           | NJ |                  | OTHER - ASST<br>TRADER |
| 03/1984 | 05/1988 | LISS TENNER &<br>GOLDBERG                   | N | CLIFTON           | NJ |                  | OTHER -<br>TRADER      |

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# EXHIBIT 5

U4 - INITIAL 02/18/2014

Rev. Form U4 (05/2009)

Individual Name: PROST, GEORGE L (1334567)

Firm Name: INTERCOASTAL CAPITAL MARKETS, INC. (83)

**13. OTHER BUSINESS**

Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.

☒ Yes ☐ No

MIKEBRIT LLC 100% OWNED. ESTABLISHED TO HOLD PERSONAL INVESTMENTS. SI GREEN RECYCLING INC 50% NON SECURITIES  
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# EXHIBIT 6

## **Operating Agreement for Member-Managed Limited Liability Company**

### **I.**

#### **Preliminary Provisions**

(1) **Effective Date:** This operating agreement of MikeBrit LLC, effective January 1, 2006, is adopted by the members whose signatures appear at the end of this agreement.

(2) **Formation:** This limited liability company (LLC) was formed by filing Articles of Organization, a Certificate of Formation or a similar organizational document with the LLC filing office of the state of New Jersey on November 22, 2002. A copy of this organizational document has been placed in the LLC's records book.

(3) **Name:** The formal name of this LLC is as stated above. However, this LLC may do business under a different name by complying with the state's fictitious or assumed business name statutes and procedures.

(4) **Registered Office and Agent:** The registered office of this LLC and the registered agent at this address are as follows: Corporation Service Company, 830 Bear Tavern Road, West Trenton, NJ 08628. The registered office and agent may be changed from time to time as the members may see fit, by filing a change of registered agent or office form with the state LLC filing office. It will not be necessary to amend this provision of the operating agreement if and when such a change is made.

(5) **Business Purposes:** The specific business purposes and activities contemplated by the founders of this LLC at the time of initial signing of this agreement consist of various investment vehicles including certificate of deposits, stocks, bonds and savings accounts. Real estate and venture capital opportunities.

It is understood that the foregoing statement of purposes shall not serve as a limitation on the powers or abilities of this LLC, which shall be permitted to engage in any and all lawful business activities. If this LLC intends to engage in business activities outside the state of its formation that require the qualification of the LLC in other states, it shall obtain such qualification before engaging in such out-of-state activities.

(6) **Duration of LLC:** The duration of this LLC shall be perpetual.

Further, this LLC shall terminate when a proposal to dissolve the LLC is adopted by the membership of this LLC or when this LLC is otherwise terminated in accordance with law.

### **II.**

#### **Membership Provisions**

(1) **Non-liability of Members:** No member of this LLC shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims made against it.

(2) **Reimbursement for Organizational Costs:** Members shall be reimbursed by the LLC for organizational expenses paid by the members. The LLC shall be authorized to elect to deduct organizational expenses and start-up expenditures ratably over a period of time as permitted by the Internal Revenue Code and as may be advised by the LLC's tax advisor.

(3) **Management:** This LLC shall be managed exclusively by all of its members.

(4) **Members' Percentage Interests:** A member's percentage interest in this LLC shall be computed as a fraction, the numerator of which is the total of a member's capital account and the denominator of which is the total of all capital accounts of all members. This fraction shall be expressed in this agreement as a percentage, which shall be called each member's "percentage interest" in this LLC.

(5) **Membership Voting:** Except as otherwise may be required by the Articles of

Organization, Certificate of Formation or a similar organizational document, other provisions of this operating agreement, or under the laws of this state, each member shall vote on any matter submitted to the membership for approval in proportion to the member's percentage interest in this LLC. Further, unless defined otherwise for a particular provision of this operating agreement, the phrase "majority of members" means the vote of members whose combined votes equal more than 50% of the votes of all members in this LLC.

(6) Compensation: Members shall not be paid as members of the LLC for performing any duties associated with such membership, including management of the LLC. Members may be paid, however, for any services rendered in any other capacity for the LLC, whether as officers, employees, independent contractors or otherwise.

(7) Members' Meetings: The LLC shall not provide for regular members' meetings. However, any member may call a meeting by communicating his or her wish to schedule a meeting to all other members. Such notification may be in person or in writing, or by telephone, facsimile machine, or other form of electronic communication reasonably expected to be received by a member, and the other members shall then agree, either personally, in writing, or by telephone, facsimile machine or other form of electronic communication to the member calling the meeting, to meet at a mutually acceptable time and place. Notice of the business to be transacted at the meeting need not be given to members by the member calling the meeting, and any business may be discussed and conducted at the meeting.

If all members cannot attend a meeting, it shall be postponed to a date and time when all members can attend, unless all members who do not attend have agreed in writing to the holding of the meeting without them. If a meeting is postponed, and the postponed meeting cannot be held either because all members do not attend the postponed meeting or the nonattending members have not signed a written consent to allow the postponed meeting to be held without them, a second postponed meeting may be held at a date and time announced at the first postponed meeting. The date and time of the second postponed meeting shall also be communicated to any members not attending the first postponed meeting. The second postponed meeting may be held without the attendance of all members as long as a majority of the percentage interests of the membership of this LLC is in attendance at the second postponed meeting. Written notice of the decisions or approvals made at this second postponed meeting shall be mailed or delivered to each nonattending member promptly after the holding of the second postponed meeting.

Written minutes of the discussions and proposals presented at a members' meeting, and the votes taken and matters approved at such meeting, shall be taken by one of the members or a person designated at the meeting. A copy of the minutes of the meeting shall be placed in the LLC's records book after the meeting.

(8) Membership Certificates: This LLC shall be authorized to obtain and issue certificates representing or certifying membership interests in this LLC. Each certificate shall show the name of the LLC, the name of the member, and state that the person named is a member of the LLC and is entitled to all the rights granted members of the LLC under the Articles of Organization, Certificate of Formation or a similar organizational document, this operating agreement and provisions of law. Each membership certificate shall be consecutively numbered and signed by one or more officers of this LLC. The certificates shall include any additional information considered appropriate for inclusion by the members on membership certificates.

In addition to the above information, all membership certificates shall bear a prominent legend on their face or reverse side stating, summarizing or referring to any transfer restrictions that apply to memberships in this LLC under the Articles of Organization, Certificate of Formation or a similar organizational document and/or this

operating agreement, and the address where a member may obtain a copy of these restrictions upon request from this LLC.

The records book of this LLC shall contain a list of the names and addresses of all persons to whom certificates have been issued, show the date of issuance of each certificate, and record the date of all cancellations or transfers of membership certificates.

(9) Other Business by Members: Each member shall agree not to own an interest in, manage or work for another business, enterprise or endeavor, if such ownership or activities would compete with this LLC's business goals, mission, profitability or productivity, or would diminish or impair the member's ability to provide maximum effort and performance in managing the business of this LLC.

### III.

#### Tax and Financial Provisions

(1) Tax Classification of LLC: The members of this LLC intend that this LLC be initially classified as a domestic limited liability company for federal and, if applicable, state income tax purposes. It is understood that all members may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.

(2) Tax Year and Accounting Method: The tax year of this LLC shall be January to December. Both the tax year and the accounting period of the LLC may be changed with the consent of all members if the LLC qualifies for such change, and may be effected by the filing of appropriate forms with the IRS and state tax authorities.

(3) Tax Matters Partner: If this LLC is required under Internal Revenue Code provisions or regulations, it shall designate from among its members a "tax matters partner" in accordance with Internal Revenue Code Section 6231(a)(7) and corresponding regulations, who will fulfill this role by being the spokesperson for the LLC in dealings with the IRS as required under the Internal Revenue Code and Regulations, and who will report to the members on the progress and outcome of these dealings.

(4) Annual Income Tax Returns and Reports: Within 60 days after the end of each tax year of the LLC, a copy of the LLC's state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to each member of the LLC, together with any additional information and forms necessary for each member to complete his or her individual state and federal income tax returns. If this LLC is classified as a partnership for income tax purposes, this additional information shall include a federal (and, if applicable, state) Form K-1 (Form 1065-Partner's Share of Income, Credits, Deductions) or equivalent income tax reporting form. This additional information shall also include a financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.

(5) Bank Accounts: The LLC shall designate one or more banks or other institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment and other such accounts as are reasonable and necessary for its business and investments. One or more members of the LLC shall be designated with the consent of all members to deposit and withdraw funds of the LLC, and to direct the investment of funds from, into and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of any members of the LLC.

(6) Title to Assets: All personal and real property of this LLC shall be held in the name of the LLC, not in the names of individual members.

### IV.

#### Capital Provisions

(1) **Capital Contributions by Members:** The fair market values of items of property or services as agreed between the LLC and the contributing member are also shown below. The percentage interest in the LLC that each member shall receive in return for his or her capital contribution is also indicated for each member. Capital contributions made be made as repayment of loans. Percentage of interest in LLC will be determined by members, not necessary by their capital contribution. Members will vote on percentages.

| Name           | Percentage Interest in LLC |
|----------------|----------------------------|
| George Prost   | 99%                        |
| Rosemary Prost | 1%                         |

(2) **Additional Contributions by Members:** The members may agree, from time to time by unanimous vote, to require the payment of additional capital contributions by the members, on or by a mutually agreeable date.

(3) **Failure to Make Contributions:** If a member fails to make a required capital contribution within the time agreed for a member's contribution, the remaining members may, by unanimous vote, agree to reschedule the time for payment of the capital contribution by the late-paying member, setting any additional repayment terms, such as a late payment penalty, rate of interest to be applied to the unpaid balance, or other monetary amount to be paid by the delinquent member, as the remaining members decide. Alternatively, the remaining members may, by unanimous vote, agree to cancel the membership of the delinquent member, provided any prior partial payments of capital made by the delinquent member are refunded promptly by the LLC to the member after the decision is made to terminate the membership of the delinquent member.

(4) **No Interest on Capital Contributions:** No interest shall be paid on funds or property contributed as capital to this LLC, or on funds reflected in the capital accounts of the members.

(5) **Capital Account Bookkeeping:** A capital account shall be set up and maintained on the books of the LLC for each member. It shall reflect each member's capital contribution to the LLC, increased by each member's share of profits in the LLC, decreased by each member's share of losses and expenses of the LLC, and adjusted as required in accordance with applicable provisions of the Internal Revenue Code and corresponding income tax regulations.

(6) **Consent to Capital Contribution Withdrawals and Distributions:** Members shall not be allowed to withdraw any part of their capital contributions or to receive distributions, whether in property or cash, except as otherwise allowed by this agreement and, in any case, only if such withdrawal is made with the written consent of all members.

(7) **Allocations of Profits and Losses:** No member shall be given priority or preference with respect to other members in obtaining a return of capital contributions, distributions or allocations of the income, gains, losses, deductions, credits or other items of the LLC. The profits and losses of the LLC, and all items of its income, gain, loss, deduction and credit shall be allocated to members according to each member's percentage interest in this LLC.

(8) **Allocation and Distribution of Cash to Members:** Cash from LLC business operations, as well as cash from a sale or other disposition of LLC capital assets, may be distributed from time to time to members in accordance with each member's percentage interest in the LLC.

(9) **Allocation of Noncash Distributions:** If proceeds consist of property other than cash, the members shall decide the value of the property and allocate such value among the members in accordance with each member's percentage interest in the LLC. If such



noncash proceeds are later reduced to cash, such cash may be distributed among the members as otherwise provided in this agreement.

(10) Allocation and Distribution of Liquidation Proceeds: Regardless of any other provision in this agreement, if there is a distribution in liquidation of this LLC, or when any member's interest is liquidated, all items of income and loss shall be allocated to the members' capital accounts, and all appropriate credits and deductions shall then be made to these capital accounts before any final distribution is made. A final distribution shall be made to members only to the extent of, and in proportion to, any positive balance in each member's capital account.

V.

#### Membership Withdrawal and Transfer Provisions

(1) Withdrawal of Members: A member may withdraw from this LLC by giving written notice to all other members at least 30 days before the date the withdrawal is to be effective.

(2) Restrictions on the Transfer of Membership: A member shall not transfer his or her membership in the LLC unless all nontransferring members in the LLC first agree to approve the admission of the transferee into this LLC. Further, no member may encumber a part or all of his or her membership in the LLC by mortgage, pledge, granting of a security interest, lien or otherwise, unless the encumbrance has first been approved in writing by all other members of the LLC.

Notwithstanding the above provision, any member shall be allowed to assign an economic interest in his or her membership to another person without the approval of the other members. Such an assignment shall not include a transfer of the member's voting or management rights in this LLC, and the assignee shall not become a member of the LLC.

VI.

#### Dissolution Provisions

(1) Events That Trigger Dissolution of the LLC: The following events shall trigger a dissolution of the LLC, except as provided:

(a)

the death, permanent incapacity, bankruptcy, retirement, resignation or expulsion of a member. All remaining members of the LLC may vote to continue the legal existence of the LLC, in which case the LLC shall not dissolve;

(b)

the expiration of the term of existence of the LLC if such term is specified in the Articles of Organization, Certificate of Formation or a similar organizational document, or this operating agreement;

(c)

the written agreement of all members to dissolve the LLC;

(d)

entry of a decree of dissolution of the LLC under state law.

VII.

#### General Provisions

(1) **Officers:** The LLC may designate one or more officers, such as a President, Vice President, Secretary and Treasurer. Persons who fill these positions need not be members of the LLC. Such positions may be compensated or noncompensated according to the nature and extent of the services rendered for the LLC as a part of the duties of each office. Ministerial services only as a part of any officer position will normally not be compensated, such as the performance of officer duties specified in this agreement, but any officer may be reimbursed by the LLC for out-of-pocket expenses paid by the officer in carrying out the duties of his or her office.

(2) **Records:** The LLC shall keep at its principal business address a copy of all proceedings of membership meetings, as well as books of account of the LLC's financial transactions. A list of the names and addresses of the current membership of the LLC also shall be maintained at this address, with notations on any transfers of members' interests to nonmembers or persons being admitted into membership in the LLC.

Copies of the LLC's Articles of Organization, Certificate of Formation or a similar organizational document, a signed copy of this operating agreement, and the LLC's tax returns for the preceding three tax years shall be kept at the principal business address of the LLC. A statement also shall be kept at this address containing any of the following information that is applicable to this LLC:

- the amount of cash or a description and value of property contributed or agreed to be contributed as capital to the LLC by each member;
- a schedule showing when any additional capital contributions are to be made by members to this LLC;
- a statement or schedule, if appropriate, showing the rights of members to receive distributions representing a return of part or all of members' capital contributions; and
- a description of, or date when, the legal existence of the LLC will terminate under provisions in the LLC's Articles of Organization, Certificate of Formation or a similar organizational document, or this operating agreement.

If one or more of the above items is included or listed in this operating agreement, it will be sufficient to keep a copy of this agreement at the principal business address of the LLC without having to prepare and keep a separate record of such item or items at this address.

Any member may inspect any and all records maintained by the LLC upon reasonable notice to the LLC. Copying of the LLC's records by members is allowed, but copying costs shall be paid for by the requesting member.

(3) **All Necessary Acts:** The members and officers of this LLC are authorized to perform all acts necessary to perfect the organization of this LLC and to carry out its business operations expeditiously and efficiently. The Secretary of the LLC, or other officers, or all members of the LLC, may certify to other businesses, financial institutions and individuals as to the authority of one or more members or officers of this LLC to transact specific items of business on behalf of the LLC.

(4) **Mediation and Arbitration of Disputes Among Members:** In any dispute over the provisions of this operating agreement and in other disputes among the members, if the members cannot resolve the dispute to their mutual satisfaction, the matter shall be submitted to mediation. The terms and procedure for mediation shall be arranged by the parties to the dispute.

If good-faith mediation of a dispute proves impossible or if an agreed-upon mediation outcome cannot be obtained by the members who are parties to the dispute, the dispute may be submitted to arbitration in accordance with the rules of the American

Arbitration Association. Any party may commence arbitration of the dispute by sending a written request for arbitration to all other parties to the dispute. The request shall state the nature of the dispute to be resolved by arbitration, and, if all parties to the dispute agree to arbitration, arbitration shall be commenced as soon as practical after such parties receive a copy of the written request.

All parties shall initially share the cost of arbitration, but the prevailing party or parties may be awarded attorney fees, costs and other expenses of arbitration. All arbitration decisions shall be final, binding and conclusive on all the parties to arbitration, and legal judgment may be entered based upon such decision in accordance with applicable law in any court having jurisdiction to do so.

(5) Entire Agreement: This operating agreement represents the entire agreement among the members of this LLC, and it shall not be amended, modified or replaced except by a written instrument executed by all the parties to this agreement who are current members of this LLC as well as any and all additional parties who became members of this LLC after the adoption of this agreement. This agreement replaces and supersedes all prior written and oral agreements among any and all members of this LLC.

(6) Severability: If any provision of this agreement is determined by a court or arbitrator to be invalid, unenforceable or otherwise ineffective, that provision shall be severed from the rest of this agreement, and the remaining provisions shall remain in effect and enforceable.

#### VIII.

##### Signatures of Members and Spouses

(1) Execution of Agreement: In witness whereof the members of this LLC sign and adopt this agreement as the operating agreement of this LLC.

Date: January 1, 2006

Signature: 

Printed Name: George Prost, Member

Date: January 1, 2006

Signature: 

Printed Name: Rosemary Prost, Member



# EXHIBIT 7

BEFORE THE NATIONAL ADJUDICATORY COUNCILNASD

In the Matter of the Association of

George L. Prost

as a

General Securities Representative

with

R. Seelaus & Co., Inc.

Notice Pursuant to  
Rule 19h-1  
Securities Exchange Act  
of 1934

SD-1665

Date: October 20, 2006

## **I. Introduction**

On February 10, 2006, R. Seelaus & Co., Inc. ("Seelaus" or "the Firm") completed a Membership Continuance Application ("MC-400" or "the Application") seeking to permit George L. Prost ("Prost"), a person subject to a statutory disqualification, to associate with the Firm as a general securities representative. A hearing was not held in this matter. Rather, pursuant to NASD Procedural Rule 9523, NASD's Department of Member Regulation ("Member Regulation") recommended that the Chair and Vice Chair of the Statutory Disqualification Committee, acting on behalf of the National Adjudicatory Council, approve Prost's association with Seelaus.

For the reasons explained below, we approve the Application.

## **II. The Statutorily Disqualifying Event**

Prost is statutorily disqualified because on January 4, 2005, he pled guilty to the criminal charge of "death by auto," a felony in the state of New Jersey. The two-car traffic accident that led to the felony charge against Prost occurred on December 10, 2001,<sup>1</sup> and killed the driver of the other vehicle. The accident was attributed to "reckless driving" by Prost, but did not involve

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<sup>1</sup> NASD's Central Registration Depository ("CRD<sup>®</sup>") incorrectly identifies the date of the accident as December 2002. Prost confirmed by written statement dated September 14, 2006, that the actual date of the accident was December 10, 2001.

- 2 -

drugs or alcohol. The court sentenced Prost to 364 days in jail (Prost served three months in a work-release facility), five years' probation,<sup>2</sup> and four years' revocation of driving privileges.

### III. Background Information

#### A. Prost's Background

Prost first registered in the securities industry as a municipal securities representative (Series 52) in October 1985. He subsequently qualified as a uniform securities agent state law (Series 63) in July 1991 and a general securities representative (Series 7) in April 1992.

CRD shows that Prost was employed by six different firms from April 1984 until May 2005. Prost appeared to contradict CRD's depiction of his work history in a written statement he submitted on February 10, 2006, asserting that he "had one job in this business . . . a plus 20 something year relationship at one firm." When asked to address this discrepancy, Prost submitted a second statement dated September 14, 2006, maintaining that he has been effectively employed by one continuous firm since 1984 because some of his previous employers merged into one another and he was subject to the same management team under different firm names.

The record shows no additional complaints or disciplinary actions against Prost.

#### B. The Firm

Seelaus became an NASD member on June 6, 1984. The Firm engages in a general securities business, maintains one office of supervisory jurisdiction ("OSJ") and four branch offices, and employs four registered principals and 41 registered representatives.

NASD conducted routine examinations of Seelaus in 2000, 2002, and 2004 and has begun, but not yet completed, its 2006 routine examination of the Firm. Following the 2004 examination, NASD issued the Firm a Letter of Caution ("LOC") for inaccurate net capital calculations, one unfair price for a municipal securities transaction, one reporting violation, and written supervisory procedures inaccuracies. The Firm did not respond in writing to the LOC because it had provided an earlier response to NASD during an exit conference.

NASD also issued the Firm an LOC following the 2002 examination, citing Seelaus for several infractions, including books and records violations, failure to provide certain representatives with copies of their Uniform Termination Notices for Securities Industry Registration ("Forms U5"), incomplete written supervisory procedures, inaccurate net capital calculations, and one excessive mark-up on a principal transaction. The Firm responded in

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<sup>2</sup> Prost's five-year probation is currently scheduled to terminate on April 29, 2010. Prost provided a written record of appointments he attended with his probation officer to show that he has thus far complied with his probation requirements.

- 3 -

writing on April 22, 2002, to the preliminary examination findings; on May 28, 2002, to the exit interview; and on July 30, 2002 to the final LOC, stating that it had corrected the deficiencies noted by NASD.

Following the 2000 examination, NASD issued the Firm an LOC and a Letter of Acceptance, Waiver and Consent ("AWC"). The LOC cited the Firm for failing to conduct background checks of prospective employees, inaccurate net capital calculations, books and records violations, late filing of a financial report, and incomplete written supervisory procedures. Seelaus responded by letter dated July 14, 2000, stating that it had addressed the deficiencies noted by NASD. The AWC that resulted from the 2000 examination imposed a \$5,000 fine on the Firm for failing to designate a principal and maintain adequate written supervisory procedures for several of its business operations, including government securities and corporate debt.

The Firm also is the subject of recent state disciplinary actions. In July 1999, the North Dakota Office of the Securities Commissioner fined the Firm \$500 for executing a securities transaction when it was not registered in that state. In March 1999, the Maryland Division of Securities fined the Firm \$500 for transacting business in Maryland prior to the approval of its broker-dealer registration in that state.

The record shows no additional customer complaints, disciplinary proceedings, or arbitrations against the Firm.

#### **IV. Prost's Proposed Business Activities and Supervision**

Seelaus proposes that Prost be employed as a trader of mortgage backed bonds. Prost will be responsible for maintaining inventory on such bonds for salespersons and for the Firm's proprietary trading. The Firm represents that Prost will not handle individual accounts or have contact with the general public, although he may have some interaction with institutional account customers. The Firm will compensate Prost through a salary and a share in the profitability of his department.

The Firm further proposes that August Cellitti ("Cellitti") will be Prost's primary responsible supervisor. Cellitti has been in the securities industry since 1982 and became a general securities principal (Series 24) in February 1992. He has been employed by Seelaus since 1986, became a sales manager for the Firm in 1993, and has been the Firm's secretary since 1999.<sup>3</sup> NASD's Central Registration Depository ("CRD"<sup>®</sup>) shows no disciplinary proceedings, complaints, or arbitrations against Cellitti.

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<sup>3</sup> Cellitti was registered with three firms prior to joining Seelaus in 1986.

**V. Member Regulation's Recommendation**

Member Regulation recommends approval of the Application for Prost to associate as a general securities representative with Seelaus, pursuant to the terms and conditions of heightened supervisory procedures set forth below.

**VI. Discussion**

After carefully reviewing the entire record in this matter, we approve the Application to employ Prost as a general securities representative, subject to the supervisory terms and conditions set forth below.

In reviewing this type of application, we consider whether the particular felony at issue, examined in light of the circumstances related to the felony, and other relevant facts and circumstances, creates an unreasonable risk of harm to the market or investors.<sup>4</sup> We assess the totality of the circumstances in reaching a judgment about Prost's future ability to deal with the public in a manner that comports with NASD's requirements for high standards of commercial honor and just and equitable principles of trade in the conduct of his business.

For the reasons set forth below, we conclude that Prost's participation in the securities industry as proposed with Seelaus will not present an unreasonable risk of harm to the market or investors.

We acknowledge the seriousness of Prost's criminal conviction in connection with the tragic accident that resulted in a person's death. We also recognize that Prost has been punished for his crime by the New Jersey legal system, which imprisoned him and placed him on probation for five years. Prost completed his prison sentence by complying with a three-month work release program, and the record shows that he has thus far complied fully with the terms of his probation.

We further note that although Prost's felony conviction is a recent event, it did not result from securities or financial-related activities, and did not involve drugs or alcohol. Moreover, Prost has been employed in the securities industry since 1985 without any disciplinary history.

We have also considered the fact that Seelaus does have a disciplinary history, but we conclude that it does not raise substantive concerns about the Firm's business activities or supervisory system. The supervisory deficiencies that NASD cited in the LOCs issued to the

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<sup>4</sup> See *Frank Kufrovich*, Exchange Act Rel. No. 45437, 2002 SEC LEXIS 357, at \*16 (Feb. 13, 2002) (upholding NASD's denial of a statutory disqualification applicant who had committed non-securities related felonies "based upon the totality of the circumstances" and NASD's explanation of the bases for its conclusion that the applicant would present an unreasonable risk of harm to the market or investors).



- 5 -

Firm in 2004, 2002, and 2000, and the AWC issued in 2000 related to the sufficiency of the Firm's written supervisory procedures and not to actual supervisory failures. In addition, Seelaus responded in each instance and stated that the noted deficiencies had been resolved.

The Firm has also agreed to a comprehensive supervisory plan to ensure that it will be able to maintain future compliance with the plan of heightened supervision for Prost. The Firm has proposed a limited role for Prost. He will not have contact with the general public as a securities representative and will not handle individual accounts. Moreover, for the duration of Prost's statutory disqualification, the Firm must obtain prior approval from Member Regulation to change either Prost's job responsibilities or his supervisor.

Finally, Prost's proposed supervisor, Cellitti, is well qualified and has worked in the securities industry since 1982 with no disciplinary history.

In sum, given the nature of Prost's felony offense and the fact that he previously has been successfully employed in the securities industry, we conclude that the following supervisory conditions agreed to by Seelaus will provide the enhanced compliance measures necessary to monitor Prost's activities:<sup>5</sup>

1. \*Seelaus will amend its written supervisory procedures to state that Cellitti is Prost's primary supervisor;
2. \*Prost will not have contact with the general public as a securities representative, will not cover individual accounts, and will not maintain discretionary accounts;
3. \*Prost will not act in a supervisory capacity;
4. \*Prost will be supervised on-site by Cellitti;
5. \*If Cellitti is out of the office, Bernard Garruppo ("Garruppo"), a registered principal of the Firm, will act as Prost's interim supervisor;<sup>6</sup>
6. \*Cellitti will review Prost's trade reports on a daily basis and will evidence his review by initialing the reports. The reports will detail all trades that are filled by Prost, as trader. Trade reports for Prost will be kept separate from those of other traders, and will be kept segregated for ease of review;

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<sup>5</sup> All of the items are denoted by an asterisk because they are heightened supervisory conditions and not standard operating procedures of the Firm.

<sup>6</sup> Garruppo has been in the securities industry since 1986, became a general securities principal (Series 24) in 1991, joined Seelaus in 1993, and has no disciplinary history.

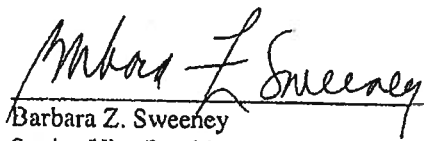
- 6 -

7. \*Cellitti will review Prost's incoming written correspondence (which will include e-mail communications) upon its arrival and will review Prost's outgoing correspondence before it is sent;
8. \*All complaints pertaining to Prost, whether verbal or written, will be immediately referred to Cellitti for review, and then to the Compliance Department of Seelaus. Cellitti will prepare a memorandum to the file as to what measures he took to investigate the merits of the complaint (e.g., contact with the customer) and the resolution of the matter. The Firm will keep documents pertaining to these complaints segregated for ease of review;
9. \*For the duration of Prost's statutory disqualification, Seelaus must obtain prior approval from Member Regulation if it wishes to change Prost's employment to a role that would involve more direct interaction with the public (i.e. from trader to representative);
10. \*For the duration of Prost's statutory disqualification, Seelaus must obtain prior approval from Member Regulation if it wishes to change Prost's primary supervisor from Cellitti to another person; and
11. \*Cellitti must certify quarterly (March 31st, June 30th, September 30th, and December 31st) to the Compliance Department of Seelaus that Prost and Cellitti are in compliance with all of the above conditions of heightened supervision.

NASD certifies that: 1) Prost meets all applicable requirements for the proposed employment; 2) the Firm represents that it is not a member of any other self-regulatory organization; 3) the Firm represents that Prost and Cellitti are not related by blood or marriage; and 4) the Firm represents that it does not employ any other statutorily disqualified individuals.

Accordingly, we approve the Application for Seelaus to employ Prost as a general securities representative. In conformity with the provisions of SEC Rule 19h-1, the association of Prost as a general securities representative with the Firm will become effective within 30 days of the receipt of this notice by the Commission, unless otherwise notified by the Commission.

On Behalf of the National Adjudicatory Council,

  
Barbara Z. Sweeney  
Senior Vice President and Corporate Secretary

# EXHIBIT 8



DIVISION OF  
MARKET REGULATION

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20540

CKV

1334567

SS# 108.54.0222

November 29, 2006

Deborah F. McIlroy, Esq.  
Associate General Counsel  
NASD  
1735 K Street, N.W.  
Washington, DC 20006

Re: SD-1665: In the Matter of the Proposed Association of George L. Prost  
with R. Seclaus & Co., Inc.

Dear Ms. McIlroy:

The Division has concluded its review of the notice filed by the National Association of Securities Dealers, Inc. ("NASD") pursuant to Rule 19b-1 under the Securities Exchange Act of 1934 ("Exchange Act") concerning the proposed association of George L. Prost ("Prost") as a general securities representative with R. Seclaus & Co., Inc. ("Firm"), at its home office located in Summit, New Jersey. Mr. Prost is subject to a statutory disqualification as a result of his January 4, 2005, felony conviction for "death by auto" in the state of New Jersey.

In reliance upon the information and representations contained in the notice, the Division will not recommend to the Commission that it invoke Section 15A(g)(2) of the Exchange Act to direct NASD to bar Mr. Prost from associating as a general securities principal with the Firm.

Sincerely,

*Robert C. Cushman*

Robert C. Cushman  
Attorney  
Office of Chief Counsel

000010340 2006

# EXHIBIT 9



Financial Industry Regulatory Authority

Lorraine Lee  
 FINRA  
 Statutory Disqualification Administrator  
 Shared Services  
 Telephone: 240-386-4783  
 Fax: 240-386-5568  
 E-mail: lorraine.lee@finra.org

April 28, 2008

**Via Commerical Courier**

Ms. Nancy M. Morris  
 Secretary  
 U.S. Securities and Exchange Commission  
 100 F Street, NW  
 Washington, D.C. 20549-1090

Re: **In the Matter of the Association of George Prost (CRD # 1334567) with SecureVest Financial Group (BD # 10100)**

Dear Ms. Morris:

This is to advise you that George Prost, a person subject to a statutory disqualification, was permitted to become associated with Securevest Financial Group ("SecureVest" or "the Firm") as a general securities representative, effective April 18, 2008. Mr. Prost is now employed at the Firm's branch office located at 355 Madison Avenue, Suite 100, Morristown, New Jersey, under the supervision of August Cellitti (CRD # 1051780), a general securities principal. Mr. Cellitti has not been the subject of any formal or informal disciplinary proceedings and was previously approved to supervise Mr. Prost in the 19h-1 Notice filed by NASD on October 20, 2006.<sup>1</sup>

Mr. Prost is subject to a disqualification as a result of a January 4, 2005 guilty plea to the criminal charge of "death by auto," a felony in the state of New Jersey. The two-car accident that led to the felony charge against Prost occurred on December 10, 2001, and killed the driver of the other vehicle. The accident was attributed to "reckless driving" by Prost, but did not involve drugs or alcohol. The court sentenced Prost to 364 days in jail (Prost served three months in a work-release facility), five years' probation and four years' revocation of driving privileges.<sup>2</sup>

As earlier stated, Mr. Prost's association as a general securities representative with R. Seelaus & Co., Inc., was the subject of a Notice, pursuant to Rule 19h-1, promulgated under the Securities Exchange Act of 1934 ("Exchange Act") and filed by NASD on October 20,

<sup>1</sup> See Notice Pursuant to Rule 19h-1, In the Matter of George L. Prost as a General Securities Representative with R. Seelaus & Co., Inc., filed by NASD on October 20, 2006 (attached as Exhibit 1.)

<sup>2</sup> See Prost's Plea Form wherein he pled guilty (attached as Exhibit 2).

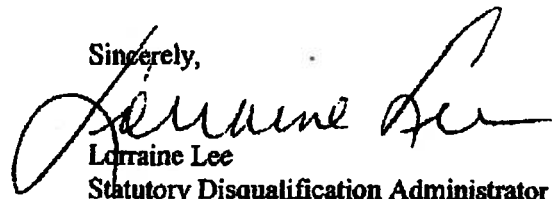
Ms. Nancy M. Morris  
U.S. Securities and Exchange Commission  
April 28, 2008  
Page 2

2006.<sup>3</sup> The U.S. Securities and Exchange Commission acknowledged FINRA's 19h-1 Notice on November 29, 2006.<sup>4</sup>

It should be noted that in its Membership Continuance Application ("MC-400 Application" or "Application"), SecureVest discloses that Mr. Prost has loaned \$225,000 to Argentis Holdings, the holding company for the Firm.<sup>5</sup> In response to FINRA's inquiry with respect to this arrangement, the Firm has indicated in a correspondence that "Mr. Prost's status as an investor in Argentis Holdings is that of a "passive investor."<sup>6</sup> As such, he retains no managerial or decision making rights in the activities of Argentis Holding. Furthermore, Mr. Prost likewise retains no managerial, supervisory or decision making rights for SecureVest Financial Group, Inc." In that Mr. Prost has no managerial or ownership interest in SecureVest, FINRA does not believe that this arrangement would conflict with Mr. Prost being associated with the Firm in the capacity of a general securities representative.

FINRA finds, after reasonable inquiry, that the terms and conditions of the proposed employment are similar in all material respects to those previously approved. Our finding is conditioned on the Firm's MC-400 Application and related materials, filed by the Firm on March 27, 2008.<sup>7</sup> FINRA knows of no other conduct or other circumstances that would cause Mr. Prost's association with SecureVest to be inconsistent with the public interest or the protection of investors and believes that this form of notification is appropriate, pursuant to SEC Rule 19h-1(a)(3)(ii). The Firm is not a member of any other self-regulatory organization.

Sincerely,



Lorraine Lee  
Statutory Disqualification Administrator  
FINRA

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<sup>3</sup>See Exhibit 1.

<sup>4</sup>See letter from Robert C. Cushmac, Attorney, Office of Chief Counsel, Division of Market Regulation, U.S. Securities and Exchange Commission to Deborah F. McIlroy, Esq., Associate General Counsel, NASD (November 29, 2006) (attached as Exhibit 3).

<sup>5</sup>See MC-400 Application (and attachments) filed by SecureVest on March 27, 2008. The "Promissory Note" appears as Attachment # 5 to the Firm's MC-400 Application (attached as Exhibit 4).

<sup>6</sup>See letter from August Cellitti, of SecureVest, to Lorraine Lee, of FINRA, dated April 18, 2008 (attached as Exhibit 5).

<sup>7</sup>See Exhibit 4.

Ms. Nancy M. Morris  
U.S. Securities and Exchange Commission  
April 28, 2008  
Page 3

**Enclosures**

|  |  |
|--|--|
| <b>cc: Daniel M. Sibears</b>                     | <b>(Via Interoffice Mail)</b>                                    |
| <b>Executive Vice President</b>                  |  |
| <b>Shared Services</b>                           |  |
| <b>FINRA</b>                                     |  |
| <br><b>William Jannace</b>                       | <br><b>(Via Interoffice Mail)</b>                                |
| <b>Managing Director</b>                         |  |
| <b>Shared Services</b>                           |  |
| <b>FINRA</b>                                     |  |
| <br><b>Deborah McIlroy, Esq.</b>                 | <br><b>(Via Interoffice Mail)</b>                                |
| <b>Associate General Counsel</b>                 |  |
| <b>Office of General Counsel</b>                 |  |
| <b>FINRA</b>                                     |  |
| <br><b>Matthew Vitek, Esq.</b>                   | <br><b>(Via Interoffice Mail)</b>                                |
| <b>Attorney</b>                                  |  |
| <b>Shared Services</b>                           |  |
| <b>FINRA</b>                                     |  |
| <br><b>David Chiu</b>                            | <br><b>(Via Interoffice Mail)</b>                                |
| <b>Examination Manager</b>                       |  |
| <b>FINRA – Woodbridge District Office</b>        |  |
| <br><b>Brook Herman</b>                          | <br><b>(Via Interoffice Mail)</b>                                |
| <b>Senior Statutory Disqualification Analyst</b> |  |
| <b>Registration and Disclosure</b>               |  |
| <b>FINRA</b>                                     |  |
| <br><b>Robert C. Cushnac</b>                     | <br><b>(Via Commercial Courier)</b>                              |
| <b>Attorney</b>                                  |  |
| <b>U.S. Securities and Exchange Commission</b>   |  |
| <b>Division of Trading and Markets</b>           |  |
| <br><b>August Cellitti</b>                       | <br><b>(Via First Class Mail &amp; Facsimile ((973-605-8401)</b> |
| <b>SecureVest Financial Group</b>                |  |



# EXHIBIT 10



DIVISION OF  
TRADING AND MARKETS

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

May 20, 2008

Via First Class Mail and Facsimile

Lorraine Lee  
FINRA  
Statutory Disqualification Administrator  
9509 Key West Avenue  
Rockville, MD 20850

Re: In the Matter of the Association of George Prost  
(CRD #1334567 with SecureVest Financial Group (BD # 10100))

Dear Ms. Lee:

This letter acknowledges receipt of the notification filed by FINRA, pursuant to Rules 19h-1(a)(3)(ii) and (a)(4) under the Securities Exchange Act of 1934 ("Exchange Act"), regarding the association of George Prost as a general securities representative with SecureVest Financial Group ("Firm"), at the Firm's branch office in Morristown, New Jersey. Mr. Prost is subject to a statutory disqualification as a result of his January 4, 2005, felony conviction for "death by auto" in the state of New Jersey. The felony conviction causes Mr. Prost to be subject to a statutory disqualification under Section 3(a)(39)(F) of the Exchange Act.

Sincerely,

*Robert Cushman* by 

Robert C. Cushman  
Special Counsel  
Office of Chief Counsel

# EXHIBIT 11



Financial Industry Regulatory Authority

Lorraine Lee  
 FINRA  
 Statutory Disqualification Administrator  
 Shared Services  
 Telephone: 240-386-4783  
 Fax: 240-386-5568  
 E-mail: lorraine.lee@finra.org

March 6, 2009

**Via Commercial Courier**

Ms. Elizabeth Murphy  
 Secretary  
 U.S. Securities and Exchange Commission  
 100 F Street, NE  
 Washington, D.C. 20549-1090

Re: In the Matter of the Association of George Prost (CRD # 1334567) with SecureVest Financial Group (BD # 10100)

Dear Ms. Murphy:

This is to advise you that George Prost ("Prost"), a person subject to a statutory disqualification, was permitted to become associated with R. Seelaus & Co., Inc. ("R. Seelaus" or "the Firm") as a general securities representative, effective March 6, 2009. Prost will be employed at the Firm's home office located at 25 DeForest Avenue, Suite 102, Summit, New Jersey 07901, under the supervision of Bernard Garruppo (CRD # 1357573), a general securities principal. Mr. Garruppo has not been the subject of any formal or informal disciplinary proceedings and was previously approved to supervise Prost during his earlier employment with R. Seelaus.<sup>1</sup>

Prost is subject to a disqualification as a result of a January 4, 2005 guilty plea to the criminal charge of "death by auto," a felony in the state of New Jersey. The two-car accident that led to the felony charge against Prost occurred on December 10, 2001, and killed the driver of the other vehicle. The accident was attributed to "reckless driving" by Prost, but did not involve drugs or alcohol. The court sentenced Prost to 364 days in jail (Prost served three months in a work-release facility), five years' probation and four years' revocation of driving privileges.<sup>2</sup>

As earlier stated, Prost was previously employed with R. Seelaus as a general securities representative. Prost's association with R. Seelaus was the subject of a Notice, pursuant to Rule 19h-1, promulgated under the Securities Exchange Act of 1934 ("Exchange Act") and

<sup>1</sup> See letter from Lorraine Lee to Richard Seelaus, of R. Seelaus, wherein the Department approves Bernard Garruppo as Prost's primary supervisor, dated July 17, 2007 (attached as Exhibit 1.)

<sup>2</sup> See Prost's Plea Form wherein he pled guilty (attached as Exhibit 2).

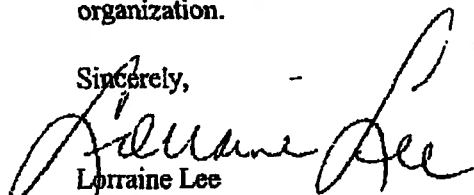
Ms. Elizabeth Murphy  
U.S. Securities and Exchange Commission  
March 6, 2009  
Page 2

filed by NASD on October 20, 2006.<sup>3</sup> The U.S. Securities and Exchange Commission acknowledged FINRA's 19h-1 Notice on November 29, 2006.<sup>4</sup>

Most recently, Prost was approved to be associated with SecureVest Financial Group ("SecureVest"). The 19h-1 notification, for Prost's association with SecureVest, was filed with the Commission on April 28, 2008.<sup>5</sup>

FINRA finds, after reasonable inquiry, that the terms and conditions of the Prost's proposed employment with R. Seelaus are similar in all material respects to those previously approved. Our finding is conditioned on the Firm's MC-400 Application and related materials, filed by the Firm on February 12, 2009.<sup>6</sup> FINRA knows of no other conduct or other circumstances that would cause Prost's association with R. Seelaus to be inconsistent with the public interest or the protection of investors and believes that this form of notification is appropriate, pursuant to SEC Rule 19h-1(a)(3)(ii). The Firm is not a member of any other self-regulatory organization.

Sincerely,



Lorraine Lee  
Statutory Disqualification Administrator  
FINRA

Enclosures

<sup>3</sup>See Notice Pursuant to Rule 19h-1, In the Matter of George L. Prost as a General Securities Representative with R. Seelaus & Co., Inc., filed by NASD on October 20, 2006 (attached as Exhibit 3).

<sup>4</sup>See letter from Robert C. Cushmac, Attorney, Office of Chief Counsel, Division of Market Regulation, U.S. Securities and Exchange Commission to Deborah F. McNroy, Esq., Associate General Counsel, NASD (November 29, 2006) (attached as Exhibit 4).

<sup>5</sup>See letter from Lorraine Lee, of FINRA, to Nancy M. Morris, Secretary of the SEC, dated April 28, 2008 (attached as Exhibit 5).

<sup>6</sup>See copy of MC-400 Application (and attachments) filed by R. Seelaus on February 12, 2009 (Exhibit 6).

**Ms. Elizabeth Murphy  
U.S. Securities and Exchange Commission  
March 6, 2009  
Page 3**

|   |  |
|---|--|
| <b>cc: Daniel M. Sibears<br/>Executive Vice President<br/>Sales Practice Policy<br/>FINRA</b>                         | <b>(Via Interoffice Mail)</b>                                |
| <b>William Jannace<br/>Managing Director<br/>Sales Practice Policy<br/>FINRA</b>                                      | <b>(Via Interoffice Mail)</b>                                |
| <b>Ann-Marie Mason<br/>Counsel<br/>Sales Practice Policy<br/>FINRA</b>  | <b>(Via Interoffice Mail)</b>                                |
| <b>Deborah McIlroy, Esq.<br/>Associate General Counsel<br/>Office of General Counsel<br/>FINRA</b>                    | <b>(Via Interoffice Mail)</b>                                |
| <b>Michael H. Paulsen<br/>Examination Manager<br/>FINRA – Woodbridge District Office</b>                              | <b>(Via Interoffice Mail)</b>                                |
| <b>Brook Herman<br/>Senior Statutory Disqualification Analyst<br/>Registration and Disclosure<br/>FINRA</b>           | <b>(Via Interoffice Mail)</b>                                |
| <b>Robert C. Cushmac<br/>Attorney<br/>U.S. Securities and Exchange Commission<br/>Division of Trading and Markets</b> | <b>(Via Commercial Courier)</b>                              |
| <b>Karolina Pajdak<br/>R. Seelaus &amp; Co., Inc.</b>   | <b>(Via First Class Mail &amp; Facsimile (908-273-7730))</b> |

# EXHIBIT 12



DIVISION OF  
TRADING AND MARKETS

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

April 14, 2009

Via First Class Mail and Facsimile

Lorraine Lee  
FINRA  
Statutory Disqualification Administrator  
9509 Key West Avenue  
Rockville, MD 20850

Re: In the Matter of the Association of George L. Prost (CRD # 1334567) with R.  
Seelaus & Co., Inc. (BD # 14974)

Dear Ms. Lee:

This letter acknowledges receipt of the notification filed by FINRA, pursuant to Rules 19h-1(a)(3)(ii) and (a)(4) under the Securities Exchange Act of 1934 ("Exchange Act"), regarding the association of George L. Prost as a general securities representative with R. Seelaus & Co., Inc. at its home office located at 25 DeForest Avenue, Suite 102, Summit, New Jersey, effective March 10, 2009. Mr. Prost is subject to a statutory disqualification as a result of his guilty plea to the criminal charge of "death by auto," a felony in the State of New Jersey, on January 4, 2005. This event causes Mr. Prost to be subject to a statutory disqualification under Section 3(a)(39)(F) of the Exchange Act.

Sincerely,

Robert C. Cushmac  
Special Counsel  
Office of Trading and Markets



# EXHIBIT 13

## Composite Information

Individual CRD#: 1371726

Individual Name: GLASSER, L. BRUCE

Full Legal Name GLASSER, L. BRUCE

Social Security Number XXX-XX-XXXX

Date Of Birth 06/22/1959

Employment Name INTERCOASTAL CAPITAL MARKETS, INC. (83)

Position Registered Representative

Independent No

Contractor

CRD Branch FINRA Address

Number OSJ

Firm  
Billing  
CodeNYSE Branch  
Code NumberBD Main -  
Supervised From5550 GLADES ROAD  
SUITE 308  
BOCA RATON, FL 33431-7277543703 - Located Yes  
At5550 GLADES ROAD  
BOCA RATON, FL 33431-7277555937 - Located Yes  
At1199 ROUTE 22 EAST  
STE. 310  
MOUNTAINSIDE, NJ 07092Residential Address 14 MORNINGSID AVENUE  
APT 46  
NEW YORK, NY 10026

Reportable Disclosures? Yes

Statutory  
Disqualification  
StatusLast  
Updated

Has Material Difference in Disclosure? No

Current CE Status Satisfied

| Disclosure Counts -    | Criminal | Regulatory Action | Customer Complaint | Other |
|------------------------|----------|-------------------|--------------------|-------|
| Current Disclosures    | 0        | 0                 | 1                  | 0     |
| Disclosure Counts -    | Criminal | Regulatory Action | Customer Complaint | Other |
| Historical Disclosures | 0        | 0                 | 1                  | 0     |

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## Registrations with Current Employers

Individual CRD#: 1371726

Individual Name: GLASSER, L. BRUCE

Firm CRD # : 83

Firm Name : INTERCOASTAL CAPITAL MARKETS, INC.

Employment Start Date

08/27/2012

| Regulatory Authority | Registration Category | Filing Date | Status Date | Registration Status | Approval Date |
|----------------------|-----------------------|-------------|-------------|---------------------|---------------|
| FINRA                | <u>GP</u>             | 02/18/2014  | 02/18/2014  | APPROVED            | 02/18/2014    |
| FINRA                | <u>GP</u>             | 08/28/2012  | 09/19/2013  | TERMED              | 08/28/2012    |
| FINRA                | <u>GS</u>             | 08/28/2012  | 09/04/2012  | APPROVED            | 08/28/2012    |
| FINRA                | <u>IB</u>             | 08/28/2012  | 09/04/2012  | APPROVED            | 08/28/2012    |
| FINRA                | <u>MP</u>             | 02/18/2014  | 02/18/2014  | APPROVED            | 02/18/2014    |
| FINRA                | <u>MP</u>             | 08/28/2012  | 09/19/2013  | TERMED              | 08/28/2012    |
| FINRA                | <u>MR</u>             | 02/18/2014  | 02/18/2014  | APPROVED            | 02/18/2014    |
| NY                   | <u>AG</u>             | 08/28/2012  | 09/05/2012  | APPROVED            | 09/05/2012    |

| Regulatory Authority | Registration Category | Filing Date | Status Date | Registration Status | Approval Date |
|----------------------|-----------------------|-------------|-------------|---------------------|---------------|
| FL                   | <u>AG</u>             | 08/28/2012  | 09/06/2012  | APPROVED            | 09/06/2012    |

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## Exam Information

Individual CRD#: 1371726

Individual Name: GLASSER, L. BRUCE

### Exam History

| Exam | Enrollment ID | Exam Status     | Status Date | Exam Date  | Grade  | Score | Window Begin Date | Window End Date |
|------|---------------|-----------------|-------------|------------|--------|-------|-------------------|-----------------|
| S3   | 18432534      | Window Expired  | 12/02/1993  |            |        | 0     |                   |                 |
|      | 18432533      | Window Expired  | 10/25/1985  |            |        | 0     |                   |                 |
|      | 18432532      | Official Result | 07/19/1985  | 07/19/1985 | Passed | 73    |                   |                 |
| S5   | 18432536      | Window Expired  | 10/25/1985  |            |        | 0     |                   |                 |
|      | 18432535      | Official Result | 06/20/1985  | 06/20/1985 | Passed | 82    |                   |                 |
| S7   | 18432540      | Official Result | 08/17/1985  | 08/17/1985 | Passed | 90    |                   |                 |
| S8   | 18432541      | Official Result | 10/24/1994  | 10/24/1994 | Passed | 79    |                   |                 |
| S9   | 18432542      | Window Expired  | 06/21/2001  |            |        |       | 02/21/2001        | 06/21/2001      |
| S10  | 18432529      | Window Expired  | 06/21/2001  |            |        |       | 02/21/2001        | 06/21/2001      |
| S15  | 18432530      | Official Result | 08/27/1985  | 08/27/1985 | Passed | 84    |                   |                 |
| S24  | 18432531      | Official Result | 08/03/1992  | 08/03/1992 | Passed | 80    |                   |                 |
| S53  | 18432537      | Official Result | 01/27/1997  | 01/27/1997 | Passed | 71    |                   |                 |
| S63  | 18432539      | Window Expired  | 10/25/1985  |            |        | 0     |                   |                 |
|      | 18432538      | Official Result | 05/17/1985  | 05/17/1985 | Passed | 88    |                   |                 |

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**U4 Employment History****Individual CRD#: 1371726****Individual Name: GLASSER, L. BRUCE****Office of Employment Address History**

| From       | To         | Firm   | CRD<br>Branch<br>Number       | NYSE<br>Branch<br>Code<br>Number | Firm<br>Billing<br>Code | Address   | Type of<br>Office  | Private<br>Residence |
|------------|------------|--|-------------------------------|----------------------------------|-------------------------|---|--------------------|----------------------|
| 02/18/2014 | Present    | INTERCOASTAL<br>CAPITAL MARKETS,<br>INC. (83)      | 555937                        |                                  |                         | 1199 ROUTE 22 EAST<br>STE. 310<br>MOUNTAINSIDE, NJ 07092          | Located At         | No                   |
| 09/03/2013 | Present    | INTERCOASTAL<br>CAPITAL MARKETS,<br>INC. (83)      | 543703                        |                                  |                         | 5550 GLADES ROAD<br>BOCA RATON, FL 33431-<br>7277                 | Located At         | No                   |
| 08/27/2012 | Present    | INTERCOASTAL<br>CAPITAL MARKETS,<br>INC. (83)      | BD Main                       |                                  |                         | 5550 GLADES ROAD<br>SUITE 308<br>BOCA RATON, FL 33431-<br>7277    | Supervised<br>From | No                   |
| 01/31/2011 | 11/19/2012 | HALCYON CABOT<br>PARTNERS,<br>LTD. (32664)         | 466020                        |                                  |                         | 405 LEXINGTON AVENUE,<br>7TH FL.<br>NEW YORK, NY 10174            | Located At         | No                   |
| 10/22/2010 | 11/19/2012 | HALCYON CABOT<br>PARTNERS,<br>LTD. (32664)         | BD Main                       | 1A                               |                         | 405 LEXINGTON AVENUE<br>7TH FLOOR<br>NEW YORK, NY 10174           | Located At         | No                   |
| 12/01/2006 | 05/07/2010 | MICG INVESTMENT<br>MANAGEMENT,<br>LLC (104028)     | 311850                        |                                  |                         | 1120 AVENUE OF THE<br>AMERICAS<br>4TH FLOOR<br>NEW YORK, NY 10036 | Located At         | No                   |
| 06/29/2006 | 11/30/2006 | JESUP & LAMONT<br>SECURITIES<br>CORP (39056)       | 289991                        |                                  |                         | 650 FIFTH AVE.<br>3RD FL.<br>NEW YORK, NY 10019                   | Located At         | No                   |
| 03/15/2004 | 11/30/2006 | JESUP & LAMONT<br>SECURITIES<br>CORP (39056)       | Non<br>Registered<br>Location |                                  |                         | 650 FIFTH AVE<br>3RD FLOOR<br>NEW YORK, NY 10019                  | Located At         | No                   |
| 06/08/2001 | 03/15/2004 | RODMAN & RENSHAW,<br>LLC (16415)                   | Non<br>Registered<br>Location |                                  |                         | 1250 BROADWAY<br>NEW YORK, NY 10001                               | Located At         | No                   |
| 02/05/2000 | 06/01/2001 | ECAPNETWORK<br>SECURITIES,<br>INC. (14901)         | Non<br>Registered<br>Location |                                  |                         | 237 PARK AVENUE<br>21ST FLOOR<br>NEW YORK, NY 10017               | Located At         | No                   |
| 10/29/1999 | 12/31/2000 | DUNWOODY<br>BROKERAGE<br>SERVICES,<br>INC. (31183) | Non<br>Registered<br>Location |                                  |                         | 8309 DUNWOODY PLACE<br>ATLANTA, GA 30350-3307                     | Located At         | No                   |
| 08/09/1996 | 01/31/1998 | KAUFMAN BROS.,<br>L.P. (37909)                     | Non<br>Registered<br>Location |                                  |                         | 800 THIRD AVENUE<br>NEW YORK, NY 10022                            | Located At         | No                   |
| 12/06/1995 | 08/08/1996 | RICKEL &<br>ASSOCIATES,<br>INC. (7839)             | Non<br>Registered<br>Location |                                  | 3                       | 875 THIRD AVENUE<br>NEW YORK, NY 10022                            | Located At         | No                   |
| 07/25/1995 | 11/30/1995 | (463)  | Non<br>Registered<br>Location |                                  | 60                      | 26 BROADWAY<br>NEW YORK, NY 10004                                 | Located At         | No                   |
| 05/09/1994 | 08/08/1995 | RODMAN & RENSHAW<br>INC. (724)                     | Non<br>Registered<br>Location |                                  |                         | 30 BROAD STREET<br>NEW YORK, NY 10004                             | Located At         | No                   |
| 01/01/1994 | 05/09/1994 | MARION BASS<br>SECURITIES<br>CORPORATION (7961)    | Non<br>Registered<br>Location |                                  | 644                     | 551 MADISON AVE<br>NEW YORK, NY 10021                             | Located At         | No                   |

|            |            |  |                         |       |  |            |    |
|------------|------------|--|-------------------------|-------|--|------------|----|
| 08/27/1993 | 01/27/1994 | GREYSTONE ASSOCIATES LTD. (31804)          | Non Registered Location |       | 325 EAST 64TH STREET-STE 505<br>NEW YORK, NY 10021       | Located At | No |
| 05/15/1992 | 08/27/1993 | LINSICO/PRIVATE LEDGER CORP. (6413)        | Non Registered Location |       | 50 CHARLES LINDBERGH BLVD STE 500<br>UNIONDALE, NY 11553 | Located At | No |
| 02/13/1989 | 05/15/1992 | LEHMAN BROTHERS INC. (7506)                | Non Registered Location | 00336 | 1465-1467 BROADWAY<br>HEWLETT, NY 11557                  | Located At | No |
| 05/01/1985 | 02/13/1989 | DREXEL BURNHAM LAMBERT INCORPORATED (7323) | Non Registered Location | 50    | 555 MADISON AVENUE<br>NEW YORK, NY 10022                 | Located At | No |


Please note that data contained in the U4 EMPLOYMENT HISTORY SCREEN is updated only by a U4 and does not reflect any changes made by the filing of a U5.

#### Employment History

| From    | To      | Name                                | Investment<br>Related Business? | City          | State | Country | Position   |
|---------|---------|-------------------------------------|---------------------------------|---------------|-------|---------|--|
| 08/2012 | Present | BELLAMAH, NEUHAUSER & BARRETT, INC  | Y                               | SILVER SPRING | MD    | USA     | PRINCIPAL (2) MUNICIPAL PRINCIPAL                      |
| 10/2010 | Present | HALCYON CABOT PARTNERS, LTD.        | Y                               | NEW YORK      | NY    | USA     | REGISTERED REP   |
| 05/2010 | 10/2010 | UNEMPLOYED                          | N                               | NEW YORK      | NY    | USA     | UNEMPLOYED   |
| 12/2006 | 05/2010 | MICG INVESTMENT MANAGEMENT          | Y                               | NEW YORK      | NY    | US      | MANAGING DIRECTOR INVESTMENT BANKING CORPORATE FINANCE |
| 03/2004 | 11/2006 | JESUP & LAMONT SECURITIES           | Y                               | NEW YORK      | NY    |         |  |
| 06/2001 | 03/2004 | RODMAN & RENSHAW                    | Y                               | NEW YORK      | NY    | USA     | SENIOR DIRECTOR SALES                                  |
| 02/2001 | 05/2001 | ECAPNETWORK SECURITIES, INC.        | Y                               | NEW YORK      | NY    | USA     | REGISTERED REPRESENTATIVE                              |
| 02/1999 | 02/2001 | HYDE PARK CAPITAL                   | Y                               | NEW YORK      | NY    | USA     | OWNER/ADVISORY   |
| 01/1998 | 02/1999 | SELF-EMPLOYED                       | Y                               | NEW YORK      | NY    | USA     | OWNER  |
| 08/1996 | 01/1998 | KAUFMAN BROS., L.P.                 | Y                               | NEW YORK      | NY    |         | REGISTERED REP   |
| 12/1995 | 08/1996 | RICKEL & ASSOCIATES, INC.           | Y                               | NEW YORK      | NY    |         | REGISTERED REP   |
| 07/1995 | 11/1995 | JANNEY MONTGOMERY SCOTT INC.        | Y                               | NEW YORK      | NY    |         | OTHER - REG REP  |
| 05/1994 | 08/1995 | RODMAN & RENSHAW INC.               | Y                               | NEW YORK      | NY    |         | BROKER - BROKER  |
| 01/1994 | 05/1994 | MARION BASS SECURITIES CORPORATION  | Y                               | NEW YORK      | NY    |         | BROKER - BROKER  |
| 08/1993 | 01/1994 | GREYSTONE ASSOCIATES LTD.           | Y                               | NEW YORK      | NY    |         | BROKER - BROKER  |
| 05/1992 | 08/1993 | LINSICO/PRIVATE LEDGER CORP.        | Y                               | UNIONDALE     | NY    |         | BROKER - BROKER  |
| 02/1989 | 05/1992 | LEHMAN BROTHERS INC.                | Y                               | HEWLETT       | NY    |         | BROKER - BROKER  |
| 05/1985 | 02/1989 | DREXEL BURNHAM LAMBERT INCORPORATED | Y                               | NEW YORK      | NY    |         | BROKER - BROKER  |

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 No Post-Electronic Fingerprint (July, 2003) CHRI details found

## **Criminal History Record Information**

**Individual CRD#:** 1371726

**Individual Name:** GLASSER, L. BRUCE

### **CHRI Terms And Conditions**

NOTICE: You have requested access to FBI-maintained Criminal History Record Information (CHRI), which includes information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, indictments, informations, or other

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# EXHIBIT 14



## Disclosure Occurrence Composite

Individual CRD#: 1371726Individual Name: **GLASSER, L. BRUCE**

|   |  |   |                       |                           |                    |
|---|--|---|-----------------------|---------------------------|--------------------|
| <b>Occurrence:</b>                        | 12808  |   |                       |                           |                    |
| <b>Disclosure:</b>                        | Customer Complaint   |   |                       |                           |                    |
| <b>Publicly Disclosable:</b>              | No   |   |                       |                           |                    |
| <b>Reportable:</b>                        | <b>Reportable</b>  | <b>Reason</b>   |                       |                           |                    |
|   | No   | Other (requires comment)<br>The occurrence was not reportable in the legacy system. |                       |                           |                    |
| <b>Material Difference in Disclosure:</b> | No   |   |                       |                           |                    |
| <b>Latest Filings:</b>                    | <b>Filing</b>  | <b>Event Date</b>   | <b>First Reported</b> | <b>Questions Answered</b> | <b>Last Review</b> |
|   | <u>U5-CONVERSION</u><br><u>Customer Complaint</u><br><u>07/07/1999</u><br>LEHMAN BROTHERS INC.<br>(7506) | 05/07/1991  | 07/07/1999            |                           |                    |
|   | <u>U4-CONVERSION</u><br><u>Customer Complaint</u><br><u>07/06/1999</u>                                   | 05/07/1991  | 07/06/1999            |                           |                    |
| <b>Last Review:</b>                       | NUGOH<br>03/17/2005  |   |                       |                           |                    |
| <b>Comments:</b>                          |  |   |                       |                           |                    |

**U5 - CONVERSION**  
**07/07/1999**  
**LEHMAN BROTHERS INC. (7506)**

Rev. Form U5 (08/1999)

### U5 - CUSTOMER COMPLAINT DRP

This Disclosure Reporting Page (DRP U-5) is an ☒ **INITIAL** OR ☐ **AMENDED** response to report details for affirmative response to **Items 18(A), 18(B) and 18(C)** of Form U-5;

**Check item(s) being responded to:**

#### Customer Complaint

☐ **18A(1)**
☐ **18A(2)**
☐ **18A(3)**
☐ **18B**
☐ **18C(1)**
☐ **18C(2)**

One event may result in more than one affirmative answer to the above items. Use only one DRP to report all the details related to one customer complaint. Use a separate DRP for each customer complaint.

1. Customer Name(s):  
RICHARD E. THURSTON
2. Customer(s) State of Residence:  
Other state(s) of residence/detail:

3. Employing Firm when activities occurred which led to the complaint:  
SHEARSON LEHMAN BROTHERS
4. Date Complaint was received (MM/DD/YYYY):  
05/07/1991 ☒ **Exact** ☐ **Explanation**  
If not exact, provide explanation:
5. Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred:  
MISREPRESENTATION, UNSUITABILITY. SEEKING ALLEGED DAMAGES OF \$29,250.00.
6. Principal Product Type:  
Other Product Types:
7. Alleged Compensatory Damage Amount: \$ 29,250.00
8. Is complaint pending? ☒ **Yes** ☒ **No**
9. If the complaint is not pending, provide status:  
If status is settlement, complete questions 11 and 12;  
if status is arbitration/reparation, complete questions 13-19;  
if status is litigation, complete questions 20-27. Complete question 28 for all statuses.
- ☐ **No Action** ☐ **Withdrawn** ☐ **Denied**  
☒ **Settled** ☐ **Arbitration/Reparation** ☐ **Litigation**
10. Resolution Date(MM/DD/YYYY):  
☒ **Exact** ☐ **Explanation**  
If not exact, provide explanation:
11. Settlement Amount (if settled without Arbitration, Litigation or Reparation): \$ 6,000.00
12. Individual Contribution Amount: \$ 0.00

**IF ARBITRATION OR CFTC REPARATION**

13. Arbitration/Reparation claim filed with (NASD, AAA, NYSE, CBOE, CFTC, etc.) and Docket/Case Number:
14. Date notice/process was served (MM/DD/YYYY):  
☒ **Exact** ☐ **Explanation**  
If not exact, provide explanation:
15. Is arbitration/reparation pending? ☒ **Yes** ☒ **No**
16. If the arbitration/reparation is not pending, what was the disposition?
17. Disposition Date (MM/DD/YYYY):  
☒ **Exact** ☐ **Explanation**

If not exact, provide explanation:

18. Amount of Monetary Compensation (award, settlement, reparation amount): \$

19. Individual Contribution Amount: \$

#### IF CIVIL LITIGATION

20. Court that case was filed in (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number).

21. Date notice/process was served (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

22. Is the civil litigation pending? ☒ Yes ☒ No

23. If the civil litigation is not pending, what was the disposition?

24. Disposition Date (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

25. Amount of Monetary Compensation (judgment, restitution, settlement amount): \$

26. Individual Contribution Amount: \$

27. If the action is currently on appeal enter date appeal filed (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

28. Provide details as to dispositions, including any limits or conditions. (Your information must fit within the space provided.)

SHEARSON SETTLED WITH THE CLAIMANT FOR \$6,000.00. NO OPTIONS OR COMMODITIES CONTACT PERSON - ERIC LARSON - LEGAL

#### U4 - CONVERSION

07/06/1999

Rev. Form U4 (08/1999)

#### U4 - CUSTOMER COMPLAINT DRP

This Disclosure Reporting Page is an ☒ INITIAL OR ☒ AMENDED response to report details for affirmative responses to **Item 23I** on page 3 of Form U-4;

Check item(s) you are responding to:

☒ 23I(1)(a) ☒ 23I(1)(b) ☒ 23I(1)(c) ☒ 23I(2) ☒ 23I(3)(a) ☒ 14I(3)(b)

Customer Complaint

One event may result in more than one affirmative answer to the above items. Use only one DRP to report all the details related to one customer complaint. Use a separate DRP for each customer complaint.

1. Customer Name(s):  
RICHARD E. THURSTON

2. Customer(s) State of Residence:

Other state(s) of residence/detail:

3. Employing Firm when activities occurred which led to the complaint:  
SHEARSON LEHMAN BROTHERS

4. Date Complaint was received (MM/DD/YYYY):

05/07/1991 ☒ **Exact** ☒ **Explanation**

If not exact, provide explanation:

5. Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred:

MISREPRESENTATION, UNSUITABILITY. SEEKING ALLEGED DAMAGES OF \$29,250

6. Principal Product Type:

Other Product Types:

7. Alleged Compensatory Damage Amount: \$ 29,250.00

8. Is complaint pending? ☒ **Yes** ☒ **No**

9. If the complaint is not pending, provide status:

If status is settlement, complete questions 11 and 12;

if status is arbitration/reparation, complete questions 13-19;

if status is litigation, complete questions 20-27. Complete question 28 for all statuses.

☐ **Closed/No Action**

☐ **Withdrawn**

☐ **Denied**

☒ **Settled**

☐ **Arbitration/Reparation**

☐ **Litigation**

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

☒ **Exact** ☒ **Explanation**

If not exact, provide explanation:

11. Settlement Amount (if settled without Arbitration, Litigation or Reparation): \$ 6,000.00

12. Individual Contribution Amount: \$ 0.00

#### **IF ARBITRATION OR CFTC REPARATION**

13. Arbitration/Reparation claim filed with (NASD, AAA, NYSE, CBOE, CFTC, etc.) and Docket/Case Number:

14. Date notice/process was served (MM/DD/YYYY):

☒ **Exact** ☒ **Explanation**

If not exact, provide explanation:

15. Is arbitration/reparation pending? ☒ Yes ☐ No

16. If the arbitration is not pending, what was the disposition?

17. Disposition Date (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

18. Amount of Monetary Compensation (award, settlement, reparation amount): \$

19. Individual Contribution Amount: \$

#### IF CIVIL LITIGATION

20. Court that case was filed in (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number).

21. Date notice/process was served (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

22. Is the civil litigation pending? ☒ Yes ☐ No

23. If the civil litigation is not pending, what was the disposition?

24. Disposition Date (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

25. Amount of Monetary Compensation (judgment, restitution, settlement amount): \$

26. Individual Contribution Amount: \$

27. If the action is currently on appeal enter date appeal filed (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

28. Provide details as to dispositions, including any limits or conditions. (Your information must fit within the space provided.)

SHEARSON LEHMAN SETTLED WITH THE CLAIMANT FOR \$6,000 Not Provided

# EXHIBIT 15

## Disclosure Occurrence Composite

Individual CRD#: 1371726

Individual Name: GLASSER, L. BRUCE

|   |   |                   |                       |                           |                    |
|---|---|-------------------|-----------------------|---------------------------|--------------------|
| <b>Occurrence:</b>                        | 12809   |                   |                       |                           |                    |
| <b>Disclosure:</b>                        | Customer Complaint  |                   |                       |                           |                    |
| <b>Publicly Disclosable:</b>              | Yes   |                   |                       |                           |                    |
| <b>Reportable:</b>                        | <b>Reportable</b>   |                   | <b>Reason</b>         |                           |                    |
|   | Yes   |                   |                       |                           |                    |
| <b>Material Difference in Disclosure:</b> | No  |                   |                       |                           |                    |
| <b>Latest Filings:</b>                    | <b>Filing</b>   | <b>Event Date</b> | <b>First Reported</b> | <b>Questions Answered</b> | <b>Last Review</b> |
|   | <u>U4-RELICENSE</u><br><u>Customer Complaint</u><br><u>06/08/2001</u><br>RODMAN & RENSHAW, LLC<br>(16415) | 03/06/1992        | 07/06/1999            | 23I(1)(c)                 |                    |
|   | <u>U5-CONVERSION</u><br><u>Customer Complaint</u><br><u>07/07/1999</u><br>LEHMAN BROTHERS INC.<br>(7506)  | 06/01/1992        | 07/07/1999            |                           |                    |
| <b>Last Review:</b>                       | NASD-MBR\SMITHMAR012<br>06/08/2001  |                   |                       |                           |                    |
| <b>Comments:</b>                          |   |                   |                       |                           |                    |

**U4 - RELICENSE**  
**06/08/2001**  
**RODMAN & RENSHAW, LLC (16415)**

Rev. Form U4 (08/1999)

### U4 - CUSTOMER COMPLAINT DRP

This Disclosure Reporting Page is an ☐ **INITIAL OR** ☒ **AMENDED** response to report details for affirmative responses to **Item 23I** on page 3 of Form U-4;

**Check item(s) you are responding to:**

**Customer Complaint**

☐ **23I(1)(a)**   
 ☐ **23I(1)(b)**   
 ☒ **23I(1)(c)**   
 ☐ **23I(2)**   
 ☐ **23I(3)(a)**   
 ☐ **14I(3)(b)**

One event may result in more than one affirmative answer to the above items. Use only one DRP to report all the details related to one customer complaint. Use a separate DRP for each customer complaint.

1. Customer Name(s):  
ARNOLD RAYNOR
2. Customer(s) State of Residence:  
New York  
Other state(s) of residence/detail:

3. Employing Firm when activities occurred which led to the complaint:  
SHEARSON LEHMAN
4. Date Complaint was received (MM/DD/YYYY):  
03/06/1992 ☒ **Exact** ☐ **Explanation**  
If not exact, provide explanation:
5. Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred:  
MISREPRESENTATION. SEEKING ALLEGED DAMAGES OF \$25,000
6. Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:
7. Alleged Compensatory Damage Amount: \$ 25,000.00
8. Is complaint pending? ☒ **Yes** ☒ **No**
9. If the complaint is not pending, provide status:  
If status is settlement, complete questions 11 and 12;  
if status is arbitration/reparation, complete questions 13-19;  
if status is litigation, complete questions 20-27. Complete question 28 for all statuses.
- ☐ **Closed/No Action** ☐ **Withdrawn** ☐ **Denied**  
☒ **Settled** ☒ **Arbitration/Reparation** ☐ **Litigation**
10. Resolution Date(MM/DD/YYYY):  
11/01/1992 ☒ **Exact** ☐ **Explanation**  
If not exact, provide explanation:
11. Settlement Amount (if settled without Arbitration, Litigation or Reparation): \$ 13,000.00
12. Individual Contribution Amount: \$ 0.00

**IF ARBITRATION OR CFTC REPARATION**

13. Arbitration/Reparation claim filed with (NASD, AAA, NYSE, CBOE, CFTC, etc.) and Docket/Case Number:  
UNKNOWN CONVERSION; 1992-002334
14. Date notice/process was served (MM/DD/YYYY):  
06/01/1992 ☒ **Exact** ☐ **Explanation**  
If not exact, provide explanation:
15. Is arbitration/reparation pending? ☒ **Yes** ☒ **No**
16. If the arbitration is not pending, what was the disposition?  
Settled
17. Disposition Date (MM/DD/YYYY):  
11/01/1992 ☒ **Exact** ☐ **Explanation**



If not exact, provide explanation:

18. Amount of Monetary Compensation (award, settlement, reparation amount): \$ 13,000.00

19. Individual Contribution Amount: \$ 0.00

#### IF CIVIL LITIGATION

20. Court that case was filed in (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number).

21. Date notice/process was served (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

22. Is the civil litigation pending? ☒ Yes ☒ No

23. If the civil litigation is not pending, what was the disposition?

24. Disposition Date (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

25. Amount of Monetary Compensation (judgment, restitution, settlement amount): \$

26. Individual Contribution Amount: \$

27. If the action is currently on appeal enter date appeal filed (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

28. Provide details as to dispositions, including any limits or conditions. (Your information must fit within the space provided.)

#### U5 - CONVERSION

07/07/1999

LEHMAN BROTHERS INC. (7506)

Rev. Form U5 (08/1999)

#### U5 - CUSTOMER COMPLAINT DRP

This Disclosure Reporting Page (DRP U-5) is an ☒ INITIAL OR ☒ AMENDED response to report details for affirmative response to **Items 18(A), 18(B) and 18(C)** of Form U-5;

Check item(s) being responded to:

#### Customer Complaint

☐ 18A(1)

☐ 18A(2)

☐ 18A(3)

☐ 18B

☐ 18C(1)

☐ 18C(2)

One event may result in more than one affirmative answer to the above items. Use only one DRP to report all the details related to one customer complaint. Use a separate DRP for each customer complaint.

1. Customer Name(s):

ARNOLD RAYNOR

2. Customer(s) State of Residence:

Other state(s) of residence/detail:

3. Employing Firm when activities occurred which led to the complaint:

SHEARSON LEHMAN

4. Date Complaint was received (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

5. Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred:

UNSUITABILITY

6. Principal Product Type:

Other Product Types:

7. Alleged Compensatory Damage Amount:

\$ 25,000.00

8. Is complaint pending? ☒ Yes ☒ No

9. If the complaint is not pending, provide status:

If status is settlement, complete questions 11 and 12;

if status is arbitration/reparation, complete questions 13-19;

if status is litigation, complete questions 20-27. Complete question 28 for all statuses.

☐ No Action

☐ Withdrawn

☐ Denied

☐ Settled

☒ Arbitration/Reparation

☐ Litigation

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

☒ Exact ☐ Explanation

If not exact, provide explanation:

11. Settlement Amount (if settled without Arbitration, Litigation or Reparation): \$

12. Individual Contribution Amount: \$

#### IF ARBITRATION OR CFTC REPARATION

13. Arbitration/Reparation claim filed with (NASD, AAA, NYSE, CBOE, CFTC, etc.) and Docket/Case Number:  
Unknown Conversion; 1992-002334

14. Date notice/process was served (MM/DD/YYYY):

06/01/1992 ☒ Exact ☐ Explanation

If not exact, provide explanation:

15. Is arbitration/reparation pending? ☐ Yes ☒ No

16. If the arbitration/reparation is not pending, what was the disposition?  
Settled

17. Disposition Date (MM/DD/YYYY):

11/01/1992 ☒ Exact ☒ Explanation

If not exact, provide explanation:

18. Amount of Monetary Compensation (award, settlement, reparation amount): \$ 13,000.00

19. Individual Contribution Amount: \$

#### IF CIVIL LITIGATION

20. Court that case was filed in (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number).

21. Date notice/process was served (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

22. Is the civil litigation pending? ☐ Yes ☒ No

23. If the civil litigation is not pending, what was the disposition?

24. Disposition Date (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

25. Amount of Monetary Compensation (judgment, restitution, settlement amount): \$

26. Individual Contribution Amount: \$

27. If the action is currently on appeal enter date appeal filed (MM/DD/YYYY):

☒ Exact ☒ Explanation

If not exact, provide explanation:

28. Provide details as to dispositions, including any limits or conditions. (Your information must fit within the space provided.)  
SHEARSON SETTLED MATTER FOR \$13,000.00 NO OPTIONS OR COMMODITIES CONTACT PERSON: MARY REISERT (212) 464-7295

# EXHIBIT 16

## Lee, Lorraine

---

**From:** John Rogers <jrogers@intercoastalcm.com>  
**Sent:** Wednesday, April 09, 2014 10:27 AM  
**To:** Lee, Lorraine  
**Subject:** Supervision Process

Lorraine,

Per our discussion yesterday, to clarify the supervision process of George Prost – L. Bruce Glasser will be the primary supervisor and I will be the secondary supervisor. Please keep me posted on status. Thank you.

John Rogers  
Chief Operating Officer



Intercoastal Capital Markets, Inc. - Member - FINRA, MSRB, SIPC  
5550 Glades Road, Suite 308, Boca Raton, FL 33431 / 561-939-8282 / FAX 561-939-8292  
1199 Route 22 East Suite 310, Mountainside, NJ 07092 / 908-228-9500

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# EXHIBIT 17

## Composite Information

Individual CRD#: 2424004Individual Name: **ROGERS JR, JOHN W**

Full Legal Name ROGERS JR, JOHN WILLIAM

Social Security Number XXX-XX-XXXX

Date Of Birth 03/15/1969

Employment

Name

INTERCOASTAL CAPITAL MARKETS, INC. (83)

Position

Registered Representative

Independent

No

Contractor

CRD Branch Number

FINRA OSJ

Address

Firm Billing Code

NYSE Branch Code Number

BD Main - Supervised From

5550 GLADES ROAD  
SUITE 308  
BOCA RATON, FL 33431-7277543703 - Located At Yes5550 GLADES ROAD  
BOCA RATON, FL 33431-7277Residential Address 1743 FERN FOREST PLACE  
DELRAY BEACH, FL 33445

**Reportable Disclosures?** The specified individual has no disclosure that qualifies under this section (i.e., disclosure required to be reported on Form U4 or Form U5). Regulatory and Broker/Dealer Users: Please note that there are three types of disclosure in Web CRD: Reportable, Legacy and Archive disclosure. An individual with no reportable disclosure may or may not have Legacy or Archive disclosure. Investment Adviser Users: Please note that IARD does not include Legacy disclosure. Information reported on previous form filings through IARD is available under Filing History.

Statutory Disqualification Status

Last Updated

**Has Material Difference in Disclosure?**

No

Current CE Status Satisfied

| Disclosure Counts - Current Disclosures    | Criminal | Regulatory Action | Customer Complaint | Other |
|--|----------|-------------------|--------------------|-------|
| 0  | 0        | 0                 | 0                  | 0     |
| Disclosure Counts - Historical Disclosures | Criminal | Regulatory Action | Customer Complaint | Other |
| 0  | 0        | 0                 | 0                  | 0     |

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## Exam Information

Individual CRD#: 2424004

Individual Name: ROGERS JR, JOHN W

### Exam History

| Exam ID | Enrollment ID | Exam Status     | Status Date | Exam Date  | Grade  | Score | Window Begin Date | Window End Date |
|---------|---------------|-----------------|-------------|------------|--------|-------|-------------------|-----------------|
| S4      | 21043137      | Withdraw        | 09/12/2000  |            |        |       | 09/13/2000        | 01/11/2001      |
| S6      | 21043139      | Official Result | 07/15/1994  | 07/15/1994 | Passed | 80    |                   |                 |
| S7      | 21043146      | Official Result | 06/02/1995  | 06/02/1995 | Passed | 84    |                   |                 |
| S24     | 21043136      | Official Result | 05/16/1997  | 05/16/1997 | Passed | 84    |                   |                 |
| S55     | 21043138      | Withdraw        | 02/07/2001  |            |        |       | 01/04/2001        | 05/04/2001      |
| S63     | 21043141      | Window Expired  | 09/12/2011  |            |        |       | 05/12/2011        | 09/09/2011      |
|         | 21043140      | Official Result | 07/27/1994  | 07/27/1994 | Passed | 72    |                   |                 |
| S65     | 21043142      | Window Expired  | 07/03/2006  |            |        |       | 03/04/2006        | 07/02/2006      |
| S66     | 21043145      | Window Expired  | 04/08/2013  |            |        |       | 12/08/2012        | 04/07/2013      |
|         | 21043144      | Window Expired  | 01/12/2009  |            |        |       | 09/12/2008        | 01/10/2009      |
|         | 21043143      | Withdraw        | 09/11/2008  |            |        |       | 05/14/2008        | 09/11/2008      |
| S99     | 21043147      | Withdraw        | 12/13/2012  |            |        |       | 12/08/2012        | 04/07/2013      |

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## Registrations with Current Employers

Individual CRD#: 2424004Individual Name: **ROGERS JR, JOHN W**Firm CRD # : 83Firm Name : **INTERCOASTAL CAPITAL MARKETS, INC.**

Employment Start Date

06/25/2012

| Regulatory Authority | Registration Category | Filing Date | Status Date | Registration Status | Approval Date |
|----------------------|-----------------------|-------------|-------------|---------------------|---------------|
| FINRA                | <u>GP</u>             | 06/29/2012  | 07/20/2012  | APPROVED            | 06/29/2012    |
| FINRA                | <u>GS</u>             | 06/29/2012  | 07/20/2012  | APPROVED            | 06/29/2012    |
| FINRA                | <u>IB</u>             | 09/19/2013  | 09/19/2013  | APPROVED            | 09/19/2013    |
| FINRA                | <u>IR</u>             | 06/29/2012  | 07/20/2012  | APPROVED            | 06/29/2012    |
| FINRA                | <u>OS</u>             | 12/07/2012  | 12/07/2012  | APPROVED            | 12/07/2012    |
| FL                   | <u>AG</u>             | 06/29/2012  | 08/23/2012  | APPROVED            | 08/23/2012    |

| Regulatory Authority | Registration Category | Filing Date | Status Date | Registration Status | Approval Date |
|----------------------|-----------------------|-------------|-------------|---------------------|---------------|
| CT                   | <u>AG</u>             | 03/26/2014  | 03/26/2014  | <u>DEFICIENT</u>    |               |
| DC                   | <u>AG</u>             | 06/29/2012  | 06/29/2012  | APPROVED            | 06/29/2012    |
| MD                   | <u>AG</u>             | 06/29/2012  | 06/29/2012  | APPROVED            | 06/29/2012    |
| NY                   | <u>AG</u>             | 06/29/2012  | 06/29/2012  | APPROVED            | 06/29/2012    |
| TX                   | <u>AG</u>             | 09/11/2013  | 09/11/2013  | <u>DEFICIENT</u>    |               |

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## Registration History Details

**Individual CRD#:** 2424004**Individual Name:** ROGERS JR, JOHN W**Firm CRD # :** 83**Firm Name :** INTERCOASTAL CAPITAL MARKETS, INC.**Regulatory Authority:**

FINRA

**Registration Category:**

OS

| Registration Status | Status Effective Date |
|---------------------|-----------------------|
| APPROVED            | 12/07/2012            |

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## Registration History Details

**Individual CRD#:** 2424004**Individual Name:** ROGERS JR, JOHN W**Firm CRD # :** 83**Firm Name :** INTERCOASTAL CAPITAL MARKETS, INC.**Regulatory Authority:**

FINRA


**Registration Category:**

IB

| Registration Status | Status Effective Date |
|---------------------|-----------------------|
| APPROVED            | 09/19/2013            |

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
## Current Disclosure Summary

**Individual CRD#: 2424004**

**Individual Name: ROGERS JR, JOHN W**

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 The specified individual has no disclosure of this type


## Legacy Disclosure Summary

**Individual CRD#:** 2424004

**Individual Name:** ROGERS JR, JOHN W

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 No Post-Electronic Fingerprint (July, 2003) CHRI details found

## **Criminal History Record Information**

**Individual CRD#:** 2424004

**Individual Name:** ROGERS JR, JOHN W

### **CHRI Terms And Conditions**

NOTICE: You have requested access to FBI-maintained Criminal History Record Information (CHRI), which includes information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, indictments, informations, or other

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**U4 Employment History****Individual CRD#: 2424004****Individual Name: ROGERS JR, JOHN W****Office of Employment Address History**

| From       | To         | Firm  | CRD<br>Branch<br>Number       | NYSE<br>Branch<br>Code<br>Number | Firm<br>Billing<br>Code | Address  | Type of<br>Office  | Private<br>Residence |
|------------|------------|---|-------------------------------|----------------------------------|-------------------------|--|--------------------|----------------------|
| 09/03/2013 | Present    | INTERCOASTAL<br>CAPITAL MARKETS,<br>INC. (83)         | 543703                        |                                  |                         | 5550 GLADES ROAD<br>BOCA<br>RATON, FL 33431-<br>7277               | Located At         | No                   |
| 06/25/2012 | Present    | INTERCOASTAL<br>CAPITAL MARKETS,<br>INC. (83)         | BD Main                       |                                  |                         | 5550 GLADES ROAD<br>SUITE 308<br>BOCA<br>RATON, FL 33431-<br>7277  | Supervised<br>From | No                   |
| 01/12/2009 | 01/13/2012 | JVB FINANCIAL<br>GROUP, LLC (104412)                  | 208588                        |                                  |                         | 2700 N. MILITARY<br>TRAIL<br>BOCA<br>RATON, FL 33431               | Located At         | No                   |
| 02/17/2006 | 09/24/2009 | AMERICAN<br>SECURITIES GROUP,<br>INC. (43730)         | BD Main                       |                                  |                         | 400 SOUTH DIXIE<br>HIGHWAY<br>SUITE 220<br>BOCA<br>RATON, FL 33432 | Located At         | No                   |
| 02/17/2006 | 09/24/2009 | AMERICAN<br>SECURITIES GROUP,<br>INC. (43730)         | 259334                        |                                  |                         | 400 SOUTH DIXIE<br>HIGHWAY<br>SUITE 220<br>BOCA<br>RATON, FL 33432 | Located At         | No                   |
| 08/09/2005 | 09/19/2005 | TRIDENT PARTNERS<br>LTD. (41258)                      | Non<br>Registered<br>Location |                                  |                         | 201 MORELAND ROAD<br>STE 1-A<br>HAUPPAUGE, NY 11758                | Located At         | No                   |
| 02/12/2001 | 06/17/2005 | BEAR, STEARNS & CO.<br>INC. (79)                      | Non<br>Registered<br>Location |                                  | 26-<br>DD               | ONE METROTECH<br>CENTER NORTH<br>BROOKLYN, NY 11201                | Located At         | No                   |
| 02/12/2001 | 06/17/2005 | BEAR, STEARNS<br>SECURITIES<br>CORP. (28432)          | Non<br>Registered<br>Location |                                  |                         | ONE METROTECH<br>CENTER NORTH<br>BROOKLYN, NY 11201                | Located At         | No                   |
| 02/22/2000 | 01/31/2001 | INSTINET.COM<br>CORPORATION (47380)                   | Non<br>Registered<br>Location |                                  | C07                     | 40 EAST 52ND STREET<br>NEW YORK, NY 10022                          | Located At         | No                   |
| 09/08/1998 | 12/20/1999 | REPUBLIC FINANCIAL<br>SERVICES<br>CORPORATION (38293) | Non<br>Registered<br>Location |                                  |                         | 10 EAST 40TH ST 10TH<br>FL<br>NY, NY 10018                         | Located At         | No                   |
| 08/17/1995 | 09/03/1998 | BULL & BEAR<br>SECURITIES,<br>INC. (15142)            | Non<br>Registered<br>Location |                                  |                         | 11 HANOVER SQUARE<br>NEW YORK, NY 10005                            | Located At         | No                   |
| 05/16/1994 | 08/29/1995 | INVESTOR SERVICE<br>CENTER, INC. (14009)              | Non<br>Registered<br>Location |                                  |                         | 11 HANOVER SQUARE<br>NEW YORK, NY 10005                            | Located At         | No                   |

Please note that data contained in the U4 EMPLOYMENT HISTORY SCREEN is updated only by a U4 and does not reflect any changes made by the filing of a U5.

**Employment History**

| From | To | Name | Investment | City | State | Country | Position |
|------|----|------|------------|------|-------|---------|----------|
|------|----|------|------------|------|-------|---------|----------|

|         |         |   |   | Related<br>Business? |                 |    |     |                                      |
|---------|---------|---|---|----------------------|-----------------|----|-----|--------------------------------------|
| 06/2012 | Present | BELLAMAH, NEUHAUSER & BARRETT, INC      | Y |                      | SILVER SPRING   | MD | USA | PRESIDENT & COMPLIANCE OFFICER       |
| 02/2012 | 05/2012 | UNEMPLOYED                              | N |                      | DELRAY BEACH    | FL | USA | UNEMPLOYED                           |
| 01/2010 | 01/2012 | JVB FINANCIAL GROUP, LLC                | Y |                      | BOCA RATON      | FL | USA | COMPLIANCE OFFICER                   |
| 10/2009 | 01/2010 | UNEMPLOYED                              | N |                      | DELRAY BEACH    | FL | USA | UNEMPLOYED                           |
| 02/2006 | 09/2009 | AMERICAN SECURITIES GROUP, INC.         | Y |                      | BOCA RATON      | FL | USA | MANAGED ACCOUNT LEADER               |
| 07/2005 | 01/2006 | UNITED PARCEL SERVICE                   | N |                      | DEERFIELD BEACH | FL | USA | WAREHOUSE LOADER                     |
| 02/2001 | 06/2005 | BEAR, STEARNS & CO. INC.                | Y |                      | BROOKLYN        | NY | USA | RELATIONSHIP MANAGER                 |
| 02/2001 | 06/2005 | BEAR, STEARNS SECURITIES CORP.          | Y |                      | BROOKLYN        | NY | USA | RELATIONSHIP MANAGER                 |
| 02/2000 | 01/2001 | INSTINET.COM CORPORATION                | Y |                      | NEW YORK        | NY | USA | REG. REP. - PRINCIPAL                |
| 09/1998 | 01/2000 | REPUBLIC FINANCIAL SERVICES CORPORATION | Y |                      | NY              | NY |     | ASSOCIATE DIRECTOR                   |
| 08/1995 | 09/1998 | BULL & BEAR SECURITIES, INC.            | Y |                      | NEW YORK        | NY |     | VICE PRESIDENT                       |
| 05/1994 | 08/1995 | INVESTOR SERVICE CENTER, INC.           | Y |                      | NEW YORK        | NY |     | REG. REP.                            |
| 09/1993 | 05/1994 | CARD ESTABLISHMENT SERVICES             | N |                      | MELVILLE        | NY |     | MIS DATABASE PROGRAMMER              |
| 03/1993 | 08/1993 | BARRASSO & SONS                         | N |                      | ISLIP TERRACE   | NY |     | MASON                                |
| 05/1992 | 03/1993 | ELECTRONIC DATA SYSTEMS                 | N |                      | DALLAS          | TX |     | COMPUTER REPAIR TECHNICIAN           |
| 04/1992 | 03/1993 | ADIA PERSONEL SERVICES                  | N |                      | RICHARDSON      | TX |     | TEMPORARY COMPUTER PROGRAMMER        |
| 09/1992 | 02/1993 | AMERICAN PROTECTIVE SERVICES            | N |                      | DALLAS          | TX |     | CORPORATE SECURITY CONSULTANT        |
| 01/1992 | 03/1992 | PRO-TEK SECURITY                        | N |                      | SMITHTOWN       | NY |     | CORPORATE SECURITY                   |
| 09/1991 | 01/1992 | MILLER ENVIRONMENTAL GROUP              | N |                      | CALVERTON       | NY |     | ENVIRONMENTAL CLEANUP - TRUCK DRIVER |
| 09/1987 | 08/1991 | BETHANY COLLEGE                         | N |                      | BETHANY         | NY |     | FULL TIME STUDENT                    |

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