

BrokerCheck Report

PRAGER & CO., LLC

CRD# 21567

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 9
Firm History	10
Firm Operations	11 - 16
Disclosure Events	17

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **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.



PRAGER & CO., LLC

CRD# 21567

SEC# 8-39048

Main Office Location

ONE MARITIME PLAZA
SUITE 1000
SAN FRANCISCO, CA 94111
Regulated by FINRA San Francisco Office

Mailing Address

ONE MARITIME PLAZA
SUITE 1000
SAN FRANCISCO, CA 94111

Business Telephone Number

415-403-1900

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 01/01/1999.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 18 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 9 types of businesses.

This firm is not affiliated with any financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	7



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 01/01/1999.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

PRAGER & CO., LLC

Doing business as PRAGER & CO., LLC

CRD# 21567

SEC# 8-39048

Main Office Location

ONE MARITIME PLAZA
SUITE 1000
SAN FRANCISCO, CA 94111

Regulated by FINRA San Francisco Office

Mailing Address

ONE MARITIME PLAZA
SUITE 1000
SAN FRANCISCO, CA 94111

Business Telephone Number

415-403-1900



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): PRAGER, FREDRIC JOEL

1018994

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

Position CEO, CCO

Position Start Date 12/2004

Percentage of Ownership 25% but less than 50%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): HUTTON, LYN

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

Position RETIRED

Position Start Date 05/2011

Percentage of Ownership 10% but less than 25%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ROSENBAUM, SAUL AARON

1919089

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

Position PRINCIPAL MEMBER

Position Start Date 01/1999

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership 5% but less than 10%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ADMINISTRATIVE TRUST UNDER THE HELLMAN FAMILY REVOCABLE TRUST C/O MARCO HELLMAN

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

Position INVESTMENT MEMBER

Position Start Date 12/2011

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): FLEISCHNER-POWELL, ROCHELLE
2798791

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

Position PRINCIPAL MEMBER

Position Start Date 05/2011

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): FRIEDMAN, TULLY MICHAEL

Firm Profile



Direct Owners and Executive Officers (continued)

	214743
Is this a domestic or foreign entity or an individual?	Individual
Position	INVESTMENT MEMBER
Position Start Date	04/1998
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	HATHAWAY, AARON BOVEE
Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL MEMBER
Position Start Date	01/2012
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	HELLMAN, MARCO WARREN 4367230
Is this a domestic or foreign entity or an individual?	Individual
Position	ADMINISTRATOR OF THE HELLMAN FAMILY TRUST
Position Start Date	12/2011
Percentage of Ownership	Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): LEANSE, LLOYD SCOTT
1201144

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

Position RESTRICTED MEMBER, CFO, COO

Position Start Date 05/1990

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): PRAGER MANAGEMENT CO., LLC

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

Position MANAGING MEMBER

Position Start Date 03/2005

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): PRAGER, IAN KENNETH
5239810

Firm Profile



Direct Owners and Executive Officers (continued)

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

Position DIRECTOR

Position Start Date 05/2016

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): PRAGER, MCCARTHY & SEALY, INC.

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

Position CAPITAL PARTICIPANT

Position Start Date 01/1994

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ROCK, ARTHUR
1510336

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

Position INVESTMENT MEMBER

Position Start Date 04/1998

Percentage of Ownership Less than 5%

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

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a public reporting
company? No

Firm Profile

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

Indirect Owners

No information reported.



Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 18 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	01/25/1988

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	03/03/1988



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Arizona	Approved	06/17/2002
California	Approved	09/11/2000
Colorado	Approved	11/03/1995
Florida	Approved	06/02/1994
Georgia	Approved	08/21/1995
Hawaii	Approved	10/05/2006
Illinois	Approved	05/27/2011
Maryland	Approved	11/22/1995
Massachusetts	Approved	06/01/1994
New Jersey	Approved	06/29/2002
New York	Approved	03/30/1988
North Carolina	Approved	05/02/1996
Ohio	Approved	08/03/2004
Oregon	Approved	07/01/1996
Pennsylvania	Approved	02/06/1995
South Carolina	Approved	09/06/2003
Virginia	Approved	04/10/1995
Washington	Approved	08/11/1994



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 9 types of businesses.

Types of Business

Broker or dealer selling corporate debt securities
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Real estate syndicator
Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)
Trading securities for own account
Private placements of securities

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



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

This firm does have accounts, funds, or securities maintained by a third party.

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM STREET, SUITE 3500
DALLAS, TX 75270
Effective Date: 01/01/2016
Description: PRAGER, SEALY & CO., LLC WILL CLEAR ALL SECURITIES
TRANSACTIONS ON A FULLY DISCLOSED CLEARING ARRANGEMENT
AND AS SUCH CUSTOMERS WILL BE INTRODUCED TO HILLTOP FOR
SECURITIES SETTLEMENT.

Name: PERSHING LLC
CRD #: 7560
Business Address: 1 PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 02/18/2003
Description: PRAGER, SEALY & CO., LLC WILL CLEAR ALL SECURITIES
TRANSACTIONS ON A FULLY DISCLOSED CLEARING ARRANGEMENT
AND
AS SUCH CUSTOMERS WILL BE INTRODUCED TO PERSHING FOR
SECURITIES SETTLEMENT.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	7	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 7

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT DURING THREE SEPARATE PERIODS IN 2014 AND 2015, IT FAILED TO ENFORCE ITS WSPS RELATED TO FINANCIAL CONTROLS AND BOOKS AND RECORDS, INCLUDING NET CAPITAL COMPUTATIONS. THE FINDINGS STATED THAT THOSE FAILURES HAD THE EFFECT OF CAUSING THE FIRM TO CONDUCT A SECURITIES BUSINESS WHILE NET CAPITAL DEFICIENT, AS WELL AS A FAILURE TO MAINTAIN BOOKS AND RECORDS REFLECTING AN ACCURATE NET CAPITAL COMPUTATION. THE FIRM MAINTAINS A MINIMUM NET CAPITAL REQUIREMENT OF \$250,000. THE FIRM EXECUTED RISKLESS PRINCIPAL TRADES (WHILE MAINTAINING NO MUNICIPAL BOND POSITIONS) ON AT LEAST NINE DAYS WHILE NET CAPITAL DEFICIENT. THE DEFICIENCIES AROSE FROM THE FIRM'S FAILURE TO ADEQUATELY MONITOR THE CAPITAL IMPLICATIONS ARISING FROM INCREASES IN NON-ALLOWABLE ASSETS ATTRIBUTABLE TO ACCOUNTS RECEIVABLE FROM FINANCIAL ADVISORY CLIENTS THAT WERE COLLECTED IN THE ORDINARY COURSE OF BUSINESS. THE FIRM'S FINOP DID NOT DISCOVER THE NET CAPITAL DEFICIENCIES UNTIL THE FINOP WAS PREPARING THE PRIOR MONTH'S FOCUS FILINGS. THE FIRM'S WSPS PROVIDED THAT THE FIRM WOULD MAINTAIN 120% OF ITS MINIMUM NET CAPITAL, AND THAT AT EACH WEEK'S END, THE FINOP OR A DESIGNEE WOULD CONDUCT A NET CAPITAL COMPUTATION AND CONFIRM ITS ACCURACY. THE FIRM, HOWEVER, DID NOT UNIFORMLY ENFORCE THESE PROCEDURES AND THOSE COMPUTATIONS WERE NOT ROUTINELY COMPLETED. HAD THE FIRM ENFORCED ITS WSPS AND DONE SUCH COMPUTATIONS, IT WOULD HAVE DISCOVERED THE NET CAPITAL DEFICIENCIES BEFORE PREPARING THE FOCUS FILINGS FOR THE PRIOR MONTH.

Initiated By: FINRA

Date Initiated: 01/12/2017

Docket/Case Number: [2014040334801](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/12/2017



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$28,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$28,500. FINE PAID IN FULL ON FEBRUARY 7, 2017.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED THAT DURING THREE SEPARATE PERIODS IN 2014 AND 2015, PRAGER FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES RELATED TO FINANCIAL CONTROLS AND BOOKS AND RECORDS, INCLUDING NET CAPITAL COMPUTATIONS, WHICH HAD THE EFFECT OF CAUSING THE FIRM TO CONDUCT A SECURITIES BUSINESS WHILE NET CAPITAL DEFICIENT, AS WELL AS A FAILURE TO MAINTAIN BOOKS AND RECORDS REFLECTING AN ACCURATE NET CAPITAL COMPUTATION.
Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY
Date Initiated:	07/12/2016
Docket/Case Number:	2014040334801
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	CENSURE AND MONETARY FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/12/2017
Sanctions Ordered:	Censure Monetary/Fine \$28,500.00

**Other Sanctions Ordered:**

Sanction Details: CENSURE AND \$28,500.00 FINE.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, PRAGER ACCEPTED AND CONSENTED TO THE ENTRY OF A SANCTION AND MONETARY PENALTY.

Disclosure 2 of 7

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASES 33-9935; 34-76032; SEPTEMBER 30, 2015: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST PRAGER & CO., LLC ("RESPONDENT"). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/30/2015

Docket/Case Number: 3-16869

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:



Resolution:	Order
Resolution Date:	09/30/2015
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF 17(A)(2) OF THE SECURITIES ACT; WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000 TO THE SECURITIES AND EXCHANGE COMMISSION; AND RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF RESPONDENT'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE.



Reporting Source: Firm

Current Status: Final

Allegations: AS PART OF AN INDUSTRY-WIDE INITIATIVE, THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") IN SEC ADMIN RELEASES 33-9935, 34-76032 HAS FOUND (WITHOUT PRAGER & CO., LLC ADMITTING OR DENYING THE FINDINGS) THAT PRAGER & CO., LLC (THE "FIRM") CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND, AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN THE FIRM OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE SEC ALLEGED THAT THE FIRM WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933. THE VIOLATIONS DISCUSSED IN THE ORDER WERE SELF-REPORTED BY THE FIRM TO THE SEC PURSUANT TO THE DIVISION OF ENFORCEMENT'S MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE.

Initiated By: U.S. SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/30/2015

Docket/Case Number: 3-16869

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: CEASE AND DESIST; UNDERTAKING

Resolution: Order

Resolution Date: 09/30/2015

Sanctions Ordered: Monetary/Fine \$100,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: THE ORDER ALSO REQUIRES THE FIRM TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF THE FIRM'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE AND REQUIRES THE FIRM TO ADOPT THE INDEPENDENT CONSULTANT'S RECOMMENDATIONS (UNLESS THE SEC FINDS A RECOMMENDATION UNDULY BURDENSOME, IMPRACTICAL, OR INAPPROPRIATE, IN WHICH CASE THE FIRM SHALL NOT BE REQUIRED TO ABIDE BY, ADOPT, OR IMPLEMENT THAT RECOMMENDATION).



Sanction Details:	THE FIRM SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, AS WELL AS THE ORDER REQUIREMENT TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000, WHICH THE FIRM PAID ON 9/1/2015.
Firm Statement	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ON SEPTEMBER 30, 2015 BY THE SEC PURSUANT TO WHICH THE FIRM: (1) SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933; (11) PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000 ON SEPTEMBER 1, 2015; AND (III) SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER

Disclosure 3 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULES G-14, G-27 - PRAGER & CO., LLC FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL. THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES AFTER THE EXECUTION TIME TO AN RTRS PORTAL. THE FIRM ERRONEOUSLY CANCELED REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES AND FAILED TO RE-SUBMIT THOSE REPORTS TO THE RTRS. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES.
Initiated By:	FINRA
Date Initiated:	05/17/2012
Docket/Case Number:	2009017094601
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/17/2012

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$27,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$27,500 FOR MSRB RULE VIOLATIONS. FINE PAID IN FULL ON MAY 29, 2012.

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULES G14; G27: FIRM FAILED TO REPORT INFORMATION REGARDING MUNICIPAL SECURITIES TRANSACTIONS TO THE REAL TIME REPORTING SYSTEM (RTRS) IN THE MANNER DESCRIBED IN RULE G14. FIRM FAILED TO REPORT SECURITIES TRANSACTIONS WITHIN 15 MINUTES AFTER EXECUTION TIME TO RTRS. THE FIRM ERRONEOUSLY CANCELLED REPORTS OF TRANSACTIONS AND FAILED TO RE-SUBMIT THOSE REPORTS TO RTRS IN A TIMELY MANNER. THIS CONSTITUTED A FAILURE TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES

Initiated By: FINRA

Date Initiated: 03/14/2009

Docket/Case Number: [2009017094601](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought:	ACCPETANCE WAIVER AND CONSENT - MONETARY FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/17/2012
Sanctions Ordered:	Censure Monetary/Fine \$27,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS INCLUDING THE MONETARY FINE OF \$27,500.
Firm Statement	THE FIRM AGREED TO THE AWC ON MARCH 29, 2012 WHICH STIPULATED A FINE IN THE AMOUNT OF \$10,000 RELATING TO THE REPORTING VIOLATIONS DURING THE PERIOD 10/1/2008 TO 12/31/2008. A FINE IN THE AMOUNT OF \$12,500 FOR VIOLATIONS RELATING TO ERRONEOUS CANCELLED TRADES DURING THE PERIOD JANUARY 1, 2010 TO JUNE 30, 2010; AND A FINE OF \$5,000 FOR FAILURE TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 4 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULE G-14 - PRAGER, SEALY & CO., LLC FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS' MANUAL. SPECIFICALLY, THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN THE 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL.
Initiated By:	FINRA
Date Initiated:	09/08/2008
Docket/Case Number:	2007008993901
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/08/2008

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS: THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE PERIOD JAN 1,2007 THRU MAR 31, 2007 THE FIRM FAILED TO REPORT INFORMATION REGARDING 51 PURCHASE & SELL TRANSACTIONS EFFECTED IN MUNI SECURITIES TO THE RTRS IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCCEDURES AND THE RTRS USERS MANUAL. SPECIFICALLY, THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MIN OF TIME OF TRADE TO AN RTRS PORTAL. THE CONDUCT DESCRIBED IN THIS PARAGRAPH CONSTITUTES SEPARATE & DISTINCT VIOLATIONS OF MSRB RULE G-14.

Initiated By: FINRA

Date Initiated: 07/21/2008

Docket/Case Number: STAR NO. 2007008993901

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/08/2008
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM AGREES TO PAY MONETARY FINE UPON NOTICE THAT THIS AWC HAS BEEN ACCEPTED AND THAT SUCH PAYMENT ARE DUE AND PAYABLE. IT HAS SUBMITTED AN ELECTION OF PAYMENT FORM SHOWING THE METHOD BY WHICH IT PROPOSES TO PAY THE FINE IMPOSED. THE FIRM SPECIFICALLY AND VOLUNTARILY WAIVES ANY RIGHT TO CLAIM THAT IT IS UNABLE TO PAY, NOR AT ANY TIME HEREAFTER, THE MONETARY SANCTION IMPOSED ON THIS MATTER.
Firm Statement	THE FIRM CONSENTS TO A CENSURE AND A FINE OF \$10,000.00. THE FIRM AGREES TO PAY THE MONETARY SANCTION UPON NOTICE THAT THIS AWC HAS BEEN ACCEPTED AND THAT SUCH PAYMENTS ARE DUE & PAYABLE.

Disclosure 5 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULE G-14 AND G-27- RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE G-14.
Initiated By:	NASD
Date Initiated:	06/28/2005
Docket/Case Number:	C01050012
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/28/2005



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$30,000.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE PERIOD FROM ON OR ABOUT 1/1/03 THRU ON OR ABOUT 10/31/04. PRAGER, SEALY & CO., LLC FAILED TO TIMELY REPORT 5.21% OF IT'S MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB.
Initiated By:	NASD
Date Initiated:	03/03/2005
Docket/Case Number:	C01050012
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/28/2005
Sanctions Ordered:	Monetary/Fine \$30,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM AGREED IN THE NOTICE OF ACCEPTANCE, WAIVER & CONSENT TO PAY A FINE OF \$30,000.00



Disclosure 6 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 1120(A) AND 2110 - RESPONDENT MEMBER, ACTING THROUGH ITS PRINCIPAL RESPONSIBLE FOR COMPLIANCE WITH THE NASD REGULATORY ELEMENT OF CONTINUING EDUCATION, PERMITTED AN EMPLOYEE TO CONTINUE TO PERFORM DUTIES AS A REGISTERED PERSON AND TO RECEIVE COMPENSATION FOR THOSE DUTIES WHILE HE WAS DEEMED INACTIVE BY VIRTUE OF HIS FAILURE TO TAKE AND COMPLETE THE REGULATORY ELEMENT OF CONTINUING EDUCATION.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	04/10/2002
Docket/Case Number:	C01020006
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	10/09/2002
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND FINE JOINTLY AND SEVERALLY.
Regulator Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT CONSENTED TO THE DESCRIBED SANCTIONS AND FINDINGS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE PERIOD OF 9/99-4/00, AN EMP. REG REP OF THE FIRM WAS INADVERTENTLY ALLOWED TO CONT. HIS EMP. WHILE DEEMED TO BE INACTIVE BY VIRTUE OF HIS FAILURE TO COMPLETE THE NASD REG ELEMENT OF CONTINUING EDUCATION REQ.



Initiated By: NASDR
Date Initiated: 04/10/2002
Docket/Case Number: C01020006
Principal Product Type: Debt - Municipal
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 10/09/2002
Sanctions Ordered: Censure
 Monetary/Fine \$7,500.00
Other Sanctions Ordered:
Sanction Details: MONETARY FINE \$7500.00 AND REG REP \$3500.00, CENSORED AND FINED JOINTLY & SEVERALLY.
Firm Statement THE FIRM WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AGREED TO LETTER OF ACCEPTANCE, WAIVER & CONSENT, WHEREBY THE FIRM AND IT'S REGISTERED SUPERVISORY PRINCIPAL WERE JOINTLY AND SEVERALLY FINED \$7500.00 AND THE EMP REG REP WAS FINED \$3500.00. THE FIRM AMMENDED IT'S SUPERVISORY PROCEDURES TO PREVENT FUTURE OCCURANCES.

Disclosure 7 of 7

Reporting Source: Regulator
Current Status: Final
Allegations: Not Provided
Initiated By: MASSACHUSETTS SECURITIES DIVISION
Date Initiated: 06/01/1994
Docket/Case Number: R-93-168
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/01/1994

Sanctions Ordered: Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details: Not Provided

Regulator Statement THE MASSACHUSETTS SECURITIES DIVISION ENTERED A CONSENT ORDER, R-93-214, ON JUNE 1, 1994 PROVIDING FOR THE CONDITIONAL REGISTRATION OF PRAGER, MCCARTHY & SEALY, A CALIFORNIA LIMITED PARTNERSHIP ("PRAGER") AS A BROKER-DEALER. THE ORDER IMPOSES, INTER ALIA, AN ADMINISTRATIVE FINE OF \$25,000 UPON PRAGER FOR VIOLATIONS OF SECTION 201 OF THE ACT, PROVIDES FOR A NOTICE OF RESCISSION FOR ALL SECURITIES TRANSACTIONS EFFECTED IN VIOLATION OF THE ACT, AND REQUIRES PRAGER TO ADOPT WRITTEN SUPERVISORY PROCEDURES TO PREVENT FUTURE VIOLATIONS OF THE ACT.

Reporting Source: Firm

Current Status: Final

Allegations: AN EMPLOYEE OF PRAGER MOVED FROM OUR NEW YORK OFFICE TO BOSTON. PRAGER SET UP A ONE MAN OFFICE FOR THIS EMPLOYEE TO TRADE THROUGH OUR NEW YORK OFFICE. HOWEVER, PRAGER FAILED TO REGISTER SUCH OFFICE WITH COMMONWEALTH OF MASS. UNDER THE PREMISE THAT SUCH ACTIVITY WAS ACTUALLY DONE FROM NEW YORK. PRAGER AND MASS. AGREED ON ADMINISTRATIVE FINE.

Initiated By: COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION

Date Initiated: 12/01/1993

Docket/Case Number: R-93-214

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:****Resolution:** Settled**Resolution Date:** 06/01/1994**Sanctions Ordered:** Monetary/Fine \$25,000.00**Other Sanctions Ordered:** FIRM HAD TO (1) UPDATE WRITTEN SUPERVISORY PROCEDURES; (2) NOTIFY ALL CUSTOMERS OF SUCH TRADING ACTUALLY OCCURRING FROM BOSTON, THROUGH OUR NEW YORK OFFICE;(3) REQUIRE ALL REGISTERED REPS TO OBTAIN (IF NOT ALREADY DONE) SERIES 63 REGISTRATION.**Sanction Details:** PRAGER PAID AN ADMINISTRATIVE FINE OF \$25,000 ON JUNE 1, 1994 AND WAS ORDERED TO UPDATE WRITTEN PROCEDURES TO PREVENT SUCH ACTION FROM OCCURRING AGAIN. ALSO, ALL CUSTOMERS WERE TO BE NOTIFIED OF THE EVENT WITHIN 60 BUSINESS DAYS. FIRM CONFIRMED ALL REGISTERED REPS HAD OBTAINED SERIES 63 REGISTRATIONS.

End of Report



This page is intentionally left blank.