

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009020821501**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: 1st Discount Brokerage, Inc., Respondent
Member
CRD No. 39164

Alan Barry Miller, Respondent
General Securities Principal
CRD No. 1106694

Mark Irwin Miller, Respondent
General Securities Principal
CRD No. 2228347

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent 1st Discount Brokerage, Inc. ("1st Discount"), Respondent Alan Barry Miller ("A. Miller") and Respondent Mark Irwin Miller ("M. Miller") submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against us alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. We hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

1st Discount has been a FINRA member since 1995, has approximately 46 registered persons, and maintains its principal place of business in Lake Worth, Florida. 1st Discount is approved to conduct a retail securities business.

A. Miller entered the securities industry in 1983, when he was associated with a FINRA member, and he holds Series 7, 24 and 63 licenses. At all relevant times, A. Miller was associated with 1st Discount and registered in several capacities,

including General Securities Principal, through a FINRA member. Moreover, A. Miller is subject to FINRA's jurisdiction because he is registered through a FINRA member.

M. Miller entered the securities industry in 1992, when he was associated with a FINRA member, and he holds Series 7, 24 and 63 licenses. At all relevant times, M. Miller was associated with 1st Discount and registered in several capacities, including General Securities Principal, through a FINRA member. Moreover, M. Miller is subject to FINRA's jurisdiction because he is registered through a FINRA member.

RELEVANT DISCIPLINARY HISTORY

On January 23, 2012, the U.S. Securities and Exchange Commission ("SEC") accepted 1st Discount's Offer of Settlement which imposed a censure and \$40,000 fine for violations of Section 15(b) of the Securities Exchange Act and Sections 203(e) and 203(f) of the Investment Advisers Act of 1940, relating to the Firm's failure to supervise a registered representative, who operated a Ponzi scheme from 2002 to 2008 while registered with 1st Discount, and in which the registered representative defrauded over 50 investors of nearly \$9 million.¹

A. Miller and M. Miller have no relevant disciplinary history.

OVERVIEW

Between December 2009 and July 2010 (the "relevant time period"), 1st Discount, A. Miller and M. Miller facilitated customer liquidations of approximately 7,764,600 shares of nine different issuers, of which eight were shares of low-priced securities. The issuers were Bergamo Acquisition Corp. ("BGMO"), China Insoline Corp. ("CHIO"), Emeritus Corporation ("ESC"), Neah Power Systems, Inc. ("NPWZ"), Sanswire Corporation ("SNSR"), Searchlight Minerals Corp. ("SRCH"), VUI Corporation ("VUOC"), Befut International Co. Ltd. ("BFTI"), and Nacel Energy Corp. ("NCEN"). During the relevant time period, ESC shares were traded on the New York Stock Exchange. BGMO, CHIO, NPWZ, SNSR, SRCH, VUOC, BFTI, and NCEN shares were traded on either the OTC pink sheets or the OTC bulletin board.

During the relevant time period, two 1st Discount customers, Argyll Investments, LLC d/b/a Argyll Investments, LLC ("Argyll Investments") and Argyll Equities, LLC ("Argyll Equities"), engaged in a pattern of depositing large blocks of low-priced securities in their accounts, of liquidating the low-priced securities and wiring the sale proceeds to an account outside 1st Discount without re-investment. 1st Discount, acting through A. Miller and M. Miller, executed the sales without conducting a reasonable searching inquiry to determine whether the securities

¹ See SEC Administrative Release 66212A, 2012 SEC LEXIS 220 (January 23, 2012).

were registered or the transactions were subject to an exemption from registration under Section 5 of the Securities Act of 1933 ("Securities Act").

The sales of all shares in the Argyll accounts generated net proceeds of \$2,754,512.68 and total commissions of \$63,348.75. Out of the total shares sold, the CHIO and NPWZ shares were sold in contravention of Section 5 of the Securities Act as there was no registration statement in effect and the transactions were not subject to an exemption from registration. The sales of the CHIO shares generated net proceeds of \$939,608.51 and total commissions of \$20,039.22. The sales of the NPWZ shares generated net proceeds of \$225,954.92 and total commissions of \$4,528.95.

During the relevant time period, 1st Discount had inadequate written supervisory procedures to ensure compliance with Section 5 of the Securities Act. Specifically, 1st Discount's written supervisory procedures did not require a reasonable searching inquiry to confirm whether a low-priced security was registered or the proposed transaction was subject to an exemption from registration. Here, M. Miller, A. Miller, and 1st Discount essentially relied upon its clearing firm, and various stock transfer agents, to determine whether shares of stock were freely tradable. During the relevant time period, 1st Discount failed to adequately update its written supervisory procedures to include specific procedures relating to the deposit and liquidation of low-priced securities.

During the relevant time period, 1st Discount's Anti-Money Laundering Compliance Program was also deficient in monitoring for potentially suspicious activity related to the deposit and liquidation of low-priced securities. 1st Discount failed to establish and implement AML policies and procedures that could reasonably be expected to detect and cause the reporting of potentially suspicious transactions related to the risks posed by the deposit and liquidation of low-priced securities. Further, 1st Discount failed to provide adequate training related to the risks posed by the deposit and liquidation of low-priced securities, to relevant personnel in operations, sales and compliance to allow for the detection, investigation and reporting, where appropriate, of suspicious activity.

As a result of such misconduct, 1st Discount violated FINRA Rule 2010, NASD Conduct Rule 3010(a), (b) and (c), NASD Conduct Rule 3011(a) and (e) (for misconduct before January 1, 2010) and FINRA Rule 3310(a) and (e) (for misconduct on and after January 1, 2010). Moreover, as a result of such misconduct, A. Miller and M. Miller violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

The Argyll Entities and the Stock Loans

During the relevant time period, Argyll Investments and Argyll Equities were limited liability companies jointly owned by M1 and M2. M1 was Chief Executive Officer of Argyll Investments and Argyll Equities, and M2 was

President of Argyll Investments and Argyll Equities. Both M1 and M2 were the beneficial owners of Argyll Investments and Argyll Equities.

During the relevant time period, Argyll Investments and Argyll Equities were purportedly in the business of providing private securities--collateralized loans to its customers.² In connection with those loans, Argyll customers would typically sign a private loan agreement and pledge positions in low-priced securities in exchange for a loan approximating 50% to 75% of the value of the pledged shares. In turn, the Argyll entity would transfer the shares into its name, deposit the shares into an account at 1st Discount, liquidate the shares, and wire the funds to an account away from 1st Discount.

The Introduction and Opening of the Argyll Accounts

In late 2009, M1 and M2 were introduced to A. Miller, by a market-maker known to A. Miller. As a result of that introduction, M1 and M2 submitted new account applications, on behalf of Argyll Investments and Argyll Equities, to open two new accounts at 1st Discount.

On November 25, 2009, Argyll Investments submitted a new account application to 1st Discount. M2 was listed as President and M1 was listed as Chief Executive Officer. On December 7, 2009, A. Miller and M. Miller reviewed and signed the new account application. On December 18, 2009, 1st Discount approved the account.

On December 18, 2009, Argyll Equities submitted a new account application to the firm. M2 was listed as President and M1 was listed as Chief Executive Officer. On December 29, 2009, A. Miller and M. Miller reviewed and signed the new account application. On January 4, 2010, 1st Discount approved the account.

During the relevant time period, A. Miller was the designated broker of record for the Argyll accounts, and M. Miller was the designated supervisor of A. Miller.

² On or about March 15, 2012, the SEC filed a Complaint against Argyll Investments, M1 and M2. The SEC alleged that M1 and M2 acquired stock from corporate officers at a discount, as collateral for loans, and they immediately sold the stock for full market value to fund the loans and used the proceeds for their own personal benefit. The SEC alleged that they promised the borrowers they would return the shares when the loans were repaid and would sell them upon loan default, but instead they sold them without the borrowers' knowledge before or soon after funding the loans. The SEC further alleged that the collateral shares were restricted securities which they sold into the public markets without registration. See SEC Case 3:12-cv-00646-L-WVG. M1 and M2 have also been criminally indicted for conspiracy, mail fraud, wire fraud, securities fraud, money laundering, and criminal forfeiture. See *USA v. Spainer et al.*, Case 3:12-cr-00918-BEN. On May 31, 2013, M2 was found guilty by jury verdict for conspiracy, mail fraud, wire fraud, securities fraud, money laundering. See *id.* at Doc. 214. On June 4, 2013, M2 was found guilty by jury verdict for criminal forfeiture of certain real and personal property. See *id.* at Doc. 226. On September 30, 2013, M2 was sentenced to 15 years concurrently in federal prison, and ordered to forfeit his assets and pay \$81.7 million in restitution. See *id.* at Doc. 276. According to the FBI, M1 died shortly before his criminal trial. See *FBI Press Release* (Nov. 19, 2013).

M. Miller also participated in effecting transactions in low-priced securities, as described below.

Transactions in the Argyll Accounts

Immediately after opening the accounts, Argyll Investments and Argyll Equities deposited large blocks of low-priced securities in electronic or physical certificate form, liquidated them, and wired the funds to an outside bank account.

Specifically, Argyll Investments and Argyll Equities liquidated 7,764,600 shares of securities in nine different issuers that generated \$2,754,512.68 in net proceeds and \$63,348.57 in total commissions.

The deposits, sales and liquidations of shares in the Argyll accounts were:

Symbol	Date Shares Deposited	Share Quantity	Date Shares Sold	Account Sold	Gross Amount	Net Amount	Commissions
BGMO	12/18/2009	500,000	12/23/2009 to 1/11/2010	Argyll Investments	\$75,334.02	\$72,808.07	\$2,525.95
BGMO	1/11/2010	<u>500,000</u>	1/14/2010 to 1/26/2010	Argyll Investments	<u>\$106,374.96</u>	<u>\$102,353.58</u>	<u>\$4,021.38</u>
		1,000,000			\$181,708.98	\$175,161.65	\$6,547.33
CHIO	1/26/2010	2,000,000	2/2/2010 to 2/9/2010	Argyll Investments	\$959,647.73	\$939,608.51	\$20,039.22
ESC	1/12/2010	3,250	1/13/2010	Argyll Investments	\$60,905.00	\$60,573.43	\$331.57
NPWZ	1/7/2010	450,000	1/8/2010 to 1/13/2010	Argyll Investments	\$230,483.87	\$225,954.92	\$4,528.95
SNSR	2/1/2010	2,000,000	2/1/2010 to 2/5/2010	Argyll Investments	\$120,299.80	\$118,279.25	\$2,020.55
SRCH	2/5/2010	160,000	2/8/2010 to 2/11/2010	Argyll Investments	\$236,382.24	\$233,164.22	\$3,218.02
SRCH	4/30/2010	<u>500,000</u>	5/4/2010	Argyll Investments	<u>\$436,100.00</u>	<u>\$426,087.62</u>	<u>\$10,012.38</u>
		660,000			\$672,482.24	\$659,251.84	\$13,230.40
VUOC	1/26/2010	150,000	1/26/2010 to 1/29/2010	Argyll Investments	\$74,411.80	\$72,890.83	\$1,520.97
VUOC	2/4/2010	250,000	2/4/2010 to 2/5/2010	Argyll Investments	\$114,318.08	\$111,807.62	\$2,510.46
VUOC	2/24/2010	<u>250,000</u>	3/15/2010 to 3/16/2010	Argyll Investments	<u>\$81,067.00</u>	<u>\$78,555.96</u>	<u>\$2,511.04</u>
		650,000			\$269,796.88	\$263,254.41	\$6,542.47

BFTI	1/7/2010	1,350	7/28/2010	Argyll Equities	\$1,363.50	\$1,298.47	\$65.03
NCEN	3/17/2010	1,000,000	3/24/2010 to 4/13/2010	Argyll Equities	\$321,173.25	\$311,130.20	\$10,043.05
		7,764,600			\$2,817,861.25	\$2,754,512.68	\$63,348.57

The deposits, sales and liquidations of the CHIO and NPWZ shares in the Argyll Investments account, transacted in contravention of Section 5 of the Securities Act, were:

Symbol	Date Shares Deposited	Share Quantity	Date Shares Sold	Account Sold	Gross Amount	Net Amount	Commissions
CHIO	1/26/2010	2,000,000	2/2/2010 to 2/9/2010	Argyll Investments	\$959,647.73	\$939,608.51	\$20,039.22
NPWZ	1/7/2010	450,000	1/8/2010 to 1/13/2010	Argyll Investments	\$230,483.87	\$225,954.92	\$4,528.95
		2,450,000			\$1,190,131.60	\$1,165,563.43	\$24,568.17

The Failure to Conduct a Reasonable Searching Inquiry

During the relevant time period, 1st Discount, A. Miller and M. Miller failed to conduct a reasonable searching inquiry to determine whether the shares of stock could be sold pursuant to an effective registration or the proposed transactions were subject to an exemption from registration. Specifically, they did not conduct a reasonable searching inquiry into whether the shares of stock previously held by the customers of Argyll Investments and Argyll Equities were registered or the proposed transaction was subject to an exemption. Although they conducted some due diligence, which varied, on the deposit of shares (such as completing a large share deposit questionnaire, obtaining a copy of the Argyll stock certificate, asking the transfer agent if the certificates were free-trading, and searching Google and Yahoo! Finance on the internet), they ultimately relied upon various transfer agents and the clearing firm to determine whether the shares of stock were freely tradable. They failed to inquire how Argyll Investments and Argyll Equities, through M1 and M2, had developed relationships with their customers and how those customers had obtained their shares which were pledged as collateral for the loans.

Moreover, A. Miller and M. Miller effected the liquidations of the low-priced securities without further inquiry because the shares were deposited without a restrictive legend. A. Miller and M. Miller believed that they could rely upon transfer agents to determine whether stock was restricted. M. Miller, typically,

had contacted the transfer agents to obtain a free-trading determination. However, A. Miller, M. Miller, nor 1st Discount, made further inquiry to verify the transfer agents' verbal representations. Furthermore, A. Miller and M. Miller did not inquire as to how the Argyll customers had acquired the shares they pledged as collateral for loans, did not perform independent research into the background or status of the particular stocks, did not inquire as to the business purpose for Argyll depositing and liquidating the stocks and wiring out the proceeds, and did not search the SEC website to determine whether the shares were registered.

Sale of Unregistered Securities Violations

Section 5 of the Securities Act prohibits the sale of securities in interstate commerce without an effective registration statement, unless an exemption applies. Brokers act in contravention of Section 5 by offering or selling securities for which no registration statement is filed or in effect, through interstate commerce or the mails, where no exemption from registration is available. Moreover, before selling unregistered securities, brokers have a duty under Section 5 of the Securities Act to conduct a searching inquiry to determine whether or not the securities are exempt from registration. Specifically, a broker:

[w]ho offers to sell, or is asked to sell, a substantial amount of securities must take whatever steps are necessary to be sure that this is a transaction not involving an issuer, person in a control relationship with an issuer or an underwriter. For this purpose, it is not sufficient for him merely to accept self-serving statements of his sellers and their counsel without reasonably exploring the possibility of contrary facts.

* * *

[W]hen a dealer is offered a substantial block of a little-known security..., or where the surrounding circumstances raise a question as to whether or not the ostensible sellers may be merely intermediaries for controlling persons or statutory underwriters, ...then searching inquiry is called for.³

A broker may not rely solely on other parties, such as clearing firms, transfer agents, or issuers' counsel, to determine that the unregistered securities transaction does not constitute an unregistered distribution and that the securities are registered or the transaction is exempt from registration.

In Notice to Members 09-05, FINRA reminded firms of their obligations to determine whether securities are eligible for public sale. Specifically, FINRA reminded firms of their responsibilities to ensure that they comply with the federal securities laws and FINRA rules when participating in unregistered resales of

³ *Distribution by Broker-Dealers of Unregistered Securities*, Securities Act Release No. 4445, 1962 SEC LEXIS 74, *4 (Feb. 2, 1962) (internal citations omitted).

restricted securities. Those responsibilities are particularly important in situations where the surrounding circumstances place the firm on notice that it may be participating in illegal, unregistered resales of restricted securities, such as when a customer physically deposits certificates or transfers in large blocks of securities and the firm does not know the source of the securities.

During the relevant time period, A. Miller and M. Miller, using instrumentalities of interstate commerce (telephone, facsimile, and/or e-mail), executed sales of 2,450,000 shares of unregistered low-priced securities for which no registration statement was in effect pursuant to Section 5 of the Securities Act. The securities and transactions were not otherwise exempt from registration. Neither A. Miller, nor M. Miller, nor anyone at 1st Discount adequately undertook the searching inquiry required under the securities laws.

The facts and circumstances surrounding the deposit and liquidation of the low-priced securities were such that A. Miller and M. Miller were required to conduct an independent reasonable inquiry to determine whether the shares deposited with 1st Discount were registered or the proposed transaction was subject to an exemption. The low-priced securities were newly obtained by the Argyll entities, they received large amounts of shares in a short period of time, and they quickly began liquidating their shares into the market. Despite the presence of these red flags indicative of a potential unregistered distribution, A. Miller and M. Miller did not adequately investigate whether the low-priced securities could be properly sold. For instance, they did not adequately investigate and conduct a reasonable inquiry regarding how the Argyll customers had acquired the shares to pledge as collateral for the loans. Rather, A. Miller and M. Miller simply assumed that 1st Discount's clearing firm and the transfer agents would not clear the shares if they were restricted.

As such, A. Miller and M. Miller failed to satisfy the duty of reasonable inquiry. The sales executed by A. Miller and M. Miller were in contravention of Section 5 of the Securities Act, and by virtue of that conduct, 1st Discount, acting through A. Miller and M. Miller, and A. Miller and M. Miller, individually, violated FINRA Rule 2010.

Supervision Violations

NASD Conduct Rule 3010(a) requires firms to "establish and maintain a system to supervise activities of each registered representative...that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD rules." Pursuant to NASD Conduct Rule 3010(b), these systems must be documented in the firm's written supervisory procedures. Moreover, the procedures must be tailored to the specific nature of the business engaged in by the firm. NASD Conduct Rule 3010(c) requires firms to "inspect at least every three years every branch office that does not supervise one or more non-branch locations."

During the relevant time period, 1st Discount was responsible for establishing, maintaining and enforcing a system of supervisory control policies and procedures. However, 1st Discount failed to establish, maintain and enforce such a system and procedures for, among other things, the following:

- 1st Discount's written supervisory procedures failed to require adequate documents and information be obtained to assess the availability of an exemption from registration;
- 1st Discount improperly relied on its clearing firm and transfer agents to determine whether shares were registered or the transactions were subject to an exemption, rather than requiring a proper reasonable inquiry be performed;
- 1st Discount failed to adequately train its appropriate personnel on the deposit, receipt and liquidation of low-priced securities; and
- 1st Discount failed to conduct an inspection of A. Miller's non-registered branch at least every three years, as required by the Firm's written supervisory procedures, during the period of January 1, 2009 through February 14, 2012.

As a result of these failures and deficiencies, 1st Discount violated NASD Conduct Rule 3010(a), (b), (c), and FINRA Rule 2010.

Anti-Money Laundering Compliance Violations

FINRA Rule 3310 (formerly NASD Conduct Rule 3011) requires members to develop and implement an Anti-Money Laundering Compliance Program reasonably designed to achieve compliance with the requirements of the Bank Secrecy Act (31 U.S.C. 5311, *et seq.*), and the implementing regulations promulgated thereunder by the Department of the Treasury. FINRA Rule 3310(a) requires members to "[e]stablish and implement policies and procedures that can reasonably be expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder."

In Notice to Members 02-47, FINRA reminded members of their obligation to look for red flags and report suspicious activity by filing a Suspicious Activity Report (SAR). As part of their monitoring responsibilities, firms are directed to Notice to Members 02-21 which emphasizes each firm's duty to detect red flags and, if a firm detects any red flags, to "perform additional due diligence before proceeding with the transaction." Notice to Members 02-21 also sets forth examples of red flags.

During the relevant period, 1st Discount failed to implement an Anti-Money Laundering Compliance Program that was reasonably designed to ensure the Firm's compliance with the Bank Secrecy Act (31 U.S.C. 5311, *et seq.*).

1st Discount's written anti-money laundering procedures required the Anti-Money Laundering Compliance Officer, or his/her designee, to review transactions for potential suspicious activity, and for the Anti-Money Laundering Compliance Officer to conduct an appropriate investigation and to file a suspicious activity report, if appropriate. In this regard, the Firm's procedures identified a non-exclusive list of 25 possible red flags indicative of potentially suspicious activity, including the following:

- The customer wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer's stated business or investment strategy;
- The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations;
- The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as penny stocks, Regulation S stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure legitimacy of the customer's activity.); and
- The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose.

Among other things, 1st Discount, failed to detect and investigate the following red flags indicative of potentially suspicious activity involving transactions in low-priced securities:

- Argyll Investments, M1 and M2 had been the subject of SEC subpoenas;
- Argyll Investments, M1 and M2 had been the subject of lawsuits alleging fraudulent stock loan schemes;
- The activity itself, included a pattern of accepting deposits electronically and by physical certificates of low-priced securities, promptly liquidating the low-priced securities and wiring proceeds to an outside account without re-investment; and
- Several of the issuers were the subject of prior regulatory actions due to fraudulent statements and/or press releases.

Moreover, 1st Discount also failed to provide adequate training to its appropriate personnel specifically related to the risks posed by the deposit and liquidation of low-priced securities.

By virtue of these failures, 1st Discount violated NASD Conduct Rule 3011(a) and (e) (for misconduct before January 1, 2010) and FINRA Rules 3310(a) and (e) (for misconduct on and after January 1, 2010) and 2010.

OTHER FACTORS

B. 1st Discount consents to the imposition of the following sanctions:

- A censure; and
- A fine in the amount of \$60,000.

A. Miller consents to the imposition of the following sanctions:

- A one-month suspension from association with any FINRA member in all capacities;
- A fine in the amount of \$10,000; and
- Disgorgement of commissions received, which is ordered to be paid to FINRA in the amount of \$8,598.86, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 2261, from March 1, 2010 until the date this AWC is accepted by the NAC.

M. Miller consents to the imposition of the following sanctions:

- A one-month suspension from association with any FINRA member in all capacities;
- A fine in the amount of \$10,000; and
- Disgorgement of commissions received, which is ordered to be paid to FINRA in the amount of \$15,969.31, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 2261, from March 1, 2010 until the date this AWC is accepted by the NAC.

We agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. We have each submitted an Election of Payment form showing the method by which we propose to pay the fine imposed.

We specifically and voluntarily waive any right to claim that we are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

We understand that if A. Miller and M. Miller are barred or suspended from associating with any FINRA member, A. Miller and M. Miller become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, A. Miller and M. Miller may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

We specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against us;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, we specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

We further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

We understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against us; and
- C. If accepted:
 - 1. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. We may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. We may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects our: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. We may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of

avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

1st Discount Brokerage, Inc., Respondent

Apr 13, 2015
Date (mm/dd/yyyy)

By: Will Corley
William Harold Corley,
Chief Executive Officer

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

Date (mm/dd/yyyy)

Alan Barry Miller, Respondent

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

Date (mm/dd/yyyy)

Mark Irwin Miller, Respondent

Reviewed by:

Susan Yoffee, Esq.
Counsel for Respondents
Haile, Shaw & Pfaffenberger, P.A.
660 U.S. Highway One, Third Floor
North Palm Beach, Florida 33408
(561) 627-8100

avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

1st Discount Brokerage, Inc., Respondent

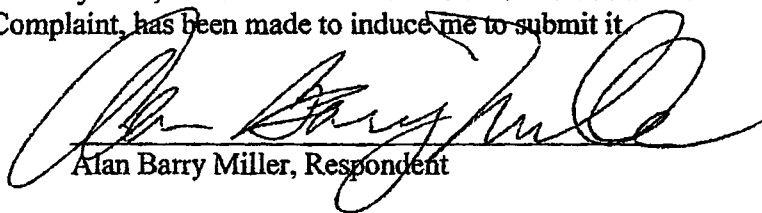
Date (mm/dd/yyyy)

By: _____
William Harold Corley,
Chief Executive Officer

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

04/08/2015

Date (mm/dd/yyyy)



Alan Barry Miller, Respondent

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

Date (mm/dd/yyyy)

Mark Irwin Miller, Respondent

Reviewed by:

Susan Yoffee, Esq.
Counsel for Respondents
Haile, Shaw & Pfaffenberger, P.A.
660 U.S. Highway One, Third Floor
North Palm Beach, Florida 33408
(561) 627-8100

avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

1st Discount Brokerage, Inc., Respondent

Date (mm/dd/yyyy)

By: _____
William Harold Corley,
Chief Executive Officer

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

Date (mm/dd/yyyy)

Alan Barry Miller, Respondent

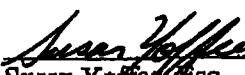
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

4-13-15

Date (mm/dd/yyyy)

Mark Irwin Miller, Respondent

Reviewed by:



Susan Yoffe Esq.
Counsel for Respondents
Haile, Shaw & Pfaffenberger, P.A.
660 U.S. Highway One, Third Floor
North Palm Beach, Florida 33408
(561) 627-8100

Accepted by FINRA:

04/23/2015
Date

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read 'Kevin D. Rosen', is written over a horizontal line.

Kevin D. Rosen, Senior Regional Counsel
FINRA Department of Enforcement
5200 Town Center Circle
Tower I, Suite 200
Boca Raton, Florida 33486
Phone: (561) 443-8015; Fax (561) 443-7998
E-mail: kevin.rosen@finra.org

FINANCIAL INDUSTRY REGULATORY AUTHORITY
NO: 2009020821501

STATEMENT OF CORRECTIVE ACTION

This Corrective Action Statement is submitted by the Respondents. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA , or its staff.

On behalf of Respondents the following is a statement of corrective action which has been taken.

Deposits of equity securities traded on the Pink Sheet or OTC Bulletin Board markets are no longer accepted.