

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

CONSENT ORDER TO CEASE AND
DESIST

BERNARD R. SCHMITT,

Respondent.

DFI Case No. S-242023 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (“Ch. 551”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Bernard R. Schmitt (“Schmitt”) (CRD # 1539920) is an adult male who resides at 111 East Avenue, Apartment 606, Rochester, New York 14606. Schmitt was registered as a broker-dealer agent from 1986 to mid-1995. He has not been registered to transact any securities business since 1995.

Conduct

2. On or about January 17, 1991, Schmitt entered into a Consent Order (Case BD8157) with the State of Michigan for selling unregistered, non-exempt securities and transacting business as an agent while unregistered. The Consent Order imposed a penalty of \$1,500 and ordered that Schmitt not apply for registration in Michigan for three years. If he applied for registration after three years, he would be strictly supervised for two years.
3. On or about November 11, 1993, NASD censured Schmitt, fined him \$10,000 and suspended him for 15 days based on alleged violations of Article III, Sections 1, 18 and 27 of the Rules of Fair Practice.

4. On or about April 26, 1995, Schmitt's application for salesperson registration was denied by the State of Illinois due to his suspension by NASD (Case No. 9500010). See **Exhibit 1**.
5. On or about June 2, 1995, NASD issued an Acceptance, Waiver and Consent Letter alleging Schmitt knew or was reckless in not knowing that his participation in the sales of a security pursuant to an agreement with a non-registered person was an integral step in a manipulative and deceptive device designed to defraud investors. Schmitt was censured, barred from the industry and fined \$50,000. See **Exhibit 2**.
6. On June 25 and July 10 of 2020, Schmitt posted on Craigslist in the Chicago area an "Options Picks Service" as follows:

Option Picks Service

© craigslist - Map data © [OpenStreetMap](#)

Option Picks! Try some of my option picks. With your allocation for options. I am good at this! I am looking to partner with traders and investors! I am looking for long term relationships! I have been trading stocks and options for over 30 years! I am an excellent options picker. I have a lot of experience trading DIA, SPY, ETF calls and puts! I have a lot of experience trading calls and puts on individual stocks! We would have 2 ways to make money! I would be picking ETF and stock options! You would use your own account and money. For each pick. Invest how much you want to per pick.

I would have to be paid 20% of the profits. I would have to be paid every 2 weeks.

Lets make money together! Contact me to discuss further.
You can also text or call me at [REDACTED]

Regards,
Bernard

7. DFI examiner MD reached out to Schmitt using an undercover telephone line to request information about the offer. On July 17, 2020, an individual who identified himself as Bernard Schmitt telephoned DFI examiner MD.
8. During the July 17 call, Schmitt informed MD he is 58 years old with 35 years of investing experience. Schmitt has an "Options Pick Service" for investors in which he buys an option for the investor, holds it from 3 to 8 trading days and then sells it for a profit. The investor pays Schmitt 20% of the return on investment, and the investor retains 80% of the return. Schmitt said the return on investment for trades ranges from 50% to 500%.

9. According to Schmitt, he used to have a group of 20 investors for trading options. Now he is working to have a group of 30 investors.
10. Schmitt told MD that MD would have to pay him \$350 as a one-time fee. They would exchange emails agreeing to this arrangement but have no signed contract. Then MD was to open an options trading account with a financial institution such as TD Ameritrade or Charles Schwab. MD would then give Schmitt his user name and password and Schmitt would do options trading in MD's account for one or two hours each month. Schmitt said the majority of his investors use this method for trading. Schmitt said another possibility is for him to tell MD what trades to make and MD would make the trades himself.
11. On July 20, 2020, Schmitt called MD again. Schmitt told MD for the past three years he lived in Rochester, New York and had previously lived in Atlanta, Georgia for 25 years before that. Schmitt said he had been a stockbroker for 10 years. After that, he became the CEO of Market Pulse LLC. He now conducts trades for his own account and for the accounts of others.
12. During the July 20 call, MD told Schmitt he lives in Wisconsin and they discussed the weather and the Green Bay Packers. Schmitt told MD he has no other investors in Wisconsin.
13. During the July 20 call, MD asked Schmitt how he would pay Schmitt if MD conducted his own trades in his account based on Schmitt's recommendations. Schmitt said MD would send a wire transfer to Schmitt's account at Charles Schwab. He said he would later send the wiring instructions by email and to use those instructions to also pay him the \$350 enrollment fee for his services. Schmitt told MD that he could try the options pick services for one month and if MD was not satisfied, he could discontinue the relationship. Schmitt said he is "the real deal, the Tom Brady of the stock market."
14. On July 20, 2020, following the telephone call, Schmitt sent MD two emails. The first email provided Schmitt's wiring instructions for sending funds to Schmitt's Charles Schwab account and also contained Schmitt's address in Rochester, New York. The second email contained the following message to MD:

Option Picks Service: You will get 80% of the trading profits. I will get 20% of the trading profits. There is a one time (sic) fee to become my partner and to sign up for the service. The fee is \$350. When the payment hits. I will confirm you in as a partner. If you want to check out my LinkedIn profile. Go to google and type in Bernard Schmitt CEO Atlanta Ga. My contact information: Bernard Schmitt [REDACTED] I look forward to working with you.

Regards,
Bernard

15. The Respondent never disclosed to MD that NASD barred him from the industry in 1995 or any of the other prior regulatory actions against him.
16. The Respondent has never been registered with the Division in any capacity.

B. Conclusions of Law

Legal Authority and Jurisdiction

17. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
18. Pursuant to Wis. Stat. § 551.102(28), options are included in the definition of a security.
19. Pursuant to Wis. Stat. § 551.102(15), an “investment adviser” means a person that, for compensation, engages in the business of advising others, either directly or through publications, writings, or electronic means, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice regarding securities to others for compensation as part of a business or that holds itself out as providing investment advice regarding securities to others for compensation.
20. The Respondent transacted business as an investment adviser, as defined by Wis. Stat. § 551.102(15) and § DFI-Sec. 1.02(5)(b), Wis. Admin. Code.
21. Pursuant to Wis. Stat. § 551.403(1), it is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser under Wis. Stat. § 551.403(2).
22. Pursuant to Wis. Stat. § 551.102(2), an “agent” means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities.
23. Pursuant to Wis. Stat. 551.402(1) and § DFI-Sec. 1.02(5)(c), Wis. Admin. Code, it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent under Wis. Stat. § 551.402(2)
24. The Respondent transacted business as an agent in Wisconsin.

25. Pursuant to Wis. Stat. § 551.102(4), a “broker-dealer” means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account.
26. Pursuant to Wis. Stat. 551.401(1) and § DFI-Sec. 1.02(5)(c), Wis. Admin. Code, it is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer or is exempt from registration as a broker-dealer under Wis. Stat. §§ 551.401(2) or (4) or Wis. Stat. § 551.205(1)(b)(2).
27. The Respondent transacted business as a broker-dealer in Wisconsin.
28. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer or sale of securities, directly or indirectly, to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading

Violations

29. Through the conduct described above, the Respondent violated Wis. Stat. § 551.403(1) when he acted as an investment adviser without being registered or exempt from registration under Ch. 551.
30. Through the conduct described above, the Respondent violated Wis. Stat. 551.401(1) when he transacted business as a broker-dealer without being registered or exempt from registration under Ch. 551.
31. Through the conduct described above, the Respondent violated Wis. Stat. 551.402(1) when he transacted business as an agent without being registered or exempt from registration under Ch. 551.
32. Through the conduct described above, the Respondent violated Wis. Stat. § 551.501(2) when he made untrue statements of material facts and omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer of securities, including but not limited to falsely representing returns on investments between 50% to 500% and failing to disclose that he was barred from the securities industry and had other regulatory orders issued against him.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

- (a) IT IS ORDERED summarily that RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as federal covered securities, federal exempt securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).
- (b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by the RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).
- (c) IT IS FURTHER ORDERED that all exemptions from registration set forth in Wis. Stat. §§ 551.201 and 551.202 that may otherwise apply to a specific security, transaction or offer of or by the RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(c) and (2).
- (d) IT IS FURTHER ORDERED summarily that RESPONDENT, his successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of the RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.
- (e) IT IS FURTHER ORDERED summarily that RESPONDENT, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of the RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENT.
- (f) PLEASE TAKE NOTICE that the orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

- (g) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record,

pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.

- (h) PLEASE TAKE NOTICE that if service is by certified mail, the date of the service of this order is the date it is placed in the mail. If service is by personal service, the date of the service of this order is the date personal service is completed.

C. Notifications

- (i) PLEASE TAKE FURTHER NOTICE failure to provide a copy of this Order to prospective investors may be a material misrepresentation in violation of Ch. 551 and this Order.
- a) PLEASE TAKE FURTHER NOTICE that this Order consented to by Respondent restricts Respondent from transacting securities business in the State of Wisconsin pursuant to the terms of the orders issued pursuant to Wis. Stat. § 551.604(2).
- (j) PLEASE TAKE NOTICE that the orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).
- (k) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin this 29th day of September, 2020.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
North Tower, 4th Floor
Madison, Wisconsin 53705

RECEIVED

SEP 18 2020

Wis. Dept of
Financial Institutions

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

WAIVER AND CONSENT
TO ORDER

BERNARD R. SCHMITT,

Respondent.

DFI Case No. S-242023 (EX)

The undersigned Respondent, BERNARD R. SCHMITT, individually, having decided not to contest the issuance of the attached Consent Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Consent Order. Respondent reserves all defenses for any proceedings not covered by the attached Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, and other conditions as described in the attached Consent Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Consent Order. However, if Respondent fails to comply with any term or condition of the Consent Order, the Division reserves all rights under applicable law to enforce the Consent Order.

The undersigned Respondent understands and agrees that the attached Consent Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin except as allowed and described by the terms of the Consent Order.

The undersigned Respondent understands the Consent Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

Jonathan
Notary Public,
Reg. #01
Qualified in I
Commission Ex



BERNARD R. SCHMITT

State of New York)

County of Monroe)

Subscribed before me this
10th day of September, 2020.

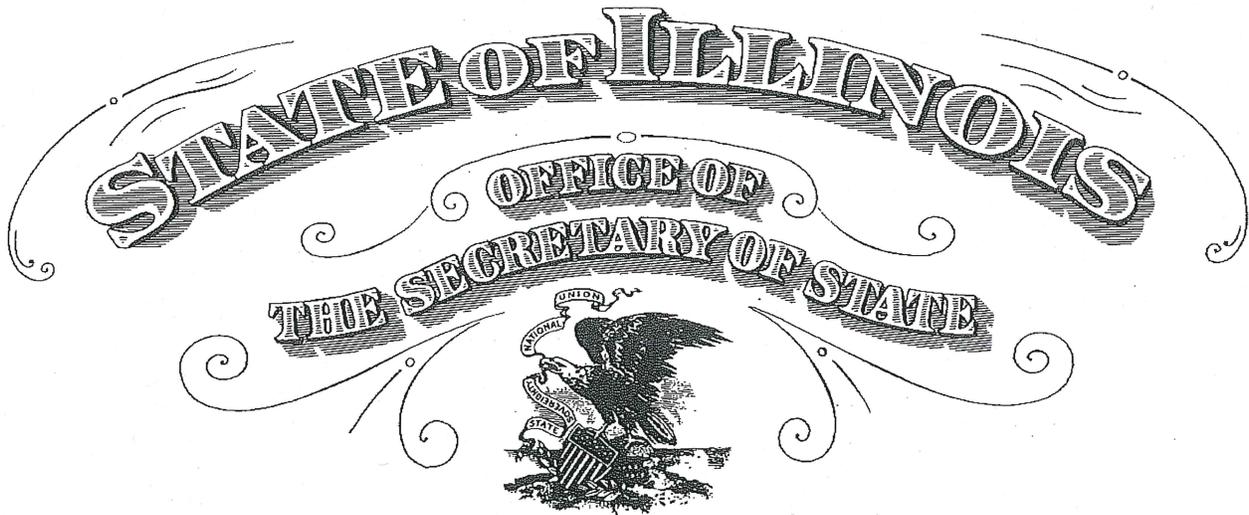

Notary Public

My commission is permanent/expires 03/02/2024

Jonathan C. Borowy
Notary Public, State of New York
Reg. #01BO6404834
Qualified in Monroe County
Commission Expires 03/02/2024

Borowy
of New York
#04834
Monroe County
03/02/2024

File Number



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that the attached is a true and exact copy of an Order of Denial issued by the Secretary of State of the State of Illinois issued in the matter of Bernard Raymond Schmitt File No. 9500010 consisting of three (3) pages. [815 ILCS 5/15.C]



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 27th
day of July A.D. 2020 .

Jesse White

SECRETARY OF STATE

ORIGINAL

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BERNARD RAYMOND SCHMITT) FILE NO. 9500010

ORDER OF DENIAL

TO THE RESPONDENT: Bernard Raymond Schmitt
(CRD #15399201)
2169-B Lake Park Drive
Smyrna, Georgia 30080

c/o Great American Financial Network, Inc.
2169-B Lake Park Drive
Smyrna, Georgia 30080

WHEREAS, a Summary Order of Denial was issued by the Secretary of State on March 17, 1995, denying Respondent Bernard Raymond Schmitt's (the "Respondent") application for registration as a salesperson in the State of Illinois until further order of the Secretary of State, based upon the authority provided pursuant to Sections 8.E(1)(b) and 8.E(1)(j) of the Illinois Securities Law of 1953, (815 ILCS 5)(the "Act"); and

WHEREAS, pursuant to Section 11.F of the Act, the failure to request a hearing within thirty (30) calendar days of the receipt of a Summary Order of Denial shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Summary Order of Denial final;

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Summary Order of Denial within thirty (30) calendar days of the receipt of said Summary Order of Denial and the Respondent is hereby deemed to have admitted the facts alleged in the said Summary Order of Denial:

1. On January 4, 1995, Great American Financial Network, Inc., a registered dealer, filed with the Secretary of State a Form U-4 application for registration of Bernard Raymond Schmitt as a salesperson in the State of Illinois.

- 2 -
Order of Denial

2. On November 9, 1993, the National Association of Securities Dealers, Inc. ("NASD"), District Business Conduct Committee ("DBCC"), entered Decision and Order of Accepting the Offers of Settlement of Bernard Raymond Schmitt, et al., in Complaint No. CB930006 which imposed sanctions against the Respondent as follows:

Censure, \$10,000 fine, suspension for fifteen (15) days from associating with any member in any capacity.

3. The Respondent consented for the purpose of the NASD proceeding only, without admitting or denying the allegations of the complaint, to the imposition of sanctions as set forth above and to the entry of Findings and Conclusions by the DBCC consistent with the allegations of the complaint, among others, as follows:

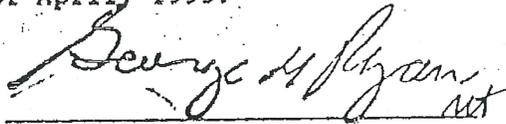
Respondent Schmitt, among others, is charged with violating Article III, Sections 1 and 18 of the NASD Rules of Fair Practice, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaint alleges that the Respondent acted as a Power branch manager, and in this capacity, directly and through Power's registered representatives, engaged in abusive and coercive sales practices that misled and defrauded the investing public. Specifically, as alleged in the complaint, the Respondent directed Power registered representatives to use generic sales scripts that were fraudulent, contained specific price projections, and assured quick profits for their customer. The Respondent also encouraged the representatives to make omissions of material facts, including not advising their customers that it would be difficult or impossible to liquidate their securities holdings to cash. Accordingly, we find that the Respondent violated Sections 1 and 18 of the NASD Rules of Fair Practice, Section 10(b) and Rule 10b-5.

4. Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be denied if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.

Order of Denial
5. The conduct referenced at paragraph two (2) constitutes fraudulent or deceptive acts or practices.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to Section 11.P of the Act, the Summary Order of Denial is made final and the Respondent's application for registration as a salesperson in Illinois is DENIED.

ENTERED: This 26th day of April, 1995.



GEORGE H. RYAN
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, (815 ILCS 5) (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law (735 ILCS 5/3-101 et seq.) and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch.I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

BrokerCheck Report

BERNARD RAYMOND SCHMITT

CRD# 1539920

Dear Investor:

FINRA has generated the following BrokerCheck report for **BERNARD RAYMOND SCHMITT**. The information contained within this report has been provided by a FINRA member firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD[®]) system.

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member or any of the member's associated persons. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides on currently registered individuals and individuals who were registered during the past two years include: actions by regulators; investment-related civil suits; customer disputes that contain allegations of sales practice violations against brokers; all felony charges and convictions; misdemeanor charges and convictions relating to securities violations; and financial events such as bankruptcies, compromises with creditors, judgments, and liens. FINRA also provides certain information on individuals whose registrations terminated more than two years ago.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or brokerage firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers and firms licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to www.nasaa.org for a complete list of state securities regulators.

Thank you for using FINRA BrokerCheck.



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



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

BERNARD RAYMOND SCHMITT

CRD# 15339920

This individual is no longer registered with FINRA. The individual's registration with FINRA was terminated prior to August 1999 when the enhanced CRD system was implemented. As a result, since the Individual was not required to update their CRD record via the submission of a Form U4 to CRD since August 1999, BrokerCheck contains only limited information about this individual.

Report Summary for this Broker

The report summary provides an overview of the broker's professional background and conduct. The individual broker, a FINRA-registered firm(s), and/or securities regulator(s) have provided the information contained in this report as part of the securities industry's registration and licensing process.

Broker Qualifications

This broker is not currently registered with a FINRA firm.

This broker has passed:

- 1 Principal/Supervisory Exams
- 1 General Industry/Product Exams
- 1 State Securities Law Exams

Registration History

This broker was previously registered with the following FINRA member firms:

VENTURE TRADING, INC.

CRD# 21404
DENVER CO
02/13/1990 to 10/18/1991

NETWORK 1 FINANCIAL SECURITIES

CRD# 13577
ROCHESTER NY
12/20/1989 to 01/04/1990

POWER SECURITIES CORPORATION

CRD# 15527
ROCHESTER NY
03/03/1987 to 02/27/1989

For additional registration details as reported by the individual broker, refer to the Registration History Section of this report.

Disclosure of Regulatory Events

This section includes details regarding final regulatory events reported by or about this broker to CRD as part of the securities industry registration and licensing process.

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

The following type of disclosure was reported:

Regulatory Event



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all principal/supervisory, general product/industry, and/or state securities law exams that the broker has passed. Under certain, limited circumstances, a broker may receive a waiver of an exam requirement based on a combination of previous exams passed and qualifying work experience. Likewise, a new exam requirement may be grandfathered based on a broker's specific qualifying work experience. Information regarding instances of exam waivers or the grandfathering of an exam requirement are not included as part of the BrokerCheck report.

This individual has passed 1 principal/supervisory exams, 1 general industry/product exams, and 1 state securities law exam.

Exam Class	Exam Name	Category	Date
Principal/Supervisory Exams	General Securities Principal Examination	Series 24	12/15/1988
General Industry/Product Exams	General Securities Representative Examination	Series 7	10/18/1986
State Securities Law Exams	Uniform Securities Agent State Law Examination	Series 63	5/6/1987

Additional information about the securities industry's qualifications and continuing education requirements, as well as the examinations administered by FINRA to brokers and other securities professionals can be found at <http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm>.



Registration History

Previously Registered with the Following FINRA Firms

FINRA records show this broker previously held FINRA registrations with the following firms:

Registration Dates	Firm Name	CRD #	Branch Location
02/13/1990 to 10/18/1991	VENTURE TRADING, INC.	21404	DENVER CO
12/20/1989 to 01/04/1990	NETWORK 1 FINANCIAL SECURITIES	13577	ROCHESTER NY
03/03/1987 to 02/27/1989	POWER SECURITIES CORPORATION	15527	ROCHESTER NY
07/17/1986 to 12/09/1986	THOMAS JAMES ASSOCIATES, INC.	15609	ROCHESTER NY

Disclosure of Regulatory Events

Disclosures in BrokerCheck reports come from different sources:

- **Self-disclosure:** Brokers are required to answer a series of questions on their application requesting securities industry registration (Form U4). For example, brokers are asked whether they have been involved in certain regulatory matters.
- **Regulator/Employer postings:** In addition, regulators and firms that have employed a broker also may contribute relevant information about such matters. All of this information is maintained in CRD.

Certain Thresholds must be met before an event is reported to CRD; for example:

- **A regulatory agency** must meet established standards before initiating a regulatory action and/or issuing sanctions. These standards typically include a reasonable basis for initiating the action after engaging in a fact-finding process.

Disclosure Event Details

This report provides the information as it was reported to CRD by the individual broker, a member firm(s), and/or by securities industry regulators. Some of the specific data fields contained in the report may be blank if the information was not provided to CRD.



Possible multiple reporting sources
– please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report.

Regulatory - Final

This section provides information regarding a final, regulatory action that was reported to CRD by the individual broker, a member firm and/or a securities regulator. The event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the SEC or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 4 ~ Entry 1 of 2

Reporting Source: Regulator

Details:

MARKET SURVEILLANCE COMMITTEE COMPLAINT NO. CMS950040 AWC.

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) ALLEGES VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 18 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT RESPONDENT BERNARD SCHMITT (SCHMITT) KNEW OR WAS RECKLESS IN NOT KNOWING THAT HIS PARTICIPATION IN THE SALES OF A SECURITY TO PUBLIC CUSTOMERS PURSUANT TO HIS AGREEMENT WITH A NON-REGISTERED INDIVIDUAL WAS AN INTEGRAL STEP IN A MANIPULATIVE AND DECEPTIVE DEVICE DESIGNED TO DEFRAUD PUBLIC INVESTORS.

THE MARKET SURVEILLANCE COMMITTEE (MSC) IMPOSED THE FOLLOWING SANCTIONS ON SCHMITT:

A CENSURE, A BAR FROM ASSOCIATION WITH ANY MEMBER IN ANY CAPACITY AND A FINE OF \$50,000, PROVIDED THAT THE ASSOCIATION SHALL SUSPEND ALL COLLECTION EFFORTS WITH RESPECT TO SUCH FINE UNLESS AND UNTIL RESPONDENT SCHMITT ATTEMPTS TO BECOME ASSOCIATED WITH A MEMBER FIRM.

THE COMPLAINT BECAME FINAL ON JUNE 2, 1995.

Disclosure 1 of 4 ~ Entry 2 of 2

Reporting Source: Firm

Details:

JDS 4123-19995; Form U5; Full; BROKER/DEALER 14108

1. Questions: 13A

2. Update: Yes

3. Initiated by: NASD

4. Type of Event/Proceeding: Not Provided

- 5. Date Initiated:
- 6. Docket/Case#: CMS950040
- 7. Allegations: SCHMITT REC'D MONETARY COMPENSATION FROM A UNREGISTERED INDIVIDUAL
- 8a. Current Status: COMPLETED
- 8b. Status Date: 6/2/95
- 8c. Results: TERMINATION OF SCHMITT
- 9. Summary: Not Provided
- 10. Attachments: Not Applicable

Disclosure 2 of 4 ~ Entry 1 of 2

Reporting Source: Regulator

Details:

U-6 ELECTRONICALLY ENTERED BY IL; TRANS #4400003-13195

- 1. Action Codes: DOR
- 2. Action Date: 4/26/95
- 3. Proviso: Not Provided
- 4. Previously Reported: Yes
- 4a. Occurrence Number: Not Provided
- 5. Initiated by: ILLINOIS SECURITIES DEPARTMENT
- 6a. Docket/Case#: 9500010
- 6b. Court Name/Location: ILLINOIS
- 7. Allegations: RESPONDENT'S APPLICATION FOR SALESPERSON REGISTRATION WAS DENIED DUE TO NASD SUSPENSION COMPLAINT NO. C8B930006.
- 8. Results: ORDER OF DENIAL WAS ISSUED APRIL 26, 1995.
- 9. Subject Wanted for Prosecution: No
- 10. Summary: CONTACT: 217-785-4940

Disclosure 2 of 4 ~ Entry 2 of 2

Reporting Source: Individual

Details:

JDS 4056-15795; Form U4; Amend 3,4; BROKER/DEALER 14108

1. Questions: 22E2 22E5
2. Update: No
3. Initiated by: STATE OF ILLINOIS
4. Type of Event/Proceeding: ADMINISTRATIVE
5. Date Initiated: 17 MARCH 1995
6. Docket/Case#: 9500010
7. Allegations: VIOLATION OF ARTICLE III SECTION 1 AND 18 OF THE NASD RULES OF FAIR PRACTICE, SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5
- 8a. Current Status: RESOLVED
- 8b. Status Date: 4/26/95
- 8c. Results: DENIED REGISTRATION IN ILLINOIS
9. Summary: BASED ON A PREVIOUSLY REPORTED EVENT THE STATE OF ILLINOIS DENIED REGISTRATION. THIS IS NOT A NEW ITEM AND WAS FULLY REPORTED TO THE NASD WHEN IT OCCURRED.
10. Attachments: Not Applicable

Disclosure 3 of 4 ~ Entry 1 of 2

Reporting Source: Regulator

Details:

COMPLAINT NO. C8B930006 FILED MAY 27, 1993 BY NASD DISTRICT NO. 8 AGAINST JOHN KEVIN DENNEE, BERNARD RAYMOND SCHMITT, STANLEY JAMES SICILIANO, MICHAEL PATRICK MARINO, JEFFREY DAVID BROWN, JOEL EDWARD SNOW, DAVID JOHN ECKERT, AND JEFFREY HAROLD SUPINSKY ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 18 AND 27 OF THE RULES OF FAIR PRACTICE AND SECTION 10(b) OF THE SECURITIES EXCHANGE ACT OF 1934, AND RULE 10b-5 THEREUNDER IN THAT RESPONDENTS DENNEE, SCHMITT, SICILIANO, MARINO, BROWN, SNOW, ECKERT, AND SUPINSKY ENGAGED IN ABUSIVE AND COERCIVE SALES PRACTICES THAT MISLED AND DEFRAUDED THE INVESTING PUBLIC BY DISSEMINATING SALES SCRIPTS TO REGISTERED REPRESENTATIVES OF THEIR MEMBER FIRM AND ENCOURAGING, DIRECTING, OR REQUIRING THE REPRESENTATIVES TO USE THE SCRIPTS, OR LANGUAGE SUBSTANTIALLY SIMILAR TO THAT IN THE SCRIPTS; AND, FAILED TO

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MAINTAIN AND ENFORCE SUPERVISORY PROCEDURES DESIGNED TO ENABLE THEM TO SUPERVISE PROPERLY THE ACTIVITIES OF THE ASSOCIATED PERSONS WORKING IN BRANCH OFFICES OF THEIR MEMBER FIRM TO ASSURE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, RULES AND REGULATIONS, AND WITH THE RULES OF THE NASD RELATING TO THE APPROPRIATE SOLICITATION OF CUSTOMERS. THEIR MEMBER FIRM AND ENCOURAGING, DIRECTING, OR REQUIRING THE

DECISION RENDERED SEPTEMBER 30, 1993, WHEREIN RESPONDENT MARINO IS CENSURED, FINED \$10,000, SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 30 DAYS, AND REQUIRED TO REQUALIFY BY EXAMINATION AS A GENERAL SECURITIES REPRESENTATIVE AND GENERAL SECURITIES PRINCIPAL. A SEPARATE DECISION WILL BE RENDERED AS TO THE REMAINING RESPONDENTS. IF NO FURTHER ACTION, DECISION IS FINAL NOVEMBER 15, 1993.

OCTOBER 12, 1993 - CALLED FOR REVIEW AS TO RESPONDENT MARINO.

ON NOVEMBER 9, 1993, THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS DENNIE, SCHMITT, SICILIANO, BROWN, SNOW, ECKERT AND SUPINSKY WAS ISSUED. THEREFORE, RESPONDENT DENNIE IS CENSURED, FINED \$15,000, SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 30 DAYS, AND BARRED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY PRINCIPAL CAPACITY; RESPONDENTS SCHMITT, SICILIANO, AND SUPINSKY ARE EACH CENSURED, FINED \$10,000, AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 15 DAYS; RESPONDENT BROWN IS CENSURED, FINED \$15,000, AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 30 DAYS; RESPONDENT SNOW IS CENSURED, FINED \$10,000, AND BARRED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY; AND, RESPONDENT ECKERT IS CENSURED, FINED \$5,000, SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 90 DAYS, AND REQUIRED TO REQUALIFY BY EXAMINATION AS A GENERAL SECURITIES REPRESENTATIVE.

PRESS RELEASE JANUARY 1994: THE SUSPENSION WILL COMMENCE WITH THE OPENING OF BUSINESS JANUARY 17, 1994 AND WILL CONCLUDE AT THE CLOSE OF BUSINESS JANUARY 31 1994.

8/1/95 \$10,000.00 FULLY PAID ON 5/3/95 INVOICE NO. 93-8B-910

Disclosure 3 of 4 ~ Entry 2 of 2

Reporting Source: Individual

Details:

JDS 168-36593; Form U4; Amend 3; BROKER/DEALER 23737

1. Questions: 22F2 22F4
2. Update: No
3. Initiated by: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
4. Type of Event/Proceeding: ARBITRATION
5. Date Initiated: 5/27/93

6. Docket/Case#: C8B930006
7. Allegations: COMPLAINT ALLEGED VIOLATIONS OF ARTICLE III, SECTIONS 1, 18 AND 27 OF THE ASSOCIATIONS RULES OF FAIR PRACTICE.
- 8a. Current Status: RESOLVED
- 8b. Status Date: 11/11/93
- 8c. Results: RESPONDENT BERNARD SCHMITT IS CENSURED AND FINED \$10,000, SUSPENDED FOR 15 DAYS FROM ASSOCIATING WITH ANY MEMBER IN ANY CAPACITY.
9. Summary: PLEASE NOTE I NEITHER ADMITTED NOR DENIED THE ALLEGATIONS SET FORTH. I SETTLED WITH THE N.A.S.D. THEY ACCEPTED MY OFFER OF SETTLEMENT OF \$10,000.00 FINE AND A 15 DAY SUSPENSION.
10. Attachments: Not Applicable

Disclosure 4 of 4 ~ Entry 1 of 2

Reporting Source: Regulator

Details:

U-6 ELECTRONICALLY ENTERED BY MI; TRANS #400001-14291

1. Action Codes: BAR FIN
2. Action Date: 1/17/91
3. Proviso: Not Provided
4. Previously Reported: No
- 4a. Occurrence Number: Not Provided
5. Initiated by: MI
- 6a. Docket/Case#: BD8157
- 6b. Court Name/Location: Not Provided
7. Allegations: SOLD UNREGISTERED, NONEXEMPT SECURITIES, TRANSACTED BUSINESS WHILE UNREGISTERED.
8. Results: MICHIGAN ENTERED A CONSENT ORDER AND IMPOSED SANCTIONS AGAINST MR. SCHMITT. WITHOUT ADMITTING OR DENYING THE VIOLATIONS, HE AGREED TO A CIVIL PENALTY OF \$1500. HE MAY NOT REAPPLY FOR REGISTRATION IN MICHIGAN FOR THREE YEARS. IF HE APPLIES AFTER THREE YEARS HE MUST BE STRICTLY SUPERVISED FOR TWO YEARS. THE CIVIL PENALTY HAS BEEN PAID IN FULL.
9. Subject Wanted for Prosecution: No
10. Summary: CONSENT ORDER, CIVIL PENALTY.

Disclosure 4 of 4 ~ Entry 2 of 2

Reporting Source: Individual

Details:

JDS 1836-29491 ; Form U4; Full; BROKER/DEALER 23737

1. Questions: 22E2 22E5
2. Update: No
3. Initiated by: STATE OF MICHIGAN
4. Type of Event/Proceeding: ADMINISTRATIVE
5. Date Initiated: JANUARY 17, 1991
6. Docket/Case#: DOCKET NO BD 8157
7. Allegations: THE RESPONDENT WAS CHARGED WITH THE OFFER AND SALE OF UNREGISTERED NON EXEMPT SECURITIES AND TRANSACTING BUSINESS AS AN AGENT WHILE UNREGISTERED IN THE STATE OF MICHIGAN.
- 8a. Current Status: FINAL
- 8b. Status Date: 1/17/91
- 8c. Results: A CIVIL PENALTY OF FIFTEEN HUNDERED DOLLARS WAS IMPOSED. ALL FINES PAID.
9. Summary: MR. BERNARD SCHMITT WILL BE ALLOWED TO RE REGISTAR IN THE STATE OF MICHIGAN AFTER A 3 YEAR PERIOD FROM THE JAN 17, 1991 DATE
10. Attachments: Not Applicable

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