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11 **IN THE UNITED STATES DISTRICT COURT**  
12 **FOR THE DISTRICT OF ARIZONA**

13 John J. Hurry and Justine Hurry, as husband  
14 and wife; Investment Services Corporation,  
15 an Arizona corporation, et al.,

16 Plaintiffs,

17 v.

18 Financial Industry Regulatory Authority,  
19 Inc., a Delaware corporation, Scott M.  
20 Andersen, a natural person, et al.,

21 Defendants.

Case No. 14-cv-02490-PHX-ROS

**MOTION TO DISMISS  
ALL CLAIMS**

22 **Introduction**

23 This case is an attempt to interfere with an investigation by the Financial Industry  
24 Regulatory Authority, Inc. (“FINRA”) into Scottsdale Capital Advisors Corporation  
25 (“SCA”), a broker-dealer and FINRA member, which is owned and operated by plaintiffs  
26 John and Justine Hurry (collectively, the “Hurrys”). [See First Amended Complaint  
27 (“FAC”) at ¶¶ 2, 60, 72.] Although the Hurrys nominally brought this case on behalf of  
28 their businesses that are not FINRA members, this action challenges the manner in which  
FINRA exercised its regulatory authority during the investigation of SCA and the Hurrys.  
Indeed, this case is a thinly veiled attempt by the Hurrys to circumvent the fact that there  
is no private right of action against FINRA for alleged violations of FINRA’s Rules or the

1 Exchange Act. *See Jablon v. Dean Witter & Co.*, 614 F.2d 677, 681 (9th Cir. 1980) (“No  
2 provision in the Securities Exchange Act explicitly provides for a private action for  
3 violations of stock association rules . . . [and] we conclude there is no implied right of  
4 action for [a FINRA] rule violation.”); *Sparta Surgical Corp. v. NASD*, 159 F.3d 1209,  
5 1212 (9th Cir. 1998) (“[T]here is no private right of action for breach of a self-regulatory  
6 organization’s rules.”).

7 In November 2012, FINRA—which “has regulatory power, delegated from  
8 Congress through the [Securities and Exchange Commission (the “SEC”)] in the  
9 Securities Exchange Act of 1934 (“Exchange Act”), over broker-dealer firms . . . and their  
10 registered associated persons”—made a “surprise onsite examination of SCA at its  
11 headquarters.” [FAC at ¶ 72;] *see Charles Schwab & Co., Inc. v. FINRA*, 861 F. Supp. 2d  
12 1063, 1065 (N.D. Cal. 2012). The onsite examination of SCA was part of an ongoing  
13 investigation by FINRA regarding potentially serious regulatory violations.

14 As part of its onsite examination of SCA, FINRA issued what is known as a Rule  
15 8210 Request for, among other things, the inspection and copying of computers in the  
16 Hurrys’ possession. [See FAC at ¶¶ 79, 84, 86.] Pursuant to that Rule 8210 Request,  
17 FINRA copied the hard drives of computers located at SCA’s offices, 7170 E. McDonald  
18 Drive, Suite 6, Scottsdale, Arizona 85253 (the “Copied Computers”). [See *id.* at ¶ 72,  
19 101.] Plaintiffs argue that because the Copied Computers are purportedly owned by one  
20 of the Hurrys’ other companies, Investment Services Corporation (“ISC”), FINRA  
21 somehow exceeded its regulatory authority by inspecting the Copied Computers. [See *id.*  
22 at ¶ 102.] But Rule 8210 permits FINRA to “inspect and copy the books, records, and  
23 accounts of [a] member or person [associated with a member] . . . [or] ***in such member’s  
24 or person [associated with a member’s] possession, custody or control.***” FINRA Rule  
25 8210(a) (emphasis added). And the Copied Computers were plainly in the Hurrys’  
26 possession. [See FAC at ¶¶ 67–69 (admitting that “the Hurrys use the [Copied]  
27 Computers in the ISC Office . . . [and] the Hurrys access the [Copied] Computers  
28 remotely”).]

Plaintiffs also argue that FINRA should be deemed to have “hacked” the Copied  
Computers because the Hurrys provided FINRA access to those computers only after

1 FINRA allegedly threatened to issue a Wells Notice.<sup>1</sup> [See *id.* at ¶¶ 94–100.] But  
2 plaintiffs do not—and cannot—dispute that under the circumstances the issuance of a  
3 Wells Notice would have been well within FINRA’s regulatory authority. Indeed, FINRA  
4 allegedly made reference to the issuance of a Wells Notice only after the Hurrlys refused  
5 to comply with the Rule 8210 Request for the inspection of the Copied Computers and  
6 thereby prevented FINRA from conducting its investigation. [See *id.*] It was not until  
7 over nine months later that FINRA actually issued a Wells Notice to John Hurry, and  
8 plaintiffs concede it was unrelated to “any of the [allegations] in this Complaint.” [See *id.*  
9 at ¶¶ 252–53.]

10 Next, plaintiffs argue that FINRA’s investigation of SCA and the Hurrlys  
11 purportedly exceeded FINRA’s regulatory authority because (1) a news outlet, Deal  
12 Pipeline, reported SCA’s involvement with Biozoom and Mr. Hurry’s negotiations to buy  
13 broker-dealer Wilson-Davis & Co., and (2) FINRA purportedly interfered with that  
14 transaction. [See *id.* at ¶¶ 240–45.] But a news outlet reporting on regulatory activity  
15 concerning a publicly traded company has no bearing on whether FINRA exceeded its  
16 regulatory authority. And despite their many allegations regarding the Wilson-Davis  
17 transaction, the plaintiffs do not contend such allegations form the basis for any of their  
18 claims for relief. [See, *e.g.*, *id.* at ¶¶ 240–45, 328–33.] Yet plaintiffs still ask this Court to  
19 order FINRA to lift interim restrictions placed on the Wilson-Davis transaction and enjoin  
20 FINRA from placing any other restrictions on it—that is, they ask this Court to intervene  
21 in FINRA’s regulatory activity without giving any reason for doing so.

22 Instead of challenging FINRA’s actions pursuant to the comprehensive  
23 administrative scheme, which the Hurrlys were required to do by agreement, the Hurrlys  
24 caused dozens of companies they control to file this action against FINRA and its  
25 employee, Scott Andersen (“Andersen”), and to demand, among other things, a  
preposterous \$50 million in punitive damages. [See *id.* at p. 63.] That this action merely

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26 <sup>1</sup> “A Wells Notice notifies the recipient that [FINRA] is close to recommending to the  
27 [SEC] an action against the recipient and provides the recipient the opportunity to set forth  
28 his version of the law or facts.” *SEC v. Internet Solutions for Business, Inc.*, 509 F.3d  
1161, 1163 n.1 (9th Cir. 2007) (quotation omitted).

1 attacks the manner in which FINRA exercised its regulatory authority is further made  
2 plain by the fact that the relief plaintiffs seek includes, among other things, (1) an  
3 injunction precluding FINRA from investigating information contained on the Copied  
4 Computers, and (2) a judgment declaring “unlawful, arbitrary, and capricious” FINRA’s  
5 restrictions on the sale of Wilson-Davis & Co., and requiring FINRA to remove such  
6 restrictions. [*See id.* at p. 62.]

7 In addition to merely being an attack on FINRA’s exercise of its regulatory  
8 authority, all the claims plaintiffs assert fail as a matter of law for multiple independent  
9 reasons, including because FINRA and Andersen are immune from any claim relating to  
10 FINRA’s exercise of its regulatory authority, and because the Hurrlys have failed to  
11 exhaust their administrative remedies. *See Sparta*, 159 F.3d at 1213 (“[A] party has no  
12 private right of action against [FINRA] for violating its own rules or for actions taken to  
13 perform its self-regulatory duties . . . .”); *First Jersey Sec., Inc. v. Bergen*, 605 F.2d 690,  
14 695 (3d Cir. 1979) (“[I]t is ‘a long settled rule of judicial administration that no one is  
15 entitled to judicial relief for a supposed or threatened injury until the prescribed  
16 administrative remedy has been exhausted.’”) (quoting *Myers v. Bethlehem Shipbuilding  
Corp.*, 303 U.S. 41, 50–51 (1938)).

### 17 Argument

#### 18 **I. THIS COURT LACKS SUBJECT-MATTER JURISDICTION OVER THE** 19 **HURRYS’ CLAIMS BECAUSE THE HURRYS HAVE NOT EXHAUSTED** 20 **THEIR ADMINISTRATIVE REMEDIES**

21 All of the claims brought by the Hurrlys against FINRA and Andersen should be  
22 dismissed pursuant to Fed. R. Civ. P. 12(b)(1) because the Hurrlys, in their premature  
23 attempt to stymy an ongoing investigation, have not exhausted their administrative  
24 remedies, and thus this Court lacks subject-matter jurisdiction over their claims. “[I]t is a  
25 long settled rule of judicial administration that no one is entitled to judicial relief for a  
26 supposed or threatened injury until the prescribed administrative remedy has been  
27 exhausted.” *First Jersey Sec., Inc.*, 605 F.2d at 695 (quotation omitted) (also noting that  
28 although any NASD investigation can be said to hurt the business of the entity being  
investigated, no basis exists for legal action because of such harm in the regulatory

1 context); *see also Swirsky v. NASD*, 124 F.3d 59, 62 (1st Cir. 1997) (same); *Charles*  
 2 *Schwab*, 861 F. Supp. 2d at 1069–70 (same); *McLaughlin, Piven, Vogel, Inc. v. NASD*,  
 3 733 F. Supp. 694, 696–97 (S.D.N.Y. 1990) (exhaustion requirements apply to challenges  
 4 to investigations). “The central purpose of this doctrine is ‘the avoidance of premature  
 5 interruption of the administrative process’” and allowing the agency to speak on the issue  
 6 first. *Swirsky*, 124 F.3d at 62 (quoting *McKart v. United States*, 395 U.S. 185, 193  
 7 (1969)). Failure to exhaust administrative remedies divests the court of subject-matter  
 8 jurisdiction. *First Jersey Sec., Inc.*, 605 F.2d at 700 (“We conclude therefore that First  
 9 Jersey’s failure to exhaust its administrative remedies rendered the district court without  
 10 jurisdiction to entertain the suit.”); *accord Charles Schwab*, 861 F. Supp. 2d at 1070.

11 Persons associated with a member of FINRA are required to register with FINRA  
 12 and consent to FINRA Rules. *See* FINRA By-Laws, Art. 5, § 2. Pursuant to those Rules,  
 13 persons associated with FINRA members must exhaust FINRA’s administrative  
 14 procedures before challenging FINRA’s actions in federal court. *See O’Neel v. NASD*,  
 15 667 F.2d 804, 806 (9th Cir. 1982); *Browne v. NASD*, 2006 U.S. Dist. LEXIS 35507, at  
 16 \*14–21 (N.D. Tex. 2006) (employee of member required to exhaust administrative  
 17 remedies before challenging disciplinary proceedings).

18 The Hurrys are associated persons of SCA, and they registered with FINRA and  
 19 have consented to FINRA’s Rules. [*See* FAC at ¶¶ 5, 40; U-4 Application Form of John  
 20 Hurry, attached hereto as **Appendix A**; U-4 Application Form of Justine Hurry, attached  
 21 hereto as **Appendix B**.<sup>2</sup>] As plaintiffs admit, FINRA was conducting an investigation of  
 22 the Hurrys and their businesses. [*See id.* at ¶¶ 53, 55, 140.] And all plaintiffs’ claims  
 23 against FINRA and Andersen relate in some way to FINRA’s investigation of SCA and/or

24 <sup>2</sup> The representations contained in the Hurrys’ U-4 Application Forms are matters intrinsic  
 25 to the complaint and consideration of such documents does not require converting this  
 26 motion to dismiss to one for summary judgment. *See Teamsters Local 617 Pension v.*  
 27 *Apollo Group*, 633 F. Supp. 2d 763, 775 (D. Ariz. 2009) (“[T]he Ninth Circuit has  
 28 recognized that ‘[e]ven if a document is not attached to a complaint, it may be  
 incorporated by reference into a complaint if the plaintiff refers extensively to the  
 document or the document forms the basis of the plaintiff’s claim.’”) (quoting *United*  
*States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003)).

1 inspection of computers in the Hurrlys' possession. The Hurrlys do not anywhere allege,  
 2 however, that they have pursued or exhausted their administrative remedies against  
 3 FINRA before bringing their claims in this Court. Thus, their allegations seek to  
 4 challenge FINRA's regulatory authority and FINRA's actions in the exercise of its  
 5 regulatory authority before those actions have been concluded and without pursuing the  
 6 required administrative process. Accordingly, all claims brought by them are premature  
 7 and should be dismissed pursuant to Fed. R. Civ. P. 12(b)(1). *See First Jersey Sec., Inc.*,  
 8 605 F.2d at 700; *Charles Schwab*, 861 F. Supp. 2d at 1069–70; *Browne*, 2006 U.S. Dist.  
 9 LEXIS 35507 at \*21.

10 **II. ALL PLAINTIFFS' CLAIMS FAIL TO STATE A CLAIM UPON WHICH**  
 11 **RELIEF CAN BE GRANTED AND SHOULD BE DISMISSED PURSUANT**  
 12 **TO RULE 12(b)(6)**

13 In addition to being filed without exhaustion of administrative remedies, all 14 of  
 14 plaintiffs' claims against FINRA and Andersen fail to state a claim upon which relief can  
 15 be granted, and they should be dismissed with prejudice pursuant to Fed. R. Civ. P.  
 16 12(b)(6).

17 **A. Plaintiffs' Computer Hacking Claims (Claims I & II) Fail Because FINRA**  
 18 **Was Authorized To Access The Computers**

19 Plaintiffs' first two claims for relief allege that by copying the hard drives of  
 20 computers in the Hurrlys' possession, FINRA violated two sections of the Computer Fraud  
 21 and Abuse Act (the "CFAA"), 18 U.S.C. § 1030, *et seq.* [See FAC at ¶¶ 259–80 (alleging  
 22 violations of 18 U.S.C. §§ 1030(a)(2)(C) and (a)(5)(C)).] Those claims fail because  
 23 plaintiffs have not alleged that FINRA hacked the Copied Computers, and because  
 24 FINRA is immune from civil suits regarding the performance of its regulatory duties.

25 ***1. Plaintiffs Cannot Allege The Copied Computers Were Accessed***  
 26 ***"Without Authorization"***

27 As explained by this Court and others, the CFAA is predominantly a criminal anti-  
 28 hacking statute. *See Shamrock Foods Co. v. Gast*, 535 F. Supp. 2d 962, 965–66 (D. Ariz.  
 2008) (Silver, J.) ("The general purpose of the CFAA was to create a cause of action  
 against computer hackers (e.g., electronic trespassers) . . . . Simply stated, the CFAA is a

1 criminal statute focused on criminal conduct. The civil component is an afterthought.”)  
2 (quotation omitted); *see United States v. Nosal*, 676 F.3d 854, 857, 863 (9th Cir. 2012)  
3 (“[T]he CFAA [is] an anti-hacking statute [not] an expansive misappropriation statute. . . .  
4 [The] general purpose [of the CFAA] is to punish hacking—the circumvention of  
5 technological access barriers . . .”). As such, the CFAA prohibits only the unauthorized  
6 *access* of a computer, and not the unauthorized *use* of information obtained from a  
7 computer. *See Shamrock Foods*, 535 F. Supp. 2d at 966 (“[T]he CFAA was intended to  
8 prohibit electronic trespassing, not the subsequent use or misuse of information.”); *Nosal*,  
9 676 F.3d at 864 (“[T]he CFAA is limited to violations of restrictions on *access* to  
10 information, and not restrictions on its *use*.”) (emphasis in original).

11 To state a claim for violation of the CFAA plaintiffs must allege, among other  
12 things, that FINRA *accessed* the Copied Computers without authorization. *See* 18 U.S.C.  
13 § 1830(a)(2)(C) (prohibiting a party from “intentionally access[ing] a computer without  
14 authorization or exceed[ing] authorized access, and thereby obtain[ing] . . . information  
15 from any protected computer.”); 18 U.S.C. § 1830(a)(5)(C) (prohibiting a party from  
16 “intentionally access[ing] a protected computer without authorization, and as a result of  
17 such conduct, caus[ing] damage and loss.). Plaintiffs’ CFAA claims fail because FINRA  
18 was authorized to access the Copied Computers.

19 First, FINRA was authorized to access the Copied Computers by FINRA Rule  
20 8210. Rule 8210(a) permits FINRA to “inspect and copy the books, records, and accounts  
21 of [a] member or person [associated with a member] . . . [or] in such member’s or person  
22 [associated with a member’s] possession, custody or control.” FINRA Rule 8210(a).  
23 SCA is a FINRA member, and plaintiffs admit the Copied Computers contained SCA  
24 records and/or were used for SCA business. [*See* FAC at ¶¶ 2, 60, 92.] Thus, the Copied  
25 Computers contained the “books, records, and accounts” of a FINRA member. Moreover,  
26 the Hurrys are “persons associated with a member” because they are directors and owners  
27 of SCA. *See* FINRA By-Laws Article I(ff) (“[P]erson associated with a member’ . . .  
28 means . . . (2) a sole proprietor, partner, officer, director, or branch manager of a  
[See FAC at ¶¶ 67–69 (admitting that “the Hurrys use the [Copied] Computers in the ISC

1 Office . . . [and] the Hurrys access the [Copied] Computers remotely”).] Accordingly,  
2 such computers were plainly in the “possession, custody or control” of a “person  
3 associated with a member.”

4 That ISC, the alleged owner of the Copied Computers, is not a FINRA member,  
5 and is instead an outside business of the Hurrys, is irrelevant and does not limit the  
6 investigatory scope authorized by Rule 8210. *See In re Gregory Evan Goldstein*,  
7 Exchange Act Release No. 68904, 2013 SEC LEXIS 552 at \*14–16 (February 11, 2013)  
8 (rejecting argument that outside business of a person associated with a member was an  
9 unrelated entity not subject to Rule 8210 or FINRA’s jurisdiction, and concluding that  
10 Rule 8210 encompasses information from outside business activities of associated  
11 persons); *In re CMG Institutional Trading, LLC*, Exchange Act Release No. 59325, 2009  
12 SEC LEXIS 215 at \*25 (Jan. 30, 2009) (rejecting associated person’s claim that for  
13 purposes of Rule 8210, “he did not have access to and control over responsive documents  
14 in possession of [a third party] since he was that [third party’s] CEO and president.”).

15 Second, the Hurrys allowed FINRA to access the Copied Computers, and even  
16 retained “a forensic data specialist to monitor and log all material events pertaining to the  
17 time-consuming electronic data extraction process to assess the safe handling of the  
18 devices and integrity of the data within.” [*See* FAC at ¶ 105.] Such supervision of  
19 FINRA’s access of the Copied Computers is totally contrary to the “electronic  
20 trespassing” and “circumvention of technological access barriers” that is necessary to state  
21 a claim for violation of the CFAA, an anti-hacking statute. *See Shamrock Foods*, 535  
22 F. Supp. 2d at 966 (“[T]he CFAA was intended to prohibit electronic trespassing . . . .”);  
23 *Nosal*, 676 F.3d at 863 (“[The] general purpose [of the CFAA] is to punish hacking—the  
24 circumvention of technological access barriers . . . .”). That the Hurrys erroneously  
25 believed FINRA exceeded its authority by demanding to inspect the Copied Computers,  
26 and only grudgingly allowed FINRA access to those computers, does not transform  
27 FINRA’s authorized access into actionable computer hacking.

## 28 2. *FINRA And Andersen Are Immune From Plaintiffs’ CFAA Claims*

“[A] party has no private right of action against [FINRA] for violating its own rules  
or for actions taken to perform its self-regulatory duties . . . .” *Sparta*, 159 F.3d at 1213.

1 Indeed, it is beyond dispute that “a self-regulatory organization is immune from liability  
2 based on the discharge of its duties.” *Id.*; see also *In re Series 7 Broker Qualification*  
3 *Exam Scoring Litig.*, 548 F.3d 110, 114 (D.C. Cir. 2008) (“When [FINRA] acts under the  
4 aegis of the Exchange Act’s delegated authority, it is absolutely immune from suit for the  
5 improper performance of regulatory, adjudicatory, or prosecutorial duties delegated by the  
6 SEC.”) (citation omitted).

7 The immunity the Ninth Circuit Court of Appeals described in *Sparta* “admits of  
8 no exceptions: if the action is taken under the aegis of the Exchange Act’s delegated  
9 authority, [FINRA] is protected by absolute immunity from money damages.” *P’ship*  
10 *Exch. Sec. Co. v. NASD*, 169 F.3d 606, 608 (9th Cir. 1999) (quotation omitted). “There is  
11 no question” that such immunity extends to FINRA’s employees, like defendant  
12 Andersen. See *Standard Inv. Chartered, Inc. v. NASD*, 637 F.3d 112, 115 (2d Cir. 2011)  
13 (“There is no question that an SRO and its officers are entitled to absolute immunity from  
14 private damages suits in connection with the discharge of their regulatory  
15 responsibilities.”) (citation omitted); *Austin Mun. Sec. Inc. v. NASD, Inc.*, 757 F.2d 676,  
16 681–82, 693 (5th Cir. 1985) (A FINRA “investigator who worked on the case” in “a  
17 prosecutorial role . . . would be entitled to receive absolute immunity.”).

18 Here, FINRA and Andersen plainly copied the ISC hard drives “under the aegis of  
19 the Exchange Act’s delegated authority,” because they did so as part of an investigation of  
20 SCA and pursuant to an official FINRA Rule 8210 Request. [See FAC at ¶¶ 72, 79, 84–  
21 88.] Accordingly, FINRA and Andersen are immune from any claim relating to the  
22 inspection and copying of the Copied Computers, including plaintiffs’ two claims for  
23 violation of the CFAA. See *Standard*, 637 F.3d at 116 (“[W]e have found stock exchange  
24 SROs absolutely immune from suit where the alleged misconduct concerned  
25 (1) disciplinary proceedings against exchange members . . . [and] (2) the enforcement of  
26 security rules and regulations and general regulatory oversight over exchange  
27 members . . . .”) (citing *Barbara v. NYSE, Inc.*, 99 F.3d 49, 59 (2d Cir. 1996); *D’Alessio v.*  
28 *NYSE, Inc.*, 258 F.3d 93, 106 (2d Cir. 2001)).

1           **B. Trespass Upon Chattel (Claim III) Requires a Loss**

2           Plaintiffs contend that by copying ISC’s computers, FINRA and Andersen are  
3 liable for trespass to chattel. [See FAC at ¶¶ 51–134, 281–285.] But plaintiffs have not  
4 alleged facts to state a claim for trespass to chattel because they have alleged no loss, in  
5 addition to the fact that FINRA is immune from this claim. The elements of a claim for  
6 trespass to chattel are: (a) intentionally dispossessing another (b) of the chattel or (c)  
7 intermeddling with a chattel (d) in the possession of another. *Koepnick v. Sears Roebuck*  
8 & *Co.*, 158 Ariz. 322, 330–31, 762 P.2d 609, 619–20 (App. 1988); *see also* Restatement  
9 (Second) of Torts §§ 217, 221 (“Restatement”). “For a deprivation of use caused by a  
10 trespass to chattel to be actionable, the time must be so substantial that it is possible to  
11 estimate the loss that is caused.” *Koepnick*, 158 Ariz. at 332, 762 P.2d at 619.

12           Although plaintiffs have pled a deprivation of four to five days of the use of ISC’s  
13 computers, they have not pled facts that would allow one to estimate any loss. [See FAC  
14 at ¶¶ 83, 101, 104.] The Hurrys admit they were not present during FINRA’s onsite  
15 examination of the computers. [FAC at ¶ 83.] And although they allege they accessed the  
16 computers remotely when they were not onsite (at ¶ 69), they do not allege such access  
17 was interrupted. They did not plead that, other than interruption to access, they were  
18 deprived of business opportunities due to the interrupted access, that the interruption  
19 caused a specific loss, or that they otherwise sustained a loss. It is thus impossible to  
20 estimate what loss, if any, occurred. This claim must fail for this reason alone. *See*  
*Koepnick*, 158 Ariz. at 332, 762 P.2d at 619.

21           Additionally, FINRA and Andersen had a right to inspect and copy the computers  
22 pursuant to their official Rule 8210 Request, a rule to which the Hurrys agreed, and thus  
23 FINRA and Andersen were acting with the consent of plaintiffs. *See* Restatement § 218  
24 cmt. b (“If the possessor consents to the actor’s trespass, the actor is not liable to him  
25 under the rule stated in this Section . . .”). Indeed, by signing FINRA’s Form U-4 and  
26 identifying ISC as an “investment-related” outside business, the Hurrys, who own and  
27 control all of the plaintiffs in this action, contractually agreed that computers in ISC’s  
28 possession could be inspected and copied. *See* FINRA Rule 8210 (FINRA may “inspect  
and copy the books, records, and accounts . . . in the possession, custody or control . . .

1 [of] a member [or] person associated with a member. . . . [T]his [Rule] includes but is not  
2 limited to records relating to a FINRA investigation of outside business activities . . . .”];  
3 [see Appendix A; Appendix B.]

4 Moreover, as discussed above, because the investigation of the Copied Computers  
5 was performed as part of FINRA’s regulatory duties, FINRA and Andersen are immune  
6 from this claim. *See Sparta*, 159 F.3d at 1213; *Austin*, 757 F.2d at 682, 693; *Dexter v.*  
7 *Depository Trust & Clearing Corp.*, 406 F. Supp. 2d 260, 262–63 (S.D.N.Y. 2005)  
8 (dismissing claims against FINRA and concluding that “however badly motivated, inept,  
9 or even unlawful [FINRA’s] actions may have been, it is absolutely immune from suit on  
10 both federal and state claims brought by [plaintiff]”). Accordingly, this claim should be  
11 dismissed.

12 **C. Plaintiffs’ Intrusion Claim (Claim IV) Fails Because They Did Not Seclude**  
13 **Their Private Affairs Or Show The Access Would Be Highly Offensive**

14 Plaintiffs contend that by requiring SCA and the Hurrlys to comply with the Rule  
15 8210 Request and allow FINRA to copy computers in the Hurrlys’ possession, FINRA  
16 intruded upon plaintiffs’ seclusion. [See FAC at ¶¶ 51–134, 286–92.] Plaintiffs’ claim  
17 fails because they have not alleged facts demonstrating they secluded their private affairs,  
18 or that FINRA’s access of the Copied Computer was highly offensive. *See* Restatement  
19 § 652B (an intrusion on seclusion claim requires allegations that (1) the defendant  
20 intentionally intruded, (2) upon the solitude or seclusion of plaintiff or his private affairs  
21 or concerns, and (3) that such intrusion would be highly offensive to a reasonable person);  
22 *see also Hart v. Seven Resorts*, 190 Ariz. 272, 279, 947 P.2d 846, 853 (App. 1997) (A  
23 defendant is liable for intrusion upon seclusion “only when [a defendant] has intruded into  
24 a private place, or has otherwise invaded a private seclusion that the plaintiff has thrown  
25 about his person or affairs.”) (quoting Restatement § 652B cmt. c).

26 Plaintiffs admit that whatever private and personal information FINRA obtained  
27 through its inspection of the Copied Computers was intermingled—by plaintiffs—with the  
28 Hurrlys’ outside business activities, charitable activities, and SCA emails, and were kept  
on computers located at the place of business of a FINRA member. [See FAC at ¶¶ 62,

1 71–72, 92.] None of the plaintiffs therefore can allege to have thrown a “private  
2 seclusion . . . about his person or affairs.” *See Hart*, 190 Ariz. at 279.

3 Moreover, because the inspection of the Copied Computers was performed in  
4 accordance with a FINRA Rule pursuant to which the Hurrys and SCA contractually  
5 agreed to be bound, such inspection plainly could not be “highly offensive to a reasonable  
6 person.” *See id.*; *see also* Restatement § 652B cmt. c (“Thus there is no liability for the  
7 examination of a public record concerning the plaintiff, or of documents that the plaintiff  
8 is required to keep and make available for public inspection.”).

9 Plaintiffs’ intrusion on seclusion claim fails for the additional reason that FINRA  
10 and Andersen are immune from claims, like this one, that relate to the performance of  
11 their regulatory duties. *See Sparta*, 159 F.3d at 1213; *Austin*, 757 F.2d at 682, 693;  
12 *Dexter*, 406 F. Supp. 2d at 262–63.

#### 13 **D. Conversion (Claim V) Does Not Exist for Copying Information**

14 Plaintiffs contend that by copying the hard drives of the Copied Computers  
15 pursuant to a Rule 8210 Request, FINRA and Andersen are liable for conversion. [*See*  
16 *FAC* at ¶¶ 51–134, 293–97.] Conversion, however, cannot be based on the mere copying  
17 of information. *See Miller v. Hehlen*, 209 Ariz. 462, 472, 104 P.3d 193, 203 (App. 2005).  
18 Rather, conversion requires the intentional exercise of *dominion or control over a chattel*  
19 which so seriously interferes with the right of another to control it that the actor may justly  
20 be required to pay the other the full value of the chattel. *See id.* (“An action for  
21 conversion ordinarily lies only for personal property that is tangible, or to intangible  
22 property that is merged in, or identified with, some document.”); Restatement § 222A(1).

23 Plaintiffs have alleged only that they were somehow deprived of the use of the  
24 Copied Computers for five days and that the hard drives of the Copied Computers were  
25 copied. [*See FAC* at ¶¶ 101, 104.] Plaintiffs do not allege FINRA or Andersen  
26 permanently deprived them of the Copied Computers or rendered the Copied Computers  
27 unusable. And the electronic information FINRA copied is not a “chattel” capable of  
28 being converted. *See Black’s Law Dictionary* 251 (8th ed. 2004) (defining “chattel” as  
“movable or transferrable property; personal property; esp., a physical object capable of  
manual delivery and not the subject matter of real property”). But even if it were,

1 plaintiffs do not allege that the information FINRA copied constituted “a single, unified  
2 document that had value as tangible property.” *See Miller*, 209 Ariz. at 473, 104 P.3d at  
3 203. Accordingly, this claim should be dismissed. *See id.* (a “conversion claim could not  
4 lie for . . . copied list of names and information; . . . conversion and trover only lie for  
5 specific tangible personal chattels or . . . tangible evidence of title to intangible or real  
6 property.”) (quotation omitted).

7 Additionally, because the Hurrys and SCA agreed to be bound by FINRA’s Rules  
8 regarding the inspection of computers in their possession, they agreed to the alleged  
9 interference upon which plaintiffs’ conversion claim is based. And a claim for conversion  
10 cannot lie where the plaintiff has consented to the defendant’s exercise of dominion. *See*  
11 *Scott v. Allstate Ins. Co.*, 27 Ariz. App. 236, 240, 553 P.2d 1221, 1225 (1976) (“[A]n act  
12 which would otherwise constitute a conversion may be precluded from having that effect  
13 by the plaintiff’s consent to the act, either express or implied.”). Finally, as discussed  
14 above, FINRA and Andersen are immune from this claim because it is based on the  
15 performance of their regulatory duties. *See Sparta*, 159 F.3d at 1213; *Austin*, 757 F.2d at  
16 682, 693; *Dexter*, 406 F. Supp. 2d at 262–63.

17 **E. Misappropriation of Trade Secrets (Claim VI) Requires Improper Access**

18 Plaintiffs contend that by “seizing, accessing and copying the [Copied] Computers  
19 in their entirety” pursuant to the Rule 8210 Request, FINRA and Andersen somehow  
20 wrongfully misappropriated plaintiffs’ trade secrets. [*See* FAC at ¶¶ 51–134, 298–303.]  
21 Plaintiffs’ misappropriation claim fails as a matter of law because FINRA did not acquire  
22 any information by improper means. A misappropriation claim under A.R.S. § 44-401 *et*  
23 *seq.* requires the acquisition of trade secrets by “improper means” or the disclosure of a  
24 trade secret so acquired. *See* A.R.S. §§ 44-401(2)(a)–(b). But as discussed thoroughly  
25 above, FINRA and Andersen had a right to comprehensively access, copy, and review the  
26 Copied Computers pursuant to FINRA Rule 8210. Thus, neither FINRA nor Andersen  
27 copied or acquired any information by “improper means,” as is required to state a claim  
28 for relief. *See* A.R.S. § 44-401(2)(a) (defining “improper means” to include “theft,  
bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy  
or espionage”). Additionally, plaintiffs nowhere allege that either FINRA or Andersen

1 has disclosed any of plaintiffs' purported trade secrets, as is required to state a claim under  
2 A.R.S. § 44-401(2)(b).

3 The only allegations relevant to plaintiffs' misappropriation claim concern  
4 FINRA's examination and copying of the Copied Computers. [See FAC at ¶¶ 52, 71, 88,  
5 90, 101–03.] This examination of computers found on SCA's property, in the Hurrys'  
6 possession, and during the course of FINRA's examination of SCA, a FINRA member,  
7 plainly falls within the scope of FINRA's regulatory duties. FINRA and Andersen  
8 therefore are immune from this claim. *See Sparta*, 159 F.3d at 1213; *Austin*, 757 F.2d at  
9 682, 693.

10 **F. Plaintiffs' "Prima Facie Tort" Claim (Claim VII) Does Not Exist In Arizona**

11 Plaintiffs allege, without explanation, that FINRA and Andersen are liable for  
12 some purported "prima facie tort." [See FAC at ¶¶ 304–09.] The only possible legal basis  
13 for a "prima facie tort" claim is Restatement § 870, which states that "[o]ne who  
14 intentionally causes injury to another is subject to liability to the other for that injury, if  
15 his conduct is generally culpable and not justifiable under the circumstances. This liability  
16 may be imposed although the actor's conduct does not come within a traditional category  
17 of tort liability." Restatement § 870. But "Arizona has not adopted this principle." *Lips*  
18 *v. Scottsdale Healthcare Corp.*, 222 Ariz. 346, 352 n.8, 214 P.3d 434, 440 n.8 (App.  
19 2009). Plaintiffs' "prima facie tort" claim therefore fails as a matter of law and should be  
20 dismissed.

21 **G. The Privacy Act (Claim VIII) Does Not Apply To FINRA**

22 The Privacy Act, 5 U.S.C. § 552a, prohibits federal government agencies from  
23 disclosing an individual's records without authorization. *See* 5 U.S.C. § 552a(b) (absent  
24 certain exceptions, "no agency shall disclose any record which is contained in a system of  
25 records by any means of communications to any person, or to another agency, except  
26 pursuant to a written request by, or with the prior written consent of, the individual to  
27 whom the record pertains . . ."). Plaintiffs' Privacy Act claim fails for multiple reasons.

28 First, plaintiffs cannot assert a Privacy Act claim against FINRA because FINRA is  
not an "agency" for the purposes of the Privacy Act. *See Lucido v. Mueller*, 2009 U.S.  
Dist. LEXIS 89775, \*18–19 (E.D. Mich. 2009) (dismissing plaintiff's Privacy Act claim

1 against FINRA because “FINRA is not [an] ‘agency’ for purposes of the Act”); *see also*  
2 *In re Frank L. Palumbo*, 52 S.E.C. 467, 475 (1995) (“We have repeatedly noted that the  
3 [APA] does not apply to self-regulatory agencies such as [FINRA].”); *In re Sumner*  
4 *Cotzin*, 45 S.E.C. 575, 578 (1974) (FINRA “is not a federal agency subject to the APA’s  
5 strictures.”). Indeed, as plaintiffs admit, FINRA is not a federal government agency;  
6 rather FINRA “is a private, not-for-profit corporation organized and existing under the  
7 laws of the State of Delaware.” [See FAC at ¶ 39.]

8 Second, plaintiffs cannot assert a Privacy Act claim against Andersen because the  
9 Privacy Act does not reach individuals. *See Hewitt v. Grabicki*, 794 F.2d 1373, 1377 n.2  
10 (9th Cir. 1986) (“The weight of authority is that the [Privacy Act’s] authorization of suit  
11 only against an ‘agency’ thereby excludes individual officers and government  
12 employees.”); *Windsor v. The Tennessean*, 719 F.2d 155, 160 (6th Cir. 1983) (“A civil  
13 damage action [under the Privacy Act] may be brought solely against an ‘agency.’ The  
14 term ‘agency’ does not encompass individual government officials . . . .”) (citing *Bruce v.*  
15 *United States*, 621 F.2d 914, 916 n.2 (8th Cir. 1980) and *Parks v. United States Internal*  
16 *Revenue Service*, 618 F.2d 677, 684 (10th Cir. 1980)); *Lohrenz v. Donnelly*, 187 F.R.D. 1,  
17 10 (D.D.C. 1999) (Privacy Act applies only to federal government agencies, not records  
within the possession or custody of an individual person).

18 Third, the Privacy Act claim of all the corporate plaintiffs (*i.e.*, all plaintiffs other  
19 than the Hurrys) fails for the additional reason that corporations are not “individuals” as  
20 defined by the Privacy Act, and thus they lack standing to assert a Privacy Act claim. *See*  
21 5 U.S.C. § 552a(a)(2) (defining “individual” as “a citizen of the United States or an alien  
22 lawfully admitted for permanent residence.”); *St. Michael’s Convalescent Hosp. v.*  
23 *California*, 643 F.2d 1369, 1373 (9th Cir. 1981) (“The appellants, who are corporations or  
24 sole proprietorships, are not ‘individuals’ and thus lack standing to raise a claim under the  
25 Privacy Act.”) (citation omitted); *Cell Assocs., Inc. v. Nat’l Insts. of Health*, 579 F.2d  
26 1155, 1157 (9th Cir. 1978) (remanding with direction to dismiss a corporate plaintiff’s  
27 Privacy Act claim “for lack of standing” because “a corporation . . . is not an ‘individual’  
28 within the meaning of the statute.”).

1 Fourth, the Hurrys' purported Privacy Act claim fails for the additional reason that  
2 they have not alleged that FINRA or Andersen disclosed any of their records. Rather,  
3 plaintiffs imply only that records of non-parties SCA and Alpine Securities Corporation  
4 ("Alpine") were disclosed. [See, e.g., FAC at ¶¶ 179, 180, 192, 208, 216.]

5 **H. Plaintiffs' Defamation Claim (Claim IX) Fails Because They Allege No False**  
6 **Publication By FINRA**

7 Plaintiffs next contend that by asking questions during on-the-record interviews  
8 and allegedly sharing information about its investigation, FINRA and Andersen somehow  
9 defamed plaintiffs. [See *id.* at ¶¶ 168–231, 317–27.] Plaintiffs' defamation claim fails  
10 because they have not pled a publication by FINRA of a provably false representation.  
11 "To be defamatory, a publication must be false and must bring the defamed person into  
12 disrepute, contempt, or ridicule, or must impeach plaintiff's honesty, integrity, virtue, or  
13 reputation." *Godbehere v. Phoenix Newspapers, Inc.*, 162 Ariz. 335, 341, 783 P.2d 781,  
14 787 (1989). Additionally, "[a] statement regarding matters of public concern must be  
15 provable as false before a defamation action can lie. . . . [T]he burden of proving falsity  
16 lies . . . on those plaintiffs who are defamed by speech that is a matter of public concern."  
17 *Turner v. Devlin*, 174 Ariz. 201, 205, 848 P.2d 286, 290 (1993).

18 Plaintiffs' defamation claim is based only on (1) FINRA's alleged insinuations  
19 during on-the-record interviews with SCA employees that John Hurry had been engaged  
20 in money laundering, and (2) two articles written by Bill Meagher of Deal Pipeline  
21 regarding the investigation of SCA and SCA's involvement with Biozoom. [See FAC at  
22 ¶¶ 151, 192, 209.]

23 With respect to FINRA's alleged insinuations to SCA employees, FINRA and  
24 Andersen are immune from any claim regarding statements made as part of their  
25 investigation of SCA, including statements made during on-the-record interviews with  
26 SCA's employees. See *Sparta*, 159 F.3d at 1213; *Austin*, 757 F.2d at 682, 693.

27 With respect to the two articles written by Bill Meagher, plaintiffs admit that  
28 Meagher, and not FINRA or Andersen, published the information in those articles. [See  
FAC at ¶¶ 192, 209.] In fact, the March 20, 2014 article expressly states that  
"[r]epresentatives of . . . Finra . . . declined to comment." [See Bill Meagher March 20,

1 2014 Article at 3, attached hereto as **Appendix C.**<sup>3</sup>] Similarly, the December 6, 2013  
 2 article states that “Finra and SEC officials declined to comment for this story.” [See Bill  
 3 Meagher December 6, 2013 Article at 2, attached hereto as **Appendix D.**<sup>4</sup>]

4 Moreover, the only plaintiff even referenced in either of Meagher’s two articles is  
 5 John Hurry. [See *id.* at 4–5.] The first reference to Mr. Hurry states “Finra also talked to  
 6 John Hurry, that same source said.” [*Id.* at 4.] The second reference to Mr. Hurry states  
 7 “John Hurry, who controls both Scottsdale [Capital Advisors] and Alpine [Securities], is  
 8 in negotiations to buy Salt Lake City-based broker-dealer Wilson-Davis & Co., according  
 9 to a person with knowledge of the deal.” [*Id.* at 5.] Those statements are neither false,  
 10 nor do they bring Mr. Hurry “into disrepute, contempt, or ridicule, or . . . impeach [his]  
 11 honesty, integrity, virtue, or reputation.” *Godbehere*, 162 Ariz. at 341. Such  
 12 representations therefore cannot form the basis for a defamation claim.

13 **I. Plaintiffs’ Interference Claim (Claim X) Fails Because They Have Not Alleged**  
 14 **Knowing Or Intentional Interference With Their Banking Relationships**

15 Plaintiffs allege that FINRA and Andersen interfered with plaintiffs’ banking  
 16 relationships by somehow causing some of plaintiffs’ financial institutions to choose not  
 17 to do business with plaintiffs. [See FAC at ¶¶ 221–31, 328–33.] But plaintiffs’  
 18 intentional interference claim must fail because they have pled no facts supporting such a  
 19 claim. A claim for intentional interference with contract or business expectancy has the  
 20 following elements: (1) plaintiff had a contract/expectancy with a third party; (2)  
 21 defendant knew about the contract/business expectancy; (3) defendant intentionally  
 22 interfered with plaintiff’s contract/business expectancy which caused a breach/termination  
 of that relationship/expectancy; (4) defendant’s conduct was improper; (5) plaintiff

23 <sup>3</sup> The March 20, 2014 article from Bill Meagher was expressly referenced in plaintiffs’  
 24 complaint (at ¶¶ 208–09), and therefore can be considered without converting this motion  
 25 to dismiss to one for summary judgment. See *Teamsters Local 617 Pension*, 633 F. Supp.  
 2d at 775.

26 <sup>4</sup> The December 6, 2013 article from Bill Meagher was expressly referenced in plaintiffs’  
 27 complaint (at ¶¶ 192–200), and therefore can be considered without converting this  
 28 motion to dismiss to one for summary judgment. See *Teamsters Local 617 Pension*, 633  
 F. Supp. 2d at 775.

1 suffered damage caused by the breach or termination. *Dube v. Likins*, 216 Ariz. 406, 412–  
2 14, 167 P.3d 93, 99–101 (App. 2007).

3 Plaintiffs allege only that their bank accounts at JP Morgan Private Bank, Chase  
4 Bank, and Zions Bank were closed due to articles appearing in Deal Pipeline. [See FAC  
5 at ¶¶ 221–23, 226, 228, 247–49.] On its face, what a bank does after reading a news  
6 article has nothing to do with the actions of FINRA, Andersen, or anyone else. Moreover,  
7 in their claim for relief, plaintiffs allege without supporting factual allegations the  
8 conclusory statement that defendants were aware of plaintiffs’ banking relationships and  
9 wrongfully and intentionally interfered with them. [See *id.* at ¶¶ 328–33.] But no  
10 allegations exist in plaintiffs’ complaint to support this conclusory statement. [See *id.* at  
11 ¶¶ 221–31.] “[T]he Federal Rules do not require courts to credit a complaint’s conclusory  
12 statements without reference to its factual context. . . . And Rule 8 does not empower [a  
13 plaintiff] to plead the bare elements of his cause of action, affix the label ‘general  
14 allegation,’ and expect his complaint to survive a motion to dismiss.” *Iqbal*, 129 S. Ct. at  
15 1954. In the absence of any supporting allegations for plaintiffs’ merely conclusory  
16 recitation of the elements of this cause of action, this claim for relief should be dismissed.

17 **J. Plaintiffs’ Public Disclosure Claim (Claim XI) Fails Because Any Disclosed  
18 Fact Was Not Private And Was A Matter Of Legitimate Public Concern**

19 Plaintiffs erroneously contend that FINRA and Andersen publicly disclosed some  
20 of their private affairs (they do not say which ones) to someone (they do not say to  
21 whom). [See FAC at ¶¶ 71, 334–40.] To state a claim for public disclosure of private  
22 facts, plaintiffs must allege that FINRA or Andersen gave publicity to a matter concerning  
23 the private life of the plaintiff and that the publicity of the matter “(a) would be highly  
24 offensive to a reasonable person, and (b) is not of legitimate concern to the public.”  
25 Restatement § 652D; *see also Hart*, 190 Ariz. at 279, 947 P.2d at 853 (Arizona follows  
26 the Restatement’s invasion of privacy classifications). Publicity, as used in Restatement  
27 § 652D, “differs from publication [for defamation purposes] . . . Publicity . . . means that  
28 the matter is made public, *by communicating it to the public at large, or to so many  
persons that the matter must be regarded substantially certain to become one of public*

1 *knowledge.*” *Hart*, 190 Ariz. at 280, 947 P.2d at 854 (quoting Restatement § 652D)  
2 (emphasis in *Hart*).

3 Plaintiffs’ claim for public disclosure of private facts recites only the bare elements  
4 of a claim without any reference to supporting facts, and it should be dismissed for that  
5 reason alone. [See FAC at ¶¶ 334–40;] *see Iqbal*, 129 S. Ct. at 1954. But even parsing  
6 the hundreds of paragraphs of allegations that precede plaintiffs’ public disclosure claim,  
7 it is clear that plaintiffs fail to allege that any matter concerning their private lives was  
8 given such publicity that it was “substantially certain to become one of public  
9 knowledge.” *See Hart*, 190 Ariz. at 280.

10 The only disclosures plaintiffs reference in their complaint are those contained in  
11 the two Meagher articles. [See FAC at ¶¶ 176–220.] As a threshold issue, and as  
12 explained above, the only plaintiff referenced in those articles is John Hurry. [See  
13 *generally* Appendix C, D.] And the only disclosures about Mr. Hurry in the Meagher  
14 articles are that Mr. Hurry spoke with FINRA and was in negotiations to buy Wilson-  
15 Davis & Co. [See Appendix D at 4–5.] That Mr. Hurry met with FINRA and was in  
16 negotiations to buy Wilson-Davis & Co. were not, and are not alleged to have been,  
17 private facts about Mr. Hurry. Indeed, as plaintiffs allege, the potential purchase of  
18 Wilson-Davis & Co. was the subject of a Continuing Membership Application filed with  
19 FINRA and a separate litigation filed by Wilson-Davis & Co. [See FAC at ¶¶ 238, 245.]

20 Furthermore, the referenced Meagher articles that form the basis for plaintiffs’  
21 public disclosure claim concern the investigation of a then publicly-traded company  
22 (Biozoom), and its principals, for alleged securities violations resulting in a \$300 million  
23 investor loss. [See *generally* Appendix C, D.] By their very nature, these issues touch on  
24 matters of public concern, and thus cannot form the basis of a claim for public disclosure  
25 of private facts. *See, e.g., Snyder v. Phelps*, 131 S. Ct. 1207, 1216 (2011) (“Speech deals  
26 with matters of public concern when it can be fairly considered as relating to any matter of  
27 political, social, or other concern to the community, *or when it is a subject of legitimate  
28 news interest*; that is, a subject of general interest and of value and concern to the public.”)  
(emphasis added) (quotations and citations omitted); *see also Cox Broad. Corp. v. Cohn*,  
420 U.S. 469, 492 (1975) (“The commission of crime, prosecutions resulting from it, and

1 judicial proceedings arising from the prosecutions . . . are without question events of  
2 legitimate concern to the public . . .”).

3 **K. Plaintiffs’ False Light Claim (Claim XII) Fails Because They Do Not Allege**  
4 **FINRA Gave Publicity To Any Matter**

5 Plaintiffs next contend that FINRA and Andersen gave publicity to false  
6 information—apparently in connection with information contained in Bill Meagher’s two  
7 news articles. [See FAC at ¶¶ 176–231, 247–49, 341–46.] To adequately plead a claim  
8 for false light, plaintiffs must allege that FINRA or Andersen “knowingly or recklessly  
9 published false information or innuendo about the plaintiff that a reasonable person would  
10 find highly offensive.” *Hart*, 190 Ariz. at 280, 947 P.2d at 854; *see also* Restatement  
11 § 652E. In addition, the published information must achieve publicity—i.e.,  
12 communicating a matter to the public at large in a manner that it is “substantially certain  
13 to become one of public knowledge.” *Hart*, 190 Ariz. at 280, 947 P.2d at 854.

14 Plaintiffs’ false light claim fails because, as explained above, Meagher, and not  
15 FINRA or Andersen, published the two news articles at issue. [See generally Appendix  
16 C, D.] Moreover, the only references to a plaintiff in those articles—that Mr. Hurry spoke  
17 with FINRA and was in negotiations to buy Wilson-Davis & Co.—are true statements.

18 **L. No State Action Supports Plaintiffs’ Bivens Claim (Claim XIII)**

19 Plaintiffs allege that Andersen somehow “deprived Plaintiffs of rights secured by  
20 the Constitution of the United States, including the 1st, 4th, 5th, and 14th Amendment,”  
21 and that as a result plaintiffs have a private right of action against Andersen pursuant to  
22 *Bivens v. Six Unknown Named Agents of the Fed. Bureau of Narcotics*, 403 U.S. 388  
23 (1971). [See FAC at ¶¶ 348–51.] Plaintiffs’ *Bivens* claim fails because (1) Andersen is  
24 neither a federal official, nor was he acting under color of federal law, (2) Andersen is  
25 immune from claims arising out of the inspection of the Copied Computers, and (3) there  
26 is no recognized *Bivens* claim for violation of the First Amendment.

27 *Bivens* “is the federal analog to suits brought against state officials under . . . 42  
28 U.S.C. § 1983.” *Iqbal*, 129 S. Ct. at 1948 (quotation omitted). “Actions under § 1983 and  
those under *Bivens* are identical save for the replacement of a state actor under § 1983 by  
a federal actor under *Bivens*.” *Van Strum v. Lawn*, 940 F.2d 406, 409 (9th Cir. 1991).

1 Indeed, “[t]he purpose of *Bivens* is to deter individual federal officers from committing  
2 constitutional violations.” *Corr. Servs. Corp. v. Malesko*, 534 U.S. 61, 70 (2001). Thus,  
3 to state a *Bivens* claim, plaintiffs must allege that they were deprived of a constitutional  
4 right by a federal official acting under color of federal law. *See Vincent v. Trend W. Tech.*  
5 *Corp.*, 828 F.2d 563, 567 (9th Cir. 1987) (“[A] *Bivens* action can be brought only against  
6 one who is engaged in governmental (or ‘state’) action.”) (quotation omitted).

7 Plaintiffs allege that their constitutional rights were purportedly violated by  
8 Andersen. [See FAC at ¶¶ 348–49.] But Andersen is not, and is not alleged to be, a  
9 federal official. And “[i]t has been found, repeatedly, that [FINRA] itself is not a  
10 government functionary.” *D.L. Cromwell Invs., Inc. v. NASD Regulation, Inc.*, 279 F.3d  
11 155, 162 (2d Cir. 2002). Indeed, FINRA “is a private actor, not a state actor. It is a  
12 private corporation that receives no federal or state funding. Its creation was not  
13 mandated by statute, nor does the government appoint its members or serve on any  
14 [FINRA] board or committee.” *Desiderio v. NASD*, 191 F.3d 198, 206 (2d Cir. 1999); *see*  
15 *also Marchiano v. NASD*, 134 F. Supp. 2d 90, 95 (D.D.C. 2001) (“[T]he court is aware of  
16 no case . . . in which [FINRA] Defendants were found to be state actors either because of  
17 their regulatory responsibilities or because of any alleged collusion with criminal  
18 prosecutors.”); *United States v. Shvarts*, 90 F. Supp. 2d 219, 222 (E.D.N.Y. 2000) (“It is  
19 beyond cavil that [FINRA] is not a government agency; it is a private, not-for-profit  
20 corporation. It was not created by statute. None of its directors . . . are government  
21 officials or appointees. It receives no government funding . . . [and] its actions cannot be  
22 imputed to the government . . .”), *abrogated on other grounds by United States v. Coppa*,  
23 267 F.3d 132 (2d Cir. 2001); *Perpetual Sec. Inc. v. Tang*, 290 F.3d 132, 138 (2d Cir.  
2002) (“It is clear that [FINRA] is not a state actor . . .”).

24 Nor have plaintiffs have alleged any facts here demonstrating the requisite “nexus  
25 between the State and the challenged action” of Andersen. *See Desiderio*, 191 F.3d at  
26 206; *D.L. Cromwell*, 279 F.3d at 161. Rather, plaintiffs allege only that FINRA’s  
27 investigation of SCA was “coordinated with the SEC,” and that the independent  
28 investigations of SCA conducted by FINRA and the SEC “overlap temporally and  
substantively.” [See FAC at ¶¶ 53–55.] But absent actual “governmental persuasion or

1 collusion” a FINRA investigation and Rule 8210 Request do not constitute state action  
2 even when FINRA and the government are conducting parallel investigations. *See D.L.*  
3 *Cromwell*, 279 F.3d at 163 (despite parallel government investigation, no state action  
4 when “the Rule 8210 demands issued directly from [FINRA] as a product of its private  
5 investigation . . . [and] none of the [Rule 8210] demands was generated by governmental  
6 persuasion or collusion.”); *see also Desiderio*, 191 F.3d at 207 (“[A] state is responsible  
7 for a private decision only where it exercised coercive power or provided significant  
8 encouragement.”) (citing *Blum v. Yaretsky*, 457 U.S. 991, 1004–05 (1982)); *SEC v.*  
9 *McGinn*, 2011 U.S. Dist. LEXIS 54416, at \*13–14 (N.D.N.Y. 2011) (parallel  
10 investigations by regulatory entity and law enforcement do not amount to state action by  
11 regulator). Plaintiffs have not alleged any such governmental collusion here, and thus  
12 cannot demonstrate the state action necessary to support their *Bivens* claim.

13 Because plaintiffs’ *Bivens* claim arises out of the inspection of the Copied  
14 Computers pursuant to a Rule 8210 Request, that claim fails for the additional reason that  
15 Andersen is immune from liability. *See Standard*, 637 F.3d at 115; *Sparta*, 159 F.3d at  
16 1213; *Austin*, 757 F.2d at 682, 693. Moreover, to the extent plaintiffs’ *Bivens* claim is  
17 based on alleged violations of the First Amendment, it fails because *Bivens* has not been  
18 construed to imply a private right of action for violation of the First Amendment. *See*  
19 *Reichle v. Howards*, 132 S. Ct. 2088, 2093 n.4 (2012) (“We have never held that *Bivens*  
20 extends to First Amendment claims.”).

21 **M. Plaintiffs’ Conspiracy To Violate Civil Rights Claim (Claim XIV) Fails**  
22 **Because They Have Not Alleged Any Witness Tampering**

23 Plaintiffs’ final claim for relief alleges that Andersen and unnamed FINRA  
24 employees violated 42 U.S.C. § 1985(2)—a federal witness tampering statute—by  
25 purportedly “deter[ring] Plaintiffs from prosecuting their original complaint in this Court  
26 by intimidation and threats.” [See FAC at ¶ 352.] That claim fails because plaintiffs  
27 (1) cannot as a matter of law allege the requisite conspiracy, and (2) have not alleged that  
28 any testimony was tampered with.

1           **1. Plaintiffs Cannot Allege The Requisite Conspiracy**

2           To state a claim under 42 U.S.C. § 1985(2), plaintiffs must allege, among other  
3 things, that “two or more persons conspire[d].” *See* 42 U.S.C. § 1985(2). Plaintiffs allege  
4 only that that “Andersen conspired with the Individual Defendants,” who plaintiffs  
5 describe as “several other FINRA staff members whose identities are currently unknown.”  
6 [FAC at ¶¶ 1, 352–54.] As a threshold issue, plaintiffs’ conclusory allegations that  
7 “Andersen conspired with the Individual Defendants” are merely “[t]hreadbare recitals of  
8 the elements of a cause of action, supported by mere conclusory statements,” and are  
9 therefore not sufficient to state a claim. *See Iqbal*, 129 S. Ct. at 1950; *see also A Soc’y*  
10 *Without A Name, For People Without A Home, Millennium Future-Present v. Virginia*,  
11 655 F.3d 342, 346–47 (4th Cir. 2011) (dismissing conspiracy claim under 42 U.S.C.  
12 § 1985 because plaintiffs’ allegation that “Doe(s) and the City entered into a conspiracy,”  
13 was too conclusory to state a claim.).

14           Moreover, Andersen and the other unnamed FINRA employees cannot conspire  
15 with one another because FINRA and its employees are a single person for the purposes  
16 of determining whether a conspiracy has been alleged under 42 U.S.C. § 1985. *See*  
17 *Dombrowski v. Dowling*, 459 F.2d 190, 196 (7th Cir. 1972) (“[I]f the challenged conduct  
18 is essentially a single act . . . by a single business entity, the fact that two or more agents  
19 participated in the decision or in the act itself will normally not constitute the conspiracy  
20 contemplated by [42 U.S.C. § 1985.]”); *Travis v. Gary Cmty. Mental Health Ctr.*, 921  
21 F.2d 108, 110 (7th Cir. 1990) (“When Congress drafted [42 U.S.C.] § 1985 it was  
22 understood that corporate employees acting to pursue the business of the firm could not be  
23 treated as conspirators. . . . [Thus] managers of a corporation jointly pursuing its lawful  
24 business do not become ‘conspirators’ when acts within the scope of their employment are  
25 said to be discriminatory or retaliatory.”); *Girard v. 94th St. and Fifth Ave. Corp.*, 530  
26 F.2d 66, 72 (2d Cir. 1976) (same).

26           **2. Plaintiffs Have Not Alleged Witness Tampering**

27           In relevant part, 42 U.S.C. § 1985(2) creates a cause of action for (1) conspiring to  
28 “deter, by force, intimidation, or threat, any party or witness in any court . . . from  
*attending such court, or from testifying* to any matter pending therein,” or for (2)

1 conspiring to “injure such party or witness . . . on account of his having so *attended or*  
2 *testified.*” 42 U.S.C. § 1985(2) (emphasis added).

3 Here, plaintiffs’ claim under 42 U.S.C. § 1985(2) is not based on having been  
4 deterred from, or injured for, *attending or testifying* in federal court. Instead, plaintiffs’  
5 claim is based on purportedly having been deterred from, and injured for, *pursuing* their  
6 original complaint in federal court. [See FAC at ¶¶ 353–54.] The Fifth Circuit Court of  
7 Appeals in *Deubert v. Gulf Federal Savings Bank*, 820 F.2d 754 (5th Cir. 1987)  
8 considered allegations nearly identical to plaintiffs’ allegations here, and held that such  
9 allegations fail to state a claim under 42 U.S.C. § 1985(2). See *Deubert*, 820 F.2d at 758.

10 Specifically, the court in *Deubert* held that “plaintiffs’ efforts to institute a federal  
11 action are not protected from obstruction by section 1985(2).” *Id.* Thus, plaintiffs’  
12 allegation here that they were deterred from “prosecuting [their] original complaint in this  
13 Court,” fails to state a claim under 42 U.S.C. § 1985(2). [See FAC at ¶ 352.] Moreover,  
14 plaintiffs did file their original complaint in this Court, and thus cannot allege they were  
15 deterred from doing so. [See *id.* at ¶ 5 (“FINRA and Andersen were sued [by plaintiffs]  
16 for [purportedly] unlawfully accessing and copying the [Copied Computers].”).]

17 The court in *Deubert* also held that “alleged retaliation for ‘attempting’ to file a  
18 federal lawsuit or even for actually filing a federal lawsuit is insufficient to state a claim  
19 under section 1985(2) . . . [because] section 1985(2) was intended to protect those parties  
20 who were physically present to attend or testify in a federal court; the statute *was not*  
21 *intended to create a federal tort remedy for economic retaliation against those who*  
22 *pursue . . . claims.*” *Id.* (citing *Kimble v. D.J. McDuffy, Inc.*, 648 F.2d 340, 347–48 (5th  
23 Cir. 1981) (en banc)). Plaintiffs’ allegation that they were “injured . . . all on account of  
24 Plaintiffs having filed a lawsuit against Andersen and FINRA” therefore also fails to state  
25 a claim under 42 U.S.C. § 1985(2). [See FAC at ¶ 354.] Plaintiffs have not alleged, as  
26 they must to state a claim, that they or any witness was injured as a result of having  
27 attended or testified in the previously-filed federal action. Nor could plaintiffs allege such  
28 facts: they never served their previously-filed federal action, and consequently no party or  
witness ever attended or testified in that case. [See *id.* at ¶ 136.]



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**CERTIFICATE OF SERVICE**

I hereby certify that on January 9, 2015, I electronically filed the foregoing document with the Court using the CM/ECF System for filing and service on plaintiffs as listed below:

Robert A. Mandel  
Taylor C. Young  
Jennifer M. Perkins  
taylor@mandelyoung.com  
MANDEL YOUNG PLC  
3001 E. Camelback Rd., Suite 140  
Phoenix, Arizona 85016  
Attorneys for Plaintiffs

/s/ Betty Rios \_\_\_\_\_

# APPENDIX A

**FORM U4  
UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR  
TRANSFER**

U4 - AMENDMENT 12/13/2012

Rev. Form U4 (05/2009)

Individual Name: HURRY, JOHN JOSEPH (2146449)

Firm Name: SCOTTSDALE CAPITAL ADVISORS CORP (118786)

**1. GENERAL INFORMATION**

<b>First Name:</b> JOHN	<b>Middle Name:</b> JOSEPH	<b>Last Name:</b> HURRY	<b>Suffix:</b>
<b>Firm CRD #:</b> 118786	<b>Firm Name:</b> SCOTTSDALE CAPITAL ADVISORS CORP	<b>Employment Date (MM/DD/YYYY):</b> 01/21/2002	
<b>Firm Billing Code:</b> 2146449		<b>Individual CRD #:</b> 2146449	
		<b>Individual SSN:</b> xxx-xx-xxxx	

**Do you have an independent contractor relationship with the above named firm?:**  
 Yes  No

**Office of Employment Address**

CRD Branch #	NYSE Branch Code #	Firm Billing Code	Address	Private Residence	Type of Office	Start Date	End Date
BD Main			7170 E. MCDONALD RD. SUTIE 6  SCOTTSDALE AZ , AZ 85253	N	Located At	01/21/2002	
522710			617 HIGHWAY 50  ZEPHYR COVE , NV 89448 UNITED STATES	Y	Located At	10/25/2012	12/04/2012

**2. FINGERPRINT INFORMATION**

Electronic Filing Representation

By selecting this option, I represent that I am submitting, have submitted, or promptly will submit to the appropriate SRO a fingerprint card as required under applicable SRO rules; or  
Fingerprint card barcode

By selecting this option, I represent that I have been employed continuously by the *filing firm* since the last submission of a fingerprint card to CRD and am not required to resubmit a fingerprint card at this time; or,

By selecting this option, I represent that I have been employed continuously by the *filing firm* and my fingerprints have been processed by an SRO other than FINRA. I am submitting, have submitted, or promptly will submit the processed results for posting to CRD.

Exceptions to the Fingerprint Requirement

By selecting one or more of the following two options, I affirm that I am exempt from the federal fingerprint requirement because *ifiling firm* currently satisfy(ies) the requirements of at least one of the permissive exemptions indicated below pursuant to Rule 17f-2 under the Securities Exchange Act of 1934, including any notice or application requirements specified therein:

- Rule 17f-2(a)(1)(i)
- Rule 17f-2(a)(1)(iii)

Investment Adviser Representative Only Applicants

I affirm that I am applying only as an investment adviser representative and that I am not also applying or have not also applied with this *firm* to become a broker-dealer representative. If this radio button/box is selected, continue below.

- I am applying for registration only in *jurisdictions* that do not have fingerprint card filing requirements, or
- I am applying for registration in *jurisdictions* that have fingerprint card filing requirements and I am submitting, have submitted, or promptly will submit the appropriate fingerprint card directly to the *jurisdictions* for processing pursuant to applicable *jurisdiction* rules.

**3. REGISTRATIONS WITH UNAFFILIATED FIRMS**

Some *jurisdictions* prohibit "dual registration," which occurs when an individual chooses to maintain a concurrent registration as a representative/agent with two or more *firms* (either BD or IA *firms*) that are not affiliated. *Jurisdictions* that prohibit dual registration would not, for example, permit a broker-dealer agent working with brokerage *firm* A to maintain a registration with brokerage *firm* B if *firms* A and B are not owned or controlled by a common parent. Before seeking a dual registration status, you should consult the applicable rules or statutes of the *jurisdictions* with which you seek registration for prohibitions on dual registrations or any liability provisions.

Please indicate whether the individual will maintain a "dual registration" status by answering the questions in this section. (Note: An individual should answer 'yes' only if the individual is currently registered and is seeking registration with a *firm* (either BD or IA) that is not affiliated with the individual's current employing *firm*. If this is an initial application, an individual must answer 'no' to these questions; a "dual registration" may be initiated only after an initial registration has been established).

Answer "yes" or "no" to the following questions:

- |  | Yes                   | No                               |
|--|-----------------------|----------------------------------|
| <b>A.</b> Will <i>applicant</i> maintain registration with a broker-dealer that is not <i>affiliated</i> with the <i>filing firm</i> ? If you answer "yes," list the <i>firm</i> (s) in Section 12 (Employment History).       | <input type="radio"/> | <input checked="" type="radio"/> |
| <b>B.</b> Will <i>applicant</i> maintain registration with an investment adviser that is not <i>affiliated</i> with the <i>filing firm</i> ? If you answer "yes," list the <i>firm</i> (s) in Section 12 (Employment History). | <input type="radio"/> | <input checked="" type="radio"/> |

**4. SRO REGISTRATIONS**

**Check appropriate SRO Registration requests.  
Qualifying examinations will be automatically scheduled if needed. If you are only scheduling or re-scheduling an exam, skip this section and complete Section 7 (EXAMINATION REQUESTS).**

REGISTRATION CATEGORY	FINRA	NYSE	BOX	BX	EDGA	EDGX	NSX	ARCA	CBOE	C2	CHX	PHLX	ISE	NQX

			NYSE-MKT	BATS-ZX	BATS-YX															
OP - Registered Options Principal (S4)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IR - Investment Company and Variable Contracts Products Rep. (S6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>										<input type="checkbox"/>
GS - Full Registration/General Securities Representative (S7)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>																
TR - Securities Trader (S7)		<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>										
TS - Trading Supervisor (S7)		<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>										
SU - General Securities Sales Supervisor (S9 and S10)	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
BM - Branch Office Manager (S9 and S10)		<input type="checkbox"/>	<input type="checkbox"/>																<input type="checkbox"/>	
SM - Securities Manager (S10)		<input type="checkbox"/>	<input type="checkbox"/>																	
AR - Assistant Representative/Order Processing (S11)	<input type="checkbox"/>									<input type="checkbox"/>										<input type="checkbox"/>
IE - United Kingdom - Limited General Securities Registered Representative (S17)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>REGISTRATION CATEGORY</b>	<b>FINRA</b>	<b>NYSE</b>	<b>NYSE-MKT</b>	<b>BATS-ZX</b>	<b>BATS-YX</b>	<b>BOX</b>	<b>BX</b>	<b>EDGA</b>	<b>EDGX</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>C2</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>			
DR - Direct Participation Program Representative (S22)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>				<input type="checkbox"/>						
GP - General Securities Principal (S24)	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input checked="" type="checkbox"/>														
IP - Investment Company and Variable Contracts Products Principal (S26)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>										<input type="checkbox"/>
FA - Foreign Associate	<input type="checkbox"/>																			
FN - Financial and Operations Principal (S27)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>										
FI - Introducing Broker-Dealer/Financial and Operations Principal (S28)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>				<input type="checkbox"/>						<input type="checkbox"/>
RS - Research Analyst (S86, S87)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																	
RP - Research Principal	<input type="checkbox"/>																			
DP - Direct Participation Program																				

Principal (S39)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																
OR - Options Representative (S42)	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>											<input type="checkbox"/>
<b>REGISTRATION CATEGORY</b>	<b>FINRA</b>	<b>NYSE</b>	<b>NYSE-MKT</b>	<b>BATS-ZX</b>	<b>BATS-YX</b>	<b>BOX</b>	<b>BX</b>	<b>EDGA</b>	<b>EDGX</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>C2</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NOX</b>		
MR - Municipal Securities Representative (S52)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>				<input type="checkbox"/>					
MP - Municipal Securities Principal (S53)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>				<input type="checkbox"/>					
CS - Corporate Securities Representative (S62)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>				<input type="checkbox"/>					<input type="checkbox"/>
RG - Government Securities Representative (S72)	<input type="checkbox"/>																		
PG - Government Securities Principal (S73)	<input type="checkbox"/>																		
SA - Supervisory Analyst (S16)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																
PR - Limited Representative - Private Securities Offerings (S82)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																
CD - Canada-Limited General Securities Registered Representative (S37)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>
CN - Canada-Limited General Securities Registered Representative (S38)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>
ET - Equity Trader (S55)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>									<input checked="" type="checkbox"/>
<b>REGISTRATION CATEGORY</b>	<b>FINRA</b>	<b>NYSE</b>	<b>NYSE-MKT</b>	<b>BATS-ZX</b>	<b>BATS-YX</b>	<b>BOX</b>	<b>BX</b>	<b>EDGA</b>	<b>EDGX</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>C2</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NOX</b>		
AM - Allied Member		<input type="checkbox"/>	<input type="checkbox"/>								<input type="checkbox"/>								
AP - Approved Person		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
LE - Securities Lending Representative		<input type="checkbox"/>	<input type="checkbox"/>																
LS - Securities Lending Supervisor		<input type="checkbox"/>	<input type="checkbox"/>																
ME - Member Exchange		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>				
FE - Floor Employee		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>				
OF - Officer		<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>									
CO - Compliance Official (S14)		<input type="checkbox"/>	<input type="checkbox"/>													<input type="checkbox"/>			
CF - Compliance Official Specialist (S14A)		<input type="checkbox"/>	<input type="checkbox"/>																

PM - Floor Member Conducting Public Business		<input type="checkbox"/>	<input type="checkbox"/>																
<b>REGISTRATION CATEGORY</b>	<b>FINRA</b>	<b>NYSE</b>	<b>NYSE-MKT</b>	<b>BATS-ZX</b>	<b>BATS-YX</b>	<b>BOX</b>	<b>BX</b>	<b>EDGA</b>	<b>EDGX</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>C2</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>		
PC - Floor Clerk Conducting Public Business		<input type="checkbox"/>	<input type="checkbox"/>																
SC - Specialist Clerk (S21)		<input type="checkbox"/>	<input type="checkbox"/>																
TA - Trading Assistant (S25)		<input type="checkbox"/>	<input type="checkbox"/>																
FP - Municipal Fund (S51)	<input type="checkbox"/>																		
IF - In-Firm Delivery Proctor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																
MM - Market Maker Authorized Trader-Options (S56)											<input type="checkbox"/>								
FB - Floor Broker (S56)											<input type="checkbox"/>								
MB - Market Maker acting as Floor Broker											<input type="checkbox"/>								
OT - Authorized Trader (S7)			<input type="checkbox"/>								<input type="checkbox"/>								
MT - Market Maker Authorized Trader-Equities (S7)				<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>								
<b>REGISTRATION CATEGORY</b>	<b>FINRA</b>	<b>NYSE</b>	<b>NYSE-MKT</b>	<b>BATS-ZX</b>	<b>BATS-YX</b>	<b>BOX</b>	<b>BX</b>	<b>EDGA</b>	<b>EDGX</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>C2</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>		
IB - Investment Banking Representative (S79)	<input checked="" type="checkbox"/>																		
OS - Operations Professional (S99)	<input checked="" type="checkbox"/>																		
AF - Floor Broker - Options (S56)			<input type="checkbox"/>																
AO - Market Maker - Options (S56)			<input type="checkbox"/>																
AC - Floor Clerk - Options			<input type="checkbox"/>																
CT - Proprietary Trader Compliance Officer (S14)												<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
PT - Proprietary Trader (S56)			<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>									
TP - Proprietary Trader Principal (S24)						<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other _____ (Paper Form Only)																			

5. JURISDICTION REGISTRATION

**Check appropriate jurisdiction(s) for broker-dealer agent (AG) and/or investment**

**adviser representative (RA) registration requests.**

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

**AGENT OF THE ISSUER REGISTRATION (AI)**  **Indicate 2 letter jurisdiction code (s):** \_\_\_\_\_

**6. REGISTRATION REQUESTS WITH AFFILIATED FIRMS**

Will applicant maintain registration with firm(s) under common ownership or control with the filing firm?  
 If "yes", fill in the details to indicate a request for registration with additional firm(s).

Yes  No

No Information Filed

**7. EXAMINATION REQUESTS**

**Scheduling or Rescheduling Examinations** Complete this section only if you are scheduling or rescheduling an examination or continuing education session. Do not select the Series 63 (S63) or Series 65 (S65) examinations in this section if you have completed Section 5 (JURISDICTION REGISTRATION) and have selected registration in a jurisdiction. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an AG registration in a jurisdiction that requires that you pass the S63 examination, an S63 examination will be automatically scheduled for you upon submission of this Form U4. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an RA registration in a jurisdiction that requires that you pass the S65 examination, an S65 examination will be automatically scheduled for you upon

submission of this Form U4.

<input type="checkbox"/> S3	<input type="checkbox"/> S14	<input type="checkbox"/> S28	<input type="checkbox"/> S42	<input type="checkbox"/> S53	<input type="checkbox"/> S79
<input type="checkbox"/> S4	<input type="checkbox"/> S16	<input type="checkbox"/> S30	<input type="checkbox"/> S44	<input type="checkbox"/> S55	<input type="checkbox"/> S82
<input type="checkbox"/> S5	<input type="checkbox"/> S17	<input type="checkbox"/> S31	<input type="checkbox"/> S45	<input type="checkbox"/> S56	<input type="checkbox"/> S86
<input type="checkbox"/> S6	<input type="checkbox"/> S22	<input type="checkbox"/> S32	<input type="checkbox"/> S46	<input type="checkbox"/> S62	<input type="checkbox"/> S87
<input type="checkbox"/> S7	<input type="checkbox"/> S23	<input type="checkbox"/> S33	<input type="checkbox"/> S51	<input type="checkbox"/> S63	<input type="checkbox"/> S99
<input type="checkbox"/> S9	<input type="checkbox"/> S24	<input type="checkbox"/> S37	<input type="checkbox"/> S52	<input type="checkbox"/> S65	<input type="checkbox"/> S101
<input type="checkbox"/> S10	<input type="checkbox"/> S26	<input type="checkbox"/> S38		<input type="checkbox"/> S66	<input type="checkbox"/> S106
<input type="checkbox"/> S11	<input type="checkbox"/> S27	<input type="checkbox"/> S39		<input type="checkbox"/> S72	<input type="checkbox"/> S201

Other \_\_\_\_\_ (Paper Form Only)

OPTIONAL: Foreign Exam City \_\_\_\_\_ Date (MM/DD/YYYY) \_\_\_\_\_

**8. PROFESSIONAL DESIGNATIONS**

Select each designation you currently maintain.

Certified Financial Planner

Chartered Financial Consultant (ChFC)

Personal Financial Specialist (PFS)

Chartered Financial Analyst (CFA)

Chartered Investment Counselor (CIC)

**9. IDENTIFYING INFORMATION/NAME CHANGE**

<b>First Name:</b> JOHN	<b>Middle Name:</b> JOSEPH	<b>Last Name:</b> HURRY
<b>Suffix:</b>	<b>Date of Birth</b> (MM/DD/YYYY) 11/17/1966	
<b>State/Province of Birth</b> CALIFORNIA	<b>Country of Birth</b> USA	<b>Sex</b> <input checked="" type="radio"/> Male <input type="radio"/> Female
<b>Height (ft)</b> 5	<b>Height (in)</b> 7	<b>Weight (lbs)</b> 160
<b>Hair Color</b> Brown	<b>Eye Color</b> Green	

**10. OTHER NAMES**

Enter all other names that you have used or are using, or by which you are known or have been known, other than your legal name, since the age of 18. This field should include, for example, nicknames, aliases, and names used before or after marriage.

First Name	Middle Name	Last Name	Suffix
JOHN	JOSEPH	HURRY	SR

11. RESIDENTIAL HISTORY

Starting with the current address, give all addresses for the past 5 years. Report changes as they occur.

From	To	Street	City	State	Country	Postal Code
03/2012	PRESENT	7433 N. 62ND ST	PARADISE VALLEY	AZ	USA	85253
12/1998	03/2012	5846 E. INDIAN BEND RD.	PARADISE VALLEY	AZ	UNITED STATES	85253
11/2011	03/2012	1466 PITTMAN TERRACE	GLENBROOK	NV	USA	89413
05/1996	12/1998	4328 E LUPINE	PHOENIX	AZ	United States	85028
01/1994	05/1996	4202 EAST CACTUS RD #3108	PHEONIX	AZ	United States	85032

12. EMPLOYMENT HISTORY

Provide complete employment history for the past 10 years. Include the *firm(s)* noted in Section 1 (GENERAL INFORMATION) and Section 6 (REGISTRATION REQUESTS WITH AFFILIATED FIRMS). Include all *firm(s)* from Section 3 (REGISTRATION WITH UNAFFILIATED FIRMS). Account for all time including full and part-time employments, self-employment, military service, and homemaking. Also include statuses such as unemployed, full-time education, extended travel, or other similar statuses. Report changes as they occur.

From	To	Name of Firm or Company	Investment-Related business?	City	State	Country	Position
05/1995	PRESENT	KEYSTONE MORTGAGE	<input type="radio"/> Yes <input checked="" type="radio"/> No	PHOENIX	AZ	USA	LOAN PROCESSOR
01/2002	PRESENT	SCOTTSDALE CAPITAL ADVISORS	<input checked="" type="radio"/> Yes <input type="radio"/> No	PARADISE VALLEY	AZ	USA	BROKER
12/2000	05/2002	PRUDENTIAL SECURITIES INC	<input checked="" type="radio"/> Yes <input type="radio"/> No	NEW YORK	NY		FINANCIAL ADVISOR
05/1997	12/2000	MERIT CAPITAL ASSOCIATES, INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	SCOTTSDALE	AZ		NOT PROVIDED
12/1996	06/1997	CORTLANDT CAPITAL CORPORATION	<input checked="" type="radio"/> Yes <input type="radio"/> No	PHOENIX	AZ		NOT PROVIDED
12/1993	12/1996	EDWARD D. JONES & CO., L.P.	<input checked="" type="radio"/> Yes <input type="radio"/> No	PHOENIX	AZ		NOT PROVIDED

09/1993	11/1993	EQUITY SERVICES, INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	PHOENIX	AZ	NOT PROVIDED
08/1993	11/1993	NATIONAL LIFE	<input type="radio"/> Yes <input checked="" type="radio"/> No	MONTEEVE	VT	AGENT - AGENT
12/1992	09/1993	W.C. GORE	<input type="radio"/> Yes <input checked="" type="radio"/> No	FLAGSTAFF	AZ	OTHER - FINANCIAL ANALYST, ACCT
08/1992	12/1992	GGCC	<input type="radio"/> Yes <input checked="" type="radio"/> No	SUFFORD	AZ	OTHER - FINANCIAL OFFICER
07/1988	08/1992	UNITED PARCEL SERVICE	<input type="radio"/> Yes <input checked="" type="radio"/> No	FLAGSTAFF	AZ	OTHER - PRELOAD
09/1988	06/1992	NORTHERN ARKIZONIA UNIVERSITY	<input type="radio"/> Yes <input checked="" type="radio"/> No	FLAGSTAFF	AZ	STUDENT - STUDENT
09/1991	05/1992	COMPUTER SERVICE	<input type="radio"/> Yes <input checked="" type="radio"/> No	FLAGSTAFF	AZ	OTHER - SUPERVISOR
05/1991	03/1992	WADDELL & REED, INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	PHOENIX	AZ	NOT PROVIDED

**13. OTHER BUSINESS**

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

Yes  No

7170 E. MCDONALD ROAD #6 SCOTTSDALE, AZ 85253 SCOTTSDALE CAPTIAL ADVISORS HOLDINGS LLC, HOLDING FOR SCA BD, INVESTMENT RELATED "IR" YES, OWNER, MANAGE, 2002, HOURS PER MONTH "HPM" 10, DURING MARKET HOURS "DMH" 1. SCOTTSDALE CAPITAL ADVSIORS PARTNERS LLC, HOLDING FOR SCAP I & II IR YES, OWNER, MANAGE, 2004, HPM 10, DMH 1. SCOTTSDALE CAPITAL ADVISORS CORP., BROKER-DEALER "BD", IR YES, OWNER, MANAGE, 2002, HPM 87, DMH 87. SCAP I LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2007, HPM 10, DMH 1. II LLC, REAL ESTATE, IR YES, OWNER, SCAP MANAGE, 2007, HPM 10, DMH 1. SCAP III LLC, REAL ESTATE, IA YES, OWNER, MANAGE, 2007, HPM 10, DMH 1. BRICFM LLC- 101 PALM STREET NEWPORT BEACH, CA, DBA CORNER OF PARADISE, ICE CREAM STORE, IR NO, OWNER, MANAGE, 2010, HPM 5, DMH 1. INVESTMENT SERVICES CORP., SERVICE COMPANY FOR OTHER ENTITIES, IR YES, OWNER MANAGE, 1997, HPM 1, DMH 1. INVESTMENT SERVICES PARTNERS LLC, GP FOR SCA PARTNERS, IR YES, OWNER, MANAGE, 2004, HPM 1, DMH1. HURRY HEDGE FUND LLC, SHELL FOR HEDGEFUND, IR YES, OWNER, MANAGE, 2004, HPM 0, DMH 0.

SCAP 4 LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 5 LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 6 LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. ISC LLC (ALASKA), HOLDING FOR AUTO, IR NO, OWNER, MANAGE, 2008, HPM 1, DMH 0. ISHC LLC (MONTANA), HOLDING FOR WATER CRAFT, IR NO, OWNER, 2012, HPM 1, DMH 1. LOAN ORIGATION USA MORTGAGE, MORTGAGES, IR YES, LOAN OFFICER, PROVIDE LOANS, 1997, HPM 0, DMH 0. ALPINE SECURITIES HOLDINGS CORPORATION (UT), HOLDING COMPANY, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCOTTSDALE CAPITAL ADVSIORS PARTNERS LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2004, HPM 5, DMH 1. INVESTMENT SERVICES CAPITAL LLC, SERVICE COMPANY FOR OTHER ENTITIES, IR YES, OWNER, MANAGE, 2006, HPM 1, DMH 1. INVESTMENT SERVICES HOLDINGS CORP NV, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 10, DMH 1. SCA CLEARING LLC AZ/NV, CLEARING FIRM, IR YES, OWNER, MANAGE, 2011, HPM 10, DMH 1. SCAP 4 LLC (NV), REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 2, DMH 1. SCAP 5 LLC (NV), SHELL FOR REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 6 LLC (NV), REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 7 LLC (NV), SHELL FOR REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. ISC LLC (ALASKA), 124 W. PINE STREET, MISSOULA, MT, HOLDING FOR AUTO, IR NO, OWNER, 2008, HPM 1, DMH 0. SMOKLESS CIGARETTE LLC (NV), NOT ACTIVE SHELL FOR BUSINESS, IR NO, OWNER, MANAGE, 2007, HPM 1, DMH 0. ISHC LLC (MONTANA), HOLDING FOR WATER CRAFT, IR NO, OWNER, NON MANAGED, 2012, HPM 1, DMH 0. ALPINE SECURITIES CORPORATION, CLEARING FIRM & BD IN UT, IR YES, OWNER/DIRECTOR, MANAGE, 2011, HPM 40, DMH 40. SCAP 8, LLC, START DATE 7/6/2012, IR YES, 1466 PITTMAN TERRACE, GLENBROOK, NV, 89413, REAL ESTATE, OWNER, MANAGE, HPM 1, DMH 0. INVESTMENT SERVICES CAPITAL LLC & NEWMGT LLC & DEBTFUND LLC & SCAINTL LLC ALL "NEVADA AND SAME INFO" 1466 PITTMAN TERRACE, GLENBROOK, NV 89413, HOLDING COMPANY, IR NO, OFFICER, MANAGER, 7/25/2012, HPM 1, DMH 0. NV100 LLC, 1466 PITTMAN TERRACE, GLENDBROOK, NV89413, REAL ESTATE, IA YES, OWNER, MANAGE 082012, HPM 1, DMH 1. ALPINE SECURTIES BAHAMAS HOLDING LTD, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, HOLDING COMPANY, IR YES, OWNER, MANAGE, 10/2012, HPM 1, DMH 0. SCAP 9 LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, REAL ESTATE, IR YES, OWNER, MANAGE, 10/2012, HPM 1, DMH 0. SCAP 10 LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, REAL ESTATE, IR YES, OWNER, MANAGE, 10/2012, HPM 1, DMH 0. NV100 LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, REAL ESTATE, IR YES, OWNER, MANAGE, 10/2012, HPM 1, DMH 0. NEW CONMGT LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, CONSTRUCTION, IR YES, OWNER, MANAGE, 10/2012, HPM 1, DMH 0. ISHC 2 LLC, 124 W. PINE STREET, MISSOULA, MT, AIRCRAFT, NO, OWNER, 11/2012, 0,0.

14. DISCLOSURE QUESTIONS

IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S)

REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U4 INSTRUCTIONS FOR EXPLANATIONS OF ITALICIZED TERMS.

Criminal Disclosure

14A. (1) Have you ever:

YES NO

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*?

(b) been *charged* with any *felony*?

**(2) Based upon activities that occurred while you exercised control over it, has an organization ever:**

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to any *felony*?

(b) been *charged* with any *felony*?

**14B. (1) Have you ever:**

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?

(b) been *charged* with a *misdemeanor* specified in 14B(1)(a)?

**(2) Based upon activities that occurred while you exercised control over it, has an organization ever:**

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to a *misdemeanor* specified in 14B(1)(a)?

(b) been *charged* with a *misdemeanor* specified in 14B(1)(a)?

**Regulatory Action Disclosure**

**14C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever: YES NO**

(1) *found* you to have made a false statement or omission?

(2) *found* you to have been *involved* in a violation of its regulations or statutes?

(3) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?

(4) entered an *order* against you in connection with *investment-related* activity?

(5) imposed a civil money penalty on you, or *ordered* you to cease and desist from any activity?

(6) *found* you to have willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or *found* you to have been unable to comply with any provision of such Act, rule or regulation?

(7) *found* you to have willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the

Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

- (8) *found* you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

**14D. (1) Has any other Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever:**

- (a) *found* you to have made a false statement or omission or been dishonest, unfair or unethical?
- (b) *found* you to have been *involved* in a violation of *investment-related* regulation(s) or statute(s)?
- (c) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked or restricted?
- (d) entered an *order* against you in connection with an *investment-related* activity?
- (e) denied, suspended, or revoked your registration or license or otherwise, by *order*, prevented you from associating with an *investment-related* business or restricted your activities?

**(2) Have you been subject to any final order of a state securities commission (or any agency or officer performing like functions), state authority that supervises or examines banks, savings associations, or credit unions, state insurance commission (or any agency or office performing like functions), an appropriate federal banking agency, or the National Credit Union Administration, that:**

- (a) bars you from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, banking, savings association activities, or credit union activities; or
- (b) constitutes a *final order* based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

**14E. Has any self-regulatory organization ever:**

- (1) *found* you to have made a false statement or omission?
- (2) *found* you to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the U.S. Securities and Exchange Commission)?
- (3) *found* you to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked or restricted?
- (4) disciplined you by expelling or suspending you from membership, barring or suspending your association with its members, or restricting your

activities?

- (5) *found* you to have willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or *found* you to have been unable to comply with any provision of such Act, rule or regulation?
- (6) *found* you to have willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?
- (7) *found* you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

**14F. Have you ever had an authorization to act as an attorney, accountant or federal contractor that was revoked or suspended?**

- 14G. Have you been notified, in writing, that you are now the subject of any:**
- (1) regulatory complaint or *proceeding* that could result in a "yes" answer to any part of 14C, D or E? (*If yes, complete the Regulatory Action Disclosure Reporting Page.*)
  - (2) *investigation* that could result in a "yes" answer to any part of 14A, B, C, D or E? (*If yes, complete the Investigation Disclosure Reporting Page.*)

**Civil Judicial Disclosure**

- 14H. (1) Has any domestic or foreign court ever:** **YES NO**
- (a) *enjoined* you in connection with any *investment-related* activity?
  - (b) *found* that you were *involved* in a violation of any *investment-related* statute(s) or regulation(s)?
  - (c) dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you by a state or *foreign financial regulatory authority*?
- (2) Are you named in any pending *investment-related* civil action that could result in a "yes" answer to any part of 14H(1)?**

**Customer Complaint/Arbitration/Civil Litigation Disclosure**

**14I. (1) Have you ever been named as a respondent/defendant in an *investment-related*, consumer-initiated arbitration or civil litigation** **YES NO**

which alleged that you were *involved* in one or more *sales practice violations* and which:

- (a) is still pending, or;
- (b) resulted in an arbitration award or civil judgment against you, regardless of amount, or;
- (c) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or;
- (d) was settled, on or after 05/18/2009, for an amount of \$15,000 or more?

**(2) Have you ever been the subject of an *investment-related, consumer-initiated (written or oral) complaint, which alleged that you were involved in one or more sales practice violations, and which:***

- (a) was settled, prior to 05/18/2009 for an amount of \$10,000 or more, or;
- (b) was settled, on or after 05/18/2009, for an amount of \$15,000 or more?

**(3) Within the past twenty four (24) months, have you been the subject of an *investment-related, consumer-initiated, written complaint, not otherwise reported under question 14I(2) above, which:***

- (a) alleged that you were *involved* in one or more *sales practice violations* and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or;
- (b) alleged that you were *involved* in forgery, theft, misappropriation or conversion of funds or securities?

**Answer questions (4) and (5) below only for arbitration claims or civil litigation filed on or after 05/18/2009.**

**(4) Have you ever been the subject of an *investment-related, consumer-initiated arbitration claim or civil litigation which alleged that you were involved in one or more sales practice violations, and which:***

- (a) was settled for an amount of \$15,000 or more, or;
- (b) resulted in an arbitration award or civil judgment against any named respondent(s)/defendant(s), regardless of any amount?

**(5) Within the past twenty four (24) months, have you been the subject of an *investment-related, consumer-initiated arbitration claim or civil litigation not otherwise reported under questions 14I(4) above, which:***

- (a) alleged that you were *involved* in one or more *sales practice violations* and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the arbitration claim or civil litigation, must be reported unless the *firm* has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or;
- (b) alleged that you were *involved* in forgery, theft, misappropriation or conversion of funds or securities?

**Termination Disclosure**

**14J. Have you ever voluntarily *resigned*, been discharged or permitted to *resign* YES NO**

**after allegations were made that accused you of:**

- (1) violating *investment-related* statutes, regulations, rules, or industry standards of conduct?
- (2) fraud or the wrongful taking of property?
- (3) failure to supervise in connection with *investment-related* statutes, regulations, rules or industry standards of conduct?

**Financial Disclosure**

- 14K. Within the past 10 years:** **YES NO**
- (1) have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?
  - (2) based upon events that occurred while you exercised *control* over it, has an organization made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?
  - (3) based upon events that occurred while you exercised *control* over it, has a broker or dealer been the subject of an involuntary bankruptcy petition, or had a trustee appointed, or had a direct payment procedure initiated under the Securities Investor Protection Act?
- 14L. Has a bonding company ever denied, paid out on, or revoked a bond for you?**
- 
- 14M. Do you have any unsatisfied judgments or liens against you?**

**15. SIGNATURE SECTION**

Please Read Carefully

All signatures required on this Form U4 filing must be made in this section.

A "signature" includes a manual signature or an electronically transmitted equivalent. For purposes of an electronic form filing, a signature is effected by typing a name in the designated signature field. By typing a name in this field, the signatory acknowledges and represents that the entry constitutes in every way, use, or aspect, his or her legally binding signature.

- 15A INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT  
This section must be completed on all initial or Temporary Registration form filings.
- 15B FIRM/APPROPRIATE SIGNATORY REPRESENTATIONS  
This section must be completed on all initial or Temporary Registration form filings.
- 15C TEMPORARY REGISTRATION ACKNOWLEDGMENT  
This section must be completed on Temporary Registration form filings to be able to receive Temporary Registration.
- 15D INDIVIDUAL/APPLICANT'S AMENDMENT ACKNOWLEDGMENT AND CONSENT  
This section must be completed on any amendment filing that amends any information in Section 14 (Disclosure Questions) or any Disclosure Reporting Page (DRP).
- 15E FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS  
This section must be completed on all amendment form filings.

15F FIRM/APPROPRIATE SIGNATORY CONCURRENCE

This section must be completed to concur with a U4 filing made by another firm (IA/BD) on behalf of an individual that is also registered with that other firm (IA/BD).

15C. TEMPORARY REGISTRATION ACKNOWLEDGMENT

If an applicant has been registered in a jurisdiction or self regulatory organization (SRO) in the 30 days prior to the date an application for registration is filed with the Central Registration Depository or Investment Adviser Registration Depository, he or she may qualify for a Temporary Registration to conduct securities business in that jurisdiction or SRO if this acknowledgment is executed and filed with the Form U4 at the applicant's firm.

This acknowledgment must be signed only if the applicant intends to apply for a Temporary Registration while the application for registration is under review.

I request a Temporary Registration in each jurisdiction and/or SRO requested on this Form U4, while my registration with the jurisdiction(s) and/or SRO(s) requested is under review;

I am requesting a Temporary Registration with the firm filing on my behalf for the jurisdiction(s) and/or SRO(s) noted in Section 4 (SRO REGISTRATION) and/or Section 5 (JURISDICTION REGISTRATION) of this Form U4;

I understand that I may request a Temporary Registration only in those jurisdiction(s) and/or SRO(s) in which I have been registered with my prior firm within the previous 30 days;

I understand that I may not engage in any securities activities requiring registration in a jurisdiction and/or SRO until I have received notice from the CRD or IARD that I have been granted a Temporary Registration in that jurisdiction and/or SRO;

I agree that until the Temporary Registration has been replaced by a registration, any jurisdiction and/or SRO in which I have applied for registration may withdraw the Temporary Registration;

If a jurisdiction or SRO withdraws my Temporary Registration, my application will then be held pending in that jurisdiction and/or SRO until its review is complete and the registration is granted or denied, or the application is withdrawn;

I understand and agree that, in the event my Temporary Registration is withdrawn by a jurisdiction and/or SRO, I must immediately cease any securities activities requiring a registration in that jurisdiction and/or SRO until it grants my registration;

I understand that by executing this Acknowledgment I am agreeing not to challenge the withdrawal of a Temporary Registration; however, I do not waive any right I may have in any jurisdiction and/or SRO with respect to any decision by that jurisdiction and/or SRO to deny my application for registration.

Date (MM/DD/YYYY) Signature of Applicant
12/13/2012 JOHN JOSEPH HURRY

Signature \_\_\_\_\_

15D. AMENDMENT INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT

Date (MM/DD/YYYY) Signature of Applicant
12/13/2012 JOHN JOSEPH HURRY

Signature \_\_\_\_\_

15E. FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS

Date (MM/DD/YYYY) Signature of Appropriate Signatory
12/13/2012 JAY V. NOIMAN

Signature \_\_\_\_\_

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**BANKRUPTCY/SIPC/COMPROMISE WITH CREDITORS DRP**

No Information Filed

---

**BOND DRP**

No Information Filed

---

**CIVIL JUDICIAL DRP**

No Information Filed

---

**CRIMINAL DRP**

No Information Filed

---

**CUSTOMER COMPLAINT/ARBITRATION/CIVIL LITIGATION DRP**

No Information Filed

---

**INVESTIGATION DRP**

No Information Filed

---

**JUDGMENT LIEN DRP**

No Information Filed

---

**REGULATORY ACTION DRP**

No Information Filed

---

**TERMINATION DRP**

No Information Filed

# APPENDIX B

**FORM U4  
UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER**

U4 - AMENDMENT 12/13/2012

Rev. Form U4 (05/2009)

Individual Name: HURRY, JUSTINE (2765969)

Firm Name: SCOTTSDALE CAPITAL ADVISORS CORP (118786)

**1. GENERAL INFORMATION**

<b>First Name:</b> JUSTINE	<b>Middle Name:</b>	<b>Last Name:</b> HURRY	<b>Suffix:</b>
<b>Firm CRD #:</b> 118786	<b>Firm Name:</b> SCOTTSDALE CAPITAL ADVISORS CORP	<b>Employment Date (MM/DD/YYYY):</b> 06/06/2001	
<b>Firm Billing Code:</b>	<b>Individual CRD #:</b> 2765969	<b>Individual SSN:</b> XXX-XX-XXXX	

Do you have an independent contractor relationship with the above named firm?:

Yes  No

**Office of Employment Address**

CRD Branch #	NYSE Branch Code #	Firm Billing Code	Address	Private Residence	Type of Office	Start Date	End Date
BD Main			7170 E. MCDONALD RD. SUTIE 6  SCOTTSDALE AZ , AZ 85253	N	Located At	06/06/2001	
277127		118786	7170 E. MC DONALD RD. SUITE 6  SCOTTSDALE , AZ 85253 UNITED STATES	N	Located At	06/16/2006	
277473			2525 E. CAMELBACK RD SUITE 1050  PHOENIX , AZ 85016 UNITED STATES	N	Located At	06/16/2006	10/09/2006
301656			111 N. SEPULVEDA BLVD SUITE 250 MANHATTAN BEACH , CA 90266 UNITED STATES	N	Located At	09/05/2006	07/15/2008
315101			2389 MAIN ST  GLASTONBURY , CT 06033 UNITED STATES	N	Located At	01/03/2007	07/15/2008
330428			1741 TARA WAY  SAN MARCOS , CA 92078 UNITED STATES	Y	Located At	05/08/2007	07/15/2008
350764			6263 N. SCOTTSDALE RD STE 340	N	Located At	11/13/2007	02/26/2008

			SCOTTSDALE , AZ 85250 UNITED STATES				
363845			535 5TH AVE 35TH FLOOR N  NEW YORK , NY 10017 UNITED STATES		Located At	03/17/2008	07/15/2008
389871			4116 LAWNGATE DR  DALLAS , TX 75287 UNITED STATES	Y	Located At	12/22/2008	04/28/2009
403058		277127	103 E. PALM  NEWPORT BEACH , CA 92661 UNITED STATES	N	Located At	10/12/2010	
522710			617 HIGHWAY 50  ZEPHYR COVE , NV 89448 UNITED STATES	Y	Located At	10/25/2012	12/04/2012

**2. FINGERPRINT INFORMATION**

Electronic Filing Representation

By selecting this option, I represent that I am submitting, have submitted, or promptly will submit to the appropriate SRO a fingerprint card as required under applicable SRO rules; or  
Fingerprint card barcode

By selecting this option, I represent that I have been employed continuously by the filing firm since the last submission of a fingerprint card to CRD and am not required to resubmit a fingerprint card at this time; or,

By selecting this option, I represent that I have been employed continuously by the filing firm and my fingerprints have been processed by an SRO other than FINRA. I am submitting, have submitted, or promptly will submit the processed results for posting to CRD.

Exceptions to the Fingerprint Requirement

By selecting one or more of the following two options, I affirm that I am exempt from the federal fingerprint requirement because I/filing firm currently satisfy(ies) the requirements of at least one of the permissive exemptions indicated below pursuant to Rule 17f-2 under the Securities Exchange Act of 1934, including any notice or application requirements specified therein:

Rule 17f-2(a)(1)(i)

Rule 17f-2(a)(1)(iii)

Investment Adviser Representative Only Applicants

I affirm that I am applying only as an investment adviser representative and that I am not also applying or have not also applied with this firm to become a broker-dealer representative. If this radio button/box is selected, continue below.

I am applying for registration only in jurisdictions that do not have fingerprint card filing requirements, or

I am applying for registration in jurisdictions that have fingerprint card filing requirements and I am submitting, have submitted, or promptly will submit the appropriate fingerprint card directly to the jurisdictions for processing pursuant to applicable jurisdiction rules.

**3. REGISTRATIONS WITH UNAFFILIATED FIRMS**

Some jurisdictions prohibit "dual registration," which occurs when an individual chooses to maintain a concurrent registration as a representative/agent with two or more firms (either BD or IA firms) that are not affiliated. Jurisdictions that prohibit dual registration would not, for example, permit a broker-dealer agent working with brokerage firm A to maintain a registration with brokerage firm B if firms A and B are not owned or controlled by a common parent. Before seeking a dual registration status, you should consult the applicable rules or statutes of the jurisdictions with which you seek registration for prohibitions on dual registrations or any liability provisions.

Please indicate whether the individual will maintain a "dual registration" status by answering the questions in this section. (Note: An individual should answer 'yes' only if the individual is currently registered and is seeking registration with a *firm* (either BD or IA) that is not affiliated with the individual's current employing *firm*. If this is an initial application, an individual must answer 'no' to these questions; a "dual registration" may be initiated only after an initial registration has been established).

Answer "yes" or "no" to the following questions:

- |   |                                  |                                  |
|---|----------------------------------|----------------------------------|
|   | <b>Yes</b>                       | <b>No</b>                        |
| <b>A.</b> Will <i>applicant</i> maintain registration with a broker-dealer that is not <i>affiliated</i> with the <i>filing firm</i> ? If you answer "yes," list the <i>firm(s)</i> in Section 12 (Employment History).       | <input checked="" type="radio"/> | <input type="radio"/>            |
| <b>B.</b> Will <i>applicant</i> maintain registration with an investment adviser that is not <i>affiliated</i> with the <i>filing firm</i> ? If you answer "yes," list the <i>firm(s)</i> in Section 12 (Employment History). | <input type="radio"/>            | <input checked="" type="radio"/> |

**4. SRO REGISTRATIONS**

**Check appropriate SRO Registration requests.**  
**Qualifying examinations will be automatically scheduled if needed. If you are only scheduling or re-scheduling an exam, skip this section and complete Section 7 (EXAMINATION REQUESTS).**

REGISTRATION CATEGORY	FINRA	NYSE	NYSE-MKT	BATS-ZX	BATS-YX	BOX	BX	EDGA	EDGX	NSX	ARCA	CBOE	C2	CHX	PHLX	ISE	NQX
OP - Registered Options Principal (S4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IR - Investment Company and Variable Contracts Products Rep. (S6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GS - Full Registration/General Securities Representative (S7)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>														
TR - Securities Trader (S7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TS - Trading Supervisor (S7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SU - General Securities Sales Supervisor (S9 and S10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BM - Branch Office Manager (S9 and S10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SM - Securities Manager (S10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AR - Assistant Representative/Order Processing (S11)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IE - United Kingdom - Limited General Securities Registered Representative (S17)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REGISTRATION CATEGORY	FINRA	NYSE	NYSE-MKT	BATS-ZX	BATS-YX	BOX	BX	EDGA	EDGX	NSX	ARCA	CBOE	C2	CHX	PHLX	ISE	NQX
DR - Direct Participation Program Representative (S22)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GP - General Securities Principal (S24)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
IP - Investment Company and Variable Contracts Products Principal (S26)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FA - Foreign Associate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FN - Financial and Operations Principal (S27)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
FI - Introducing Broker-Dealer/Financial and Operations Principal (S28)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RS - Research Analyst (S86, S87)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>





If "yes", fill in the details to indicate a request for registration with additional *firm(s)*.

Yes  No

No Information Filed

**7. EXAMINATION REQUESTS**

**Scheduling or Rescheduling Examinations** Complete this section only if you are scheduling or rescheduling an examination or continuing education session. Do not select the Series 63 (S63) or Series 65 (S65) examinations in this section if you have completed Section 5 (JURISDICTION REGISTRATION) and have selected registration in a *jurisdiction*. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an AG registration in a *jurisdiction* that requires that you pass the S63 examination, an S63 examination will be automatically scheduled for you upon submission of this Form U4. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an RA registration in a *jurisdiction* that requires that you pass the S65 examination, an S65 examination will be automatically scheduled for you upon submission of this Form U4.

<input type="checkbox"/> S3	<input type="checkbox"/> S14	<input type="checkbox"/> S28	<input type="checkbox"/> S42	<input type="checkbox"/> S53	<input type="checkbox"/> S79
<input type="checkbox"/> S4	<input type="checkbox"/> S16	<input type="checkbox"/> S30	<input type="checkbox"/> S44	<input type="checkbox"/> S55	<input type="checkbox"/> S82
<input type="checkbox"/> S5	<input type="checkbox"/> S17	<input type="checkbox"/> S31	<input type="checkbox"/> S45	<input type="checkbox"/> S56	<input type="checkbox"/> S86
<input type="checkbox"/> S6	<input type="checkbox"/> S22	<input type="checkbox"/> S32	<input type="checkbox"/> S46	<input type="checkbox"/> S62	<input type="checkbox"/> S87
<input type="checkbox"/> S7	<input type="checkbox"/> S23	<input type="checkbox"/> S33	<input type="checkbox"/> S51	<input type="checkbox"/> S63	<input type="checkbox"/> S99
<input type="checkbox"/> S9	<input type="checkbox"/> S24	<input type="checkbox"/> S37	<input type="checkbox"/> S52	<input type="checkbox"/> S65	<input type="checkbox"/> S101
<input type="checkbox"/> S10	<input type="checkbox"/> S26	<input type="checkbox"/> S38		<input type="checkbox"/> S66	<input type="checkbox"/> S106
<input type="checkbox"/> S11	<input type="checkbox"/> S27	<input type="checkbox"/> S39		<input type="checkbox"/> S72	<input type="checkbox"/> S201

Other \_\_\_\_\_ (Paper Form Only)

OPTIONAL: Foreign Exam City \_\_\_\_\_

Date (MM/DD/YYYY) \_\_\_\_\_

**8. PROFESSIONAL DESIGNATIONS**

Select each designation you currently maintain.

- Certified Financial Planner
- Chartered Financial Consultant (ChFC)
- Personal Financial Specialist (PFS)
- Chartered Financial Analyst (CFA)
- Chartered Investment Counselor (CIC)

**9. IDENTIFYING INFORMATION/NAME CHANGE**

<b>First Name:</b> JUSTINE	<b>Middle Name:</b>	<b>Last Name:</b> HURRY
<b>Suffix:</b>	<b>Date of Birth</b> (MM/DD/YYYY) 08/02/1970	
<b>State/Province of Birth</b> PA	<b>Country of Birth</b> USA	<b>Sex</b> <input type="radio"/> Male <input checked="" type="radio"/> Female
<b>Height (ft)</b> 5	<b>Height (in)</b> 3	<b>Weight (lbs)</b> 110
<b>Hair Color</b> Blond or Strawberry	<b>Eye Color</b> Brown	

**10. OTHER NAMES**

Enter all other names that you have used or are using, or by which you are known or have been known, other than your legal name, since the age of 18. This field should include, for example, nicknames, aliases, and names used before or after marriage.

First Name	Middle Name	Last Name	Suffix
JUSTINE		RUSIN	
JUSTINE		RUSIN	
JUSTINE		HURRY	
JUSTINE		RUSIN-HURRY	

**11. RESIDENTIAL HISTORY**

Starting with the current address, give all addresses for the past 5 years. Report changes as they occur.

From	To	Street	City	State	Country	Postal Code
03/2012	PRESENT	7433 N. 62ND ST	PARADISE VALLEY	AZ	USA	85253
11/2011	03/2012	1466 PITTMAN TERRACE	GLENBROOK	NV	USA	89413
08/1998	03/2012	5846 E. INDIAN BEND RD.	PARADISE VALLEY	AZ	UNITED STATES	85253
08/1998	12/1998	4328 EAST LUPINE AVE	PHOENIX	AZ	UNITED STATES	85028
07/1997	08/1998	930 N. MESA DR #1040	MESA	AZ	UNITED STATES	85201
01/1996	07/1997	11620 E SAHUARO DRIVE	SCOTTSDALE	AZ	UNITED STATES	85259
07/1995	01/1996	360 HYLAND AVE APT 2B	PITTSBURGH	PA	UNITED STATES	15205
08/1970	07/1995	75 HERBST RD	CORAOPOLIS	PA	UNITED STATES	15108

**12. EMPLOYMENT HISTORY**

Provide complete employment history for the past 10 years. Include the *firm(s)* noted in Section 1 (GENERAL INFORMATION) and Section 6 (REGISTRATION REQUESTS WITH AFFILIATED FIRMS). Include all *firm(s)* from Section 3 (REGISTRATION WITH UNAFFILIATED FIRMS). Account for all time including full and part-time employments, self-employment, military service, and homemaking. Also include statuses such as unemployed, full-time education, extended travel, or other similar statuses. Report changes as they occur.

From	To	Name of Firm or Company	Investment-Related business?	City	State	Country	Position
10/1997	PRESENT	KEYSTONE MORTGAGE	<input type="radio"/> Yes <input checked="" type="radio"/> No	PHOENIX	AZ	USA	LOAN OFFICER
06/2001	PRESENT	SCOTTSDALE CAPITAL ADVISORS	<input checked="" type="radio"/> Yes <input type="radio"/> No	PARADISE VALLEY	AZ	USA	OWNER/PRESIDENT
01/2001	05/2002	PRUDENTIAL SECURITIES INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	PHOENIX	AZ	USA	INVESTMENT EVALUATOR
10/1996	01/2001	MERIT CAPITAL ASSOCIATES, INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	SCOTTSDALE	AZ		PRINCIPAL
04/1996	09/1996	COHIG & ASSOCIATES, INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	MESA	AZ		OTHER - BROKER TRAINEE
03/1996	04/1996	INNOVATIVE PATIENT SYSTEMS	<input type="radio"/> Yes <input checked="" type="radio"/> No	PHOENIX	AZ		SALES - SALES
02/1996	03/1996	PAGENET	<input type="radio"/> Yes <input checked="" type="radio"/> No	PHOENIX	AZ		OTHER - INSIDE SALES
10/1995	02/1996	EXHIBITGROUP/GILTSPUR	<input type="radio"/> Yes <input checked="" type="radio"/> No	PITTSBURGH	PA		OTHER - MKT REP
01/1995	09/1995	UNEMPLOYED	<input type="radio"/> Yes <input checked="" type="radio"/> No	CORAOPOLIS	PA		OTHER - NOT

							GIVEN
10/1994	12/1994	WCI INTERNATIONAL	<input type="radio"/> Yes <input checked="" type="radio"/> No	PITTSBURGH	PA		OTHER - CUSTOMER SVS
08/1994	10/1994	STATE FARM INSURANCE	<input type="radio"/> Yes <input checked="" type="radio"/> No	PITTSBURGH	PA		SECRETARY - SECRETARY
05/1994	08/1994	PARKER/HUNTER	<input type="radio"/> Yes <input checked="" type="radio"/> No	PITTSBURGH	PA		OTHER - MUTUAL FUND PROCESSOR
11/1993	05/1994	MELLON BANK	<input type="radio"/> Yes <input checked="" type="radio"/> No	PITTSBURGH	PA		OTHER - SECURITIES PROCESSOR
09/1988	05/1994	ROBERT MORRIS COLLEGE	<input type="radio"/> Yes <input checked="" type="radio"/> No	CORAOPOLIS	PA		STUDENT - STUDENT

13. OTHER BUSINESS

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

Yes  No

HEALTH INSURANCE 1997 NOT ACTIVE 7170 E. MCDONALD ROAD #6 SCOTTSDALE, AZ 85253 SCOTTSDALE  
 CAPTIAL ADVISORS HOLDINGS LLC, HOLDING FOR SCA BD, INVESTMENT RELATED "IR" YES, OWNER, MANAGE, 2002, HOURS PER MONTH "HPM" 10, DURING MARKET HOURS "DMH" 1. SCOTTSDALE CAPITAL ADVSIORS PARTNERS LLC, HOLDING FOR SCAP I & II IR YES, OWNER, MANAGE, 2004, HPM 10, DMH 1. SCOTTSDALE CAPITAL ADVISORS CORP., BROKER-DEALER "BD", IR YES, OWNER, MANAGE, 2002, HPM 87, DMH 87. SCAP I LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2007, HPM 10, DMH 1. SCAP II LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2007, HPM 10, DMH 1. SCAP III LLC, REAL ESTATE, IA YES, OWNER, MANAGE, 2007, HPM 10, DMH 1. BRICFM LLC- 101 PALM STREET NEWPORT BEACH CA, DBA CORNER OF PARADISE, ICE CREAM STORE, IR NO, OWNER, MANAGE, 2010, HPM 5, DMH 1. INVESTMENT SERVICES CORP., SERVICE COMPANY FOR OTHER ENTITIES, IR YES, OWNER MANAGE, 1997, HPM 1, DMH 1. INVESTMENT SERVICES PARTNERS LLC, GP FOR SCA PARTNERS, IR YES, OWNER, MANAGE, 2004, HPM 1, DMH1. HURRY HEDGE FUND LLC, SHELL FOR HEDGEFUND, IR YES, OWNER, MANAGE, 2004, HPM 0, DMH 0. SCAP 4 LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 5 LLC, REAL ESTATE, IR YES, OWNER MANAGE, 2011, HPM 1, DMH 1. SCAP 6 LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. ISC LLC (ALASKA), HOLDING FOR AUTO, IR NO, OWNER, MANAGE, 2008, HPM 1, DMH 0. ISHC LLC (MONTANA), 124 W. PINE STREET, MISSOULA, MT, HOLDING FOR WATER CRAFT, IR NO, OWNER, NONE, 2012, HPM 1, DMH 1. ALPINE SECURITIES HOLDINGS CORPORATION (UT), HOLDING COMPANY, IR YES, OWNER, 2011, HPM 0, DMH 0. SCOTTSDALE CAPITAL ADVSIORS PARTNERS LLC, REAL ESTATE, IR YES, OWNER, MANAGE, 2004, HPM 5, DMH 1. INVESTMENT SERVICES CAPITAL LLC, SERVICE COMPANY FOR OTHER ENTITIES, IR YES, OWNER, MANAGE, 2006, HPM 1, DMH 1. INVESTMENT SERVICES HOLDINGS CORP NV, REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 10, DMH 1. SCA CLEARING LLC AZ/NV, CLEARING FIRM, IR YES, OWNER, MANAGE, 2011, HPM 10, DMH 1. SCAP 4 LLC (NV), REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 2, DMH 1. SCAP 5 LLC (NV), SHELL FOR REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 6 LLC (NV), REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. SCAP 7 LLC (NV), SHELL FOR REAL ESTATE, IR YES, OWNER, MANAGE, 2011, HPM 1, DMH 1. ISC LLC (ALASKA), HOLDING FOR AUTO, IR NO, OWNER, MANAGE, 2008, HPM 1, DMH 0. SMOKLESS CIGARETTE LLC (NV), NOT ACTIVE, SHELL FOR BUSINESS, IR NO, OWNER, MANAGE, 2007, HPM 1, DMH 0. ISHC LLC (MONTANA), HOLDING FOR WATER CRAFT, IR NO, OWNER, NON-MANAGED, 2012, HPM 1, DMH 0. ALPINE SECURITIES CORPORATION,

CLEARING FIRM & BD IN UT, IR YES, OWNER, 2011, HPM 0, DMH 0. SCAP 8, LLC, START DATE 7/6/2012, IR YES, 1466 PITTMAN TERRACE, GLENBROOK, NV, 89413, REAL ESTATE, OWNER, MANAGE, HPM 1, DMH 0. INVESTMENT SERVICES CAPITAL LLC & NEWMGT LLC & DEBTFUND LLC & SCAINTL LLC ALL "NEVADA AND SAME INFO" 1466 PITTMAN TERRACE, GLENBROOK, NV 89413, HOLDING COMPANY, IR NO, AGENT, MANAGER, 7/25/2012, HPM 1, DMH 0. NV100 LLC, 1466 PITTMAN TERRACE, GLENDBROOK, NV89413, REAL ESTATE, IA YES, OWNER, MANAGE 082012, HPM 1, DMH 1. ALPINE SECURITIES BAHAMAS HOLDING LTD, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, HOLDING COMPANY, IR YES, OWNER, 10/2012, HPM 0, DMH 0. SCAP 9 LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, REAL ESTATE, IR YES, OWNER, 10/2012, HPM 0, DMH 0. SCAP 10 LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, REAL ESTATE, IR YES, OWNER, 10/2012, HPM 0, DMH 0. NV100 LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, REAL ESTATE, IR YES, OWNER, 10/2012, HPM 0, DMH 0. NEW CONMGT LLC, 1466 PITTMAN TERRACE, GLENBROOK NV 89413, CONSTRUCTION, IR YES, OWNER, 10/2012, HPM 0, DMH 0. ISHC 2 LLC, 124 W. PINE STREET, MISSOULA, MT, AIRCRAFT, NO, OWNER, NO DUTIES, HPM 0, DMH, 0.

**14. DISCLOSURE QUESTIONS**

**IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S)**

**REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U4 INSTRUCTIONS FOR EXPLANATIONS OF ITALICIZED TERMS.**

**Criminal Disclosure**

- 14A. (1) Have you ever:** **YES NO**
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*?
  - (b) been *charged* with any *felony*?
- (2) Based upon activities that occurred while you exercised control over it, has an organization ever:**
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to any *felony*?
  - (b) been *charged* with any *felony*?

- 14B. (1) Have you ever:**
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving: investments or an investment-related business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?*
  - (b) been *charged* with a *misdemeanor* specified in 14B(1)(a)?
- (2) Based upon activities that occurred while you exercised control over it, has an organization ever:**
- (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to a *misdemeanor* specified in 14B(1)(a)?
  - (b) been *charged* with a *misdemeanor* specified in 14B(1)(a)?

**Regulatory Action Disclosure**

- 14C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:** **YES NO**
- (1) *found* you to have made a false statement or omission?
  - (2) *found* you to have been *involved* in a violation of its regulations or statutes?

- (3) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- (4) entered an *order* against you in connection with *investment-related* activity?
- (5) imposed a civil money penalty on you, or *ordered* you to cease and desist from any activity?
- (6) *found* you to have willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or *found* you to have been unable to comply with any provision of such Act, rule or regulation?
- (7) *found* you to have willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?
- (8) *found* you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

**14D. (1) Has any other Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever:**

- (a) *found* you to have made a false statement or omission or been dishonest, unfair or unethical?
- (b) *found* you to have been *involved* in a violation of *investment-related* regulation(s) or statute(s)?
- (c) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked or restricted?
- (d) entered an *order* against you in connection with an *investment-related* activity?
- (e) denied, suspended, or revoked your registration or license or otherwise, by *order*, prevented you from associating with an *investment-related* business or restricted your activities?

**(2) Have you been subject to any final order of a state securities commission (or any agency or officer performing like functions), state authority that supervises or examines banks, savings associations, or credit unions, state insurance commission (or any agency or office performing like functions), an appropriate federal banking agency, or the National Credit Union Administration, that:**

- (a) bars you from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, banking, savings association activities, or credit union activities; or
- (b) constitutes a *final order* based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

**14E. Has any self-regulatory organization ever:**

- (1) *found* you to have made a false statement or omission?
- (2) *found* you to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the U.S. Securities and Exchange Commission)?
- (3) *found* you to have been the cause of an *investment-related* business having its

- authorization to do business denied, suspended, revoked or restricted?
- (4) disciplined you by expelling or suspending you from membership, barring or suspending your association with its members, or restricting your activities?
  - (5) found you to have willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or found you to have been unable to comply with any provision of such Act, rule or regulation?
  - (6) found you to have willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?
  - (7) found you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

**14F. Have you ever had an authorization to act as an attorney, accountant or federal contractor that was revoked or suspended?**

- 14G. Have you been notified, in writing, that you are now the subject of any:**
- (1) regulatory complaint or *proceeding* that could result in a "yes" answer to any part of 14C, D or E? (If yes, complete the Regulatory Action Disclosure Reporting Page.)
  - (2) *investigation* that could result in a "yes" answer to any part of 14A, B, C, D or E? (If yes, complete the Investigation Disclosure Reporting Page.)

**Civil Judicial Disclosure**

- 14H. (1) Has any domestic or foreign court ever:** **YES NO**
- (a) enjoined you in connection with any *investment-related* activity?
  - (b) found that you were *involved* in a violation of any *investment-related* statute(s) or regulation(s)?
  - (c) dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you by a state or *foreign financial regulatory authority*?
- (2) Are you named in any pending *investment-related* civil action that could result in a "yes" answer to any part of 14H(1)?**

**Customer Complaint/Arbitration/Civil Litigation Disclosure**

- 14I. (1) Have you ever been named as a respondent/defendant in an *investment-related*, consumer-initiated arbitration or civil litigation which alleged that you were *involved* in one or more *sales practice violations* and which:** **YES NO**
- (a) is still pending, or;
  - (b) resulted in an arbitration award or civil judgment against you, regardless of amount, or;
  - (c) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or;
  - (d) was settled, on or after 05/18/2009, for an amount of \$15,000 or more?
- (2) Have you ever been the subject of an *investment-related*, consumer-initiated (written or oral) complaint, which alleged that you were *involved* in one or more *sales practice violations*, and which:**

- (a) was settled, prior to 05/18/2009 for an amount of \$10,000 or more, or;
  - (b) was settled, on or after 05/18/2009, for an amount of \$15,000 or more?
- (3) Within the past twenty four (24) months, have you been the subject of an investment-related, consumer-initiated, written complaint, not otherwise reported under question 14I(2) above, which:**
- (a) alleged that you were *involved* in one or more *sales practice violations* and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or;
  - (b) alleged that you were *involved* in forgery, theft, misappropriation or conversion of funds or securities?

**Answer questions (4) and (5) below only for arbitration claims or civil litigation filed on or after 05/18/2009.**

- (4) Have you ever been the subject of an investment-related, consumer-initiated arbitration claim or civil litigation which alleged that you were involved in one or more sales practice violations, and which:**
- (a) was settled for an amount of \$15,000 or more, or;
  - (b) resulted in an arbitration award or civil judgment against any named respondent (s)/defendant(s), regardless of any amount?
- (5) Within the past twenty four (24) months, have you been the subject of an investment-related, consumer-initiated arbitration claim or civil litigation not otherwise reported under questions 14I(4) above, which:**
- (a) alleged that you were *involved* in one or more *sales practice violations* and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the arbitration claim or civil litigation, must be reported unless the *firm* has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or;
  - (b) alleged that you were *involved* in forgery, theft, misappropriation or conversion of funds or securities?

**Termination Disclosure**

- 14J. Have you ever voluntarily resigned, been discharged or permitted to resign after allegations were made that accused you of:** **YES NO**
- (1) violating *investment-related* statutes, regulations, rules, or industry standards of conduct?
  - (2) fraud or the wrongful taking of property?
  - (3) failure to supervise in connection with *investment-related* statutes, regulations, rules or industry standards of conduct?

**Financial Disclosure**

- 14K. Within the past 10 years:** **YES NO**
- (1) have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?
  - (2) based upon events that occurred while you exercised *control* over it, has an organization made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?
  - (3) based upon events that occurred while you exercised *control* over it, has a broker or dealer been the subject of an involuntary bankruptcy petition, or had a trustee appointed, or had a direct payment procedure initiated under the Securities Investor Protection Act?

- 14L. Has a bonding company ever denied, paid out on, or revoked a bond for you?**

**14M. Do you have any unsatisfied judgments or liens against you?**

**15. SIGNATURE SECTION**

Please Read Carefully

All signatures required on this Form U4 filing must be made in this section.

A "signature" includes a manual signature or an electronically transmitted equivalent. For purposes of an electronic form filing, a signature is effected by typing a name in the designated signature field. By typing a name in this field, the signatory acknowledges and represents that the entry constitutes in every way, use, or aspect, his or her legally binding signature.

**15A INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT**

This section must be completed on all initial or Temporary Registration form filings.

**15B FIRM/APPROPRIATE SIGNATORY REPRESENTATIONS**

This section must be completed on all initial or Temporary Registration form filings.

**15C TEMPORARY REGISTRATION ACKNOWLEDGMENT**

This section must be completed on Temporary Registration form filings to be able to receive Temporary Registration.

**15D INDIVIDUAL/APPLICANT'S AMENDMENT ACKNOWLEDGMENT AND CONSENT**

This section must be completed on any amendment filing that amends any information in Section 14 (Disclosure Questions) or any Disclosure Reporting Page (DRP).

**15E FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS**

This section must be completed on all amendment form filings.

**15F FIRM/APPROPRIATE SIGNATORY CONCURRENCE**

This section must be completed to concur with a U4 filing made by another *firm* (IA/BD) on behalf of an individual that is also registered with that other *firm* (IA/BD).

**15C. TEMPORARY REGISTRATION ACKNOWLEDGMENT**

If an *applicant* has been registered in a *jurisdiction* or *self regulatory organization (SRO)* in the 30 days prior to the date an application for registration is filed with the Central Registration Depository or Investment Adviser Registration Depository, he or she may qualify for a Temporary Registration to conduct securities business in that *jurisdiction* or *SRO* if this acknowledgment is executed and filed with the Form U4 at the *applicant's firm*.

This acknowledgment must be signed only if the *applicant* intends to apply for a Temporary Registration while the application for registration is under review.

I request a Temporary Registration in each *jurisdiction* and/or *SRO* requested on this Form U4, while my registration with the *jurisdiction* (s) and/or *SRO*(s) requested is under review;

I am requesting a Temporary Registration with the *firm* filing on my behalf for the *jurisdiction*(s) and/or *SRO*(s) noted in Section 4 (SRO REGISTRATION) and/or Section 5 (JURISDICTION REGISTRATION) of this Form U4;

I understand that I may request a Temporary Registration only in those *jurisdiction*(s) and/or *SRO*(s) in which I have been registered with my prior *firm* within the previous 30 days;

I understand that I may not engage in any securities activities requiring registration in a *jurisdiction* and/or *SRO* until I have received notice from the CRD or IARD that I have been granted a Temporary Registration in that *jurisdiction* and/or *SRO*;

I agree that until the Temporary Registration has been replaced by a registration, any *jurisdiction* and/or *SRO* in which I have applied for registration may withdraw the Temporary Registration;

If a *jurisdiction* or *SRO* withdraws my Temporary Registration, my application will then be held pending in that *jurisdiction* and/or *SRO* until its review is complete and the registration is granted or denied, or the application is withdrawn;

I understand and agree that, in the event my Temporary Registration is withdrawn by a *jurisdiction* and/or *SRO*, I must immediately cease any securities activities requiring a registration in that *jurisdiction* and/or *SRO* until it grants my registration;

I understand that by executing this Acknowledgment I am agreeing not to challenge the withdrawal of a Temporary Registration; however, I do not waive any right I may have in any *jurisdiction* and/or *SRO* with respect to any decision by that *jurisdiction* and/or *SRO* to deny my application for registration.

<b>Date (MM/DD/YYYY)</b> 12/13/2012	<b>Signature of Applicant</b> JUSTINE HURRY  <b>Signature</b> _____
<b>15D. AMENDMENT INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT</b>	
<b>Date (MM/DD/YYYY)</b> 12/13/2012	<b>Signature of Applicant</b> JUSTINE HURRY  <b>Signature</b> _____
<b>15E. FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS</b>	
<b>Date (MM/DD/YYYY)</b> 12/13/2012	<b>Signature of Appropriate Signatory</b> JAY V. NOIMAN  <b>Signature</b> _____

<b>BANKRUPTCY/SIPC/COMPROMISE WITH CREDITORS DRP</b>
No Information Filed
<b>BOND DRP</b>
No Information Filed
<b>CIVIL JUDICIAL DRP</b>
No Information Filed
<b>CRIMINAL DRP</b>
No Information Filed
<b>CUSTOMER COMPLAINT/ARBITRATION/CIVIL LITIGATION DRP</b>
No Information Filed
<b>INVESTIGATION DRP</b>
No Information Filed
<b>JUDGMENT LIEN DRP</b>
No Information Filed
<b>REGULATORY ACTION DRP</b>

<b>REGULATORY ACTION</b>	Rev. DRP (05/2009)		
<b>Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":</b>			
<input type="checkbox"/> 14C(1)	<input type="checkbox"/> 14D(1)(a)	<input type="checkbox"/> 14E(1)	<input type="checkbox"/> 14F
<input type="checkbox"/> 14C(2)	<input type="checkbox"/> 14D(1)(b)	<input checked="" type="checkbox"/> 14E(2)	
<input type="checkbox"/> 14C(3)	<input type="checkbox"/> 14D(1)(c)	<input type="checkbox"/> 14E(3)	<input type="checkbox"/> 14G(1)
<input type="checkbox"/> 14C(4)	<input type="checkbox"/> 14D(1)(d)	<input checked="" type="checkbox"/> 14E(4)	
<input type="checkbox"/> 14C(5)	<input type="checkbox"/> 14D(1)(e)	<input type="checkbox"/> 14E(5)	
<input type="checkbox"/> 14C(6)	<input type="checkbox"/> 14D(2)(a)	<input type="checkbox"/> 14E(6)	
<input type="checkbox"/> 14C(7)	<input type="checkbox"/> 14D(2)(b)	<input type="checkbox"/> 14E(7)	
<input type="checkbox"/> 14C(8)			

One event may result in more than one affirmative answer to the above items. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

1. Regulatory Action initiated by:

A. (Select appropriate item):

- SEC  
  Other Federal Agency  
  Jurisdiction  
  SRO  
  CFTC  
 Foreign Financial Regulatory Authority  
  Federal Banking Agency  
  National Credit Union Administration  
  Other

B. Full name of regulator (if other than the SEC) that initiated the action:

FINRA

2. Sanction(s) Sought (select all that apply):

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Bar  | <input type="checkbox"/> Cease and Desist                  | <input type="checkbox"/> Censure               |
| <input checked="" type="checkbox"/> Civil and Administrative Penalty(ies)/Fine(s) | <input type="checkbox"/> Denial                            | <input type="checkbox"/> Disgorgement          |
| <input type="checkbox"/> Expulsion  | <input type="checkbox"/> Monetary Penalty other than Fines | <input type="checkbox"/> Prohibition           |
| <input type="checkbox"/> Reprimand  | <input type="checkbox"/> Requalification                   | <input type="checkbox"/> Rescission            |
| <input type="checkbox"/> Restitution  | <input type="checkbox"/> Revocation                        | <input checked="" type="checkbox"/> Suspension |
| <input type="checkbox"/> Undertaking  |  |  |
| <input type="checkbox"/> Other:   |  |  |

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

10/21/2010  Exact  Explanation

If not exact, provide explanation:

4. Docket/Case#:

2008011593301

5. Employing Firm when activity occurred which led to the regulatory action:

SCOTTSDALE CAPITAL ADVISORS

6. Product Type(s) (select all that apply):

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> No Product                        | <input type="checkbox"/> Derivative                               | <input type="checkbox"/> Mutual Fund            |
| <input type="checkbox"/> Annuity-Charitable                | <input type="checkbox"/> Direct Investment-DPP & LP Interests     | <input type="checkbox"/> Oil & Gas              |
| <input type="checkbox"/> Annuity-Fixed                     | <input type="checkbox"/> Equipment Leasing                        | <input type="checkbox"/> Options                |
| <input type="checkbox"/> Annuity-Variable                  | <input type="checkbox"/> Equity Listed (Common & Preferred Stock) | <input checked="" type="checkbox"/> Penny Stock |
| <input type="checkbox"/> Banking Products (other than CDs) | <input checked="" type="checkbox"/> Equity-OTC                    | <input type="checkbox"/> Prime Bank Instrument  |
| <input type="checkbox"/> CD                                | <input type="checkbox"/> Futures Commodity                        | <input type="checkbox"/> Promissory Note        |
| <input type="checkbox"/> Commodity Option                  | <input type="checkbox"/> Futures-Financial                        | <input type="checkbox"/> Real Estate Security   |
| <input type="checkbox"/> Debt-Asset Backed                 | <input type="checkbox"/> Index Option                             | <input type="checkbox"/> Security Futures       |
| <input type="checkbox"/> Debt-Corporate                    | <input type="checkbox"/> Insurance                                | <input type="checkbox"/> Unit Investment Trust  |
| <input type="checkbox"/> Debt-Government                   | <input type="checkbox"/> Investment Contract                      | <input type="checkbox"/> Viatical Settlement    |
| <input type="checkbox"/> Debt-Municipal                    | <input type="checkbox"/> Money Market Fund                        | <input checked="" type="checkbox"/> Other: AML  |

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

FINRA IS ACCUSING ME OF FAILING TO IMPLEMENT OUR AML PROCEDURES AND SELLING UNREGISTERED SECURITIES.

Current Status?

8.  Pending  On Appeal  Final

9. If pending, are there any limitations or restrictions currently in effect?

Yes  No

If the answer is 'yes', provide details:

10. If on appeal:

A. Action appealed to:

SEC  SRO  CFTC  Federal Court  State Agency or Commission  State Court  Other:

B. Date appeal filed (MM/DD/YYYY):

Exact  Explanation

If not exact, provide explanation:

Are there any limitations or restrictions currently in effect while on appeal?

C.

Yes  No

If the answer is 'yes', provide details:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. Resolution Detail:

A. How was matter resolved? (select appropriate item):

- Acceptance, Waiver & Consent (AWC)
- Decision & Order of Offer of Settlement
- Settled
- Vacated Nunc Pro Tunc/ab initio
- Other:
- Consent
- Dismissed
- Stipulation and Consent
- Withdrawn
- Decision
- Order
- Vacated

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

11/14/2011  Exact  Explanation

If not exact, provide explanation:

12. Does the order constitute a *final order* based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Yes  No

13. Sanction Detail:

A. Were any of the following sanctions ordered? (Select all appropriate items):

- Bar (Permanent)
- Censure
- Disgorgement
- Monetary Penalty other than Fines
- Rescission
- Suspension
- Bar (Temporary/Time Limited)
- Civil and Administrative Penalty(ies)/Fine (s)
- Expulsion
- Prohibition
- Restitution
- Undertaking
- Cease and Desist
- Denial
- Letter of Reprimand
- Requalification
- Revocation

B. Other sanctions ordered:

C. If suspended or barred, provide:

**Sanction Details**

If suspended or barred, provide:

Sanction Type: Suspension

Registration Capacities affected (e.g., General Securities

Principal, Financial Operations Principal, All Capacities, etc.):

ANY PRINCIPAL CAPACITY OTHER THAN THE CAPACITY OF FINANCIAL AND OPERATIONS PRINCIPAL

Duration (length of time):

40 BUSINESS DAYS  Exact  Explanation

If not exact, provide explanation:

Start Date (MM/DD/YYYY):

12/05/2011  Exact  Explanation

If not exact, provide explanation:

End Date (MM/DD/YYYY):

02/01/2012  Exact  Explanation

If not exact, provide explanation:

D. If requalification by exam/retraining was a condition of the sanction, provide:

E. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide:

#### Monetary Sanction Details

If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide:

Monetary Related Sanction Type: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount:

\$ 7,500.00

Portion Levied against you:

\$ 7,500.00

Payment Plan:

Is Payment Plan Current?  Yes  No

Date Paid by you (MM/DD/YYYY):

Exact  Explanation

If not exact, provide explanation:

HAVE NOT RECEIVED NOTICE OF PAYMENT PLAN

Was any portion of penalty waived?  Yes  No

If yes, amount:

14. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or disposition and/or finding(s). Your information must fit within the space provided.

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, JUSTINE HURRY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE JUSTINE HURRY IS SUSPENDED FROM ASSOCIATING WITH ANY MEMBER IN ANY PRINCIPAL CAPACITY (OTHER THAN FINOP) FOR 40 BUSINESS DAYS, AND FINED \$7,500.

TERMINATION DRP

No Information Filed

# APPENDIX C

# The Deal Pipeline

[RETURN TO ARTICLE]

## Law

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### SEC requests default judgment in \$34M Biozoom pump-and-dump case

By [Bill Meagher](#) Updated 03:40 PM, Mar-20-2014 ET

The **Securities and Exchange Commission** plans to request a default judgment against the 10 Argentine residents who have been named as defendants in the \$34 million Biozoom Inc. pump-and-dump case after two law firms representing the Argentines asked to withdraw from the case.

The SEC filed a letter Tuesday, March 18, with Judge Naomi Buchwald in the U.S. District Court in Manhattan, stating that it planned to request the judgment because the defendants had failed to respond to the lawsuit by court ordered deadlines.

Four days earlier, attorney Marc Agnifilo had informed the court that his firm, New York-based Brafman & Associates PC, would withdraw as counsel to the Argentines.

Brafman is the second firm that has represented the group charged with selling 20.3 million shares of Biozoom without proper registration. In September, **McLaughlin & Stern LLP** also withdrew.

Brafman is a high-profile criminal defense firm that has counted crime boss Salvatore "Sammy the Bull" Gravano, rapper [Sean Combs](#) and former **International Monetary Fund** chief Dominique **Strauss**-Kahn among its clients.

Agnifilo declined to comment on the firm's withdrawal from the Biozoom case. In his letter to the court, he said that Brafman had been told by the Argentines that it would be retained, but that a retainer agreement was never signed.

Those named as defendants are Magdalena Tavella, Andres Horacio Ficicchia, Gonzalo Garcia Blaya, Lucia Mariana Hernando, Cecilia De Lorenzo, Adriana Rosa Bagattin, Daniela Patricia Goldman, Mariano Pablo Ferrari, Mariano Graciarena and Fernando Loureyro.

None of them responded to e-mails requesting comment.

A person familiar with the case said that Buenos Aires-based lawyer Juan Ignacio Prada has been seeking representation for the group. Prada did not respond to a request for comment.

[Patrick Bryan](#), assistant chief litigation counsel for the SEC, said the commission will file paperwork to pursue the default judgment in the next month. He declined to comment further.

The SEC filed the lawsuit last July, claiming that the Argentines had opened brokerage accounts at Arizona-based Scottsdale Capital Advisors and New York-based Legend Securities Inc., depositing shares and providing paperwork stating that the stock was purchased from shareholders in Entertainment Arts Inc., the registered shell company that had merged with Biozoom to bring it public in February 2013.

Biozoom, which lists Kassel, Germany, as its headquarters, claims to produce a "biofeedback device" that consumers can use to monitor and analyze data related to their health.

In its complaint, the SEC alleges that the stock purchase agreement documents were false and that the Entertainment Art investors had sold all of their stock in 2009.

The account documents furnished by the Biozoom shareholders led to speculation that members of the group were not the real investors, but instead were simply nominees. None of the Argentines listed investor as their profession, and none of them deposited or traded in any other stocks, according to a person familiar with the investigation.

The Argentine group is said to have included retired teachers and the owner of a delicatessen.

Scottsdale Advisors is said to have given the Biozoom shareholders perks that were not available to other clients. They submitted trade orders by e-mail or instant messaging, which the firm did not allow for most clients. The Biozoom shareholders were also charged commissions of just 2%, while other clients paid 4% to 4.5%.

The Biozoom shareholders were also allowed to wire funds from their accounts to banks in Cyprus, Switzerland, Panama and Belize, despite a standing policy at Scottsdale that usually only allows clients to wire funds to U.S. banks or to institutions in the country where they live.

The SEC halted trading in Biozoom on June 25 and, in July, asked the court for an emergency order freezing the defendants' assets. That kept \$16 million in stock sale proceeds in the U.S. Another \$17 million had already been wired overseas prior to the freeze.

The SEC alleges says that, from March 2013 through June, the Argentines received 20 million shares of Biozoom, which was about one-third of the company's stock. In May, they sold 14 million shares reaping almost \$34 million.

The shares were sold into a promotion that started May 16, as the company issued a series of press releases, and continued into June. Biozoom's share price tripled, reaching an intraday high of \$4.50, implying a valuation of \$421.5 million.

As of June 30, Biozoom owned assets valued at only \$1.05 million, according to its last filing with the SEC. In the quarter ending June 30, the company had no revenue and a loss of \$328,671.

When the stock was halted, the shares were at \$3.45. When trading resumed, they plunged to 13 cents, cutting more than \$300 million from Biozoom's market value.

The promotion was unusual in the form it took. It included advertising in mainstream media outlets, including the New York Times and **USA Today**. In June, ads that took up most of a full page were placed in those newspapers that ostensibly promoted a London-based publication called Global Financial Insights. But, while the ads included subscription information and other details about the publication, most of their space was taken up with the magazine's recommendation of Biozoom stock.

Both ads featured a headline that read, "Innovative Technology Company Invents Real 'Star Trek' Medical Scanner that Diagnoses Patient Health in Seconds."

A recommendation for Biozoom stock also featured prominently in an advertisement for a newsletter called TheStockReport.com that ran on the Rush Limbaugh radio show.

Previously, TheStockReport.com had produced a 24-page publication about Biozoom, which was distributed May 16, the day that Biozoom began trading at \$1.10. The report valued the shares at \$10.30.

The FBI and the Financial Industry Regulatory Authority have been investigating the involvement of Scottsdale and Alpine Securities, its Salt Lake City-based clearing firm, in connection with the Biozoom stock sales since May, according to a person with knowledge of the probe.

The firms have provided securities officials with documents pertaining to the Biozoom trades and shareholders, including those sought under an unusual request from the SEC and Finra that employees turn over all personal notes regarding Biozoom. Scottsdale and Alpine were also forbidden from destroying any Biozoom records.

Finra has scheduled an audit of Scottsdale at the end March, according to a person familiar with the investigation.

Representatives of the SEC, Finra, Scottsdale and Alpine declined to comment. An FBI spokesman said the agency will neither confirm nor deny the existence of an investigation.

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# APPENDIX D

# The Deal Pipeline

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## PIPEs

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### FBI, securities officials investigating Scottsdale Capital, Alpine Securities, source says

By [Bill Meagher](#) Updated 05:50 PM, Dec-06-2013 ET

The FBI, the **Securities and Exchange Commission** and the Financial Industry Regulatory Authority have opened investigations into the involvement of Scottsdale Capital Advisors and Alpine Securities in the trading of Biozoom Inc., according to a person familiar with those investigations.

Investors in Biozoom lost some \$300 million after the SEC halted trading in the stock in June. The commission cited "a lack of current and accurate information" about the stock and suspicions that the company and some shareholders may have illegally sold unregistered shares to the public.

Before it allowed trading in Biozoom to resume in July, the SEC obtained an emergency order from the U.S. District Court in Manhattan, freezing almost \$16 million in cash in U.S. brokerage accounts.

Another \$17 million in trading revenues connected to sales of Biozoom shares was wired overseas before the court order, the SEC claimed in its court filing. Another \$8 million in wire transfers requested by Biozoom shareholders were halted by the broker-dealers before they could go overseas.

The SEC also ordered the broker-dealers involved in the transactions, Arizona-based Scottsdale Capital, Salt Lake City-based Alpine and Legend Securities Inc. of New York, to preserve all of their records connected to the Biozoom transactions.

The regulator charged eight Argentine citizens with illegal sales of unregistered shares of Biozoom. The complaint also named two other Argentines who owned shares of Biozoom but did not sell them prior to the asset freeze.

Biozoom, which lists Kassel, Germany, as its headquarters, purports to manufacture a "biofeedback device" that consumers can use to monitor and analyze data related to their health. The company went public in February through a reverse merger with registered shell company Entertainment Art Inc. and raised \$1.15 million in a private placement to an investor whose identity was not disclosed.

The stock was the subject of an unusual promotion four months later. Recommendations for Biozoom stock appeared in at least 13 e-mail newsletters, according to Hotstocked.com, a website that tracks stock promotions. Legal disclaimers that accompanied the promotions claimed that no compensation had been paid for the stock-friendly hype. Legal disclaimers in penny stock newsletters often identify the companies that pay for stock

promotions and sometimes provide details of the compensation, as is required under securities law. Some stock promotion budgets run as high as \$3 million.

One of the promotions claimed that Biozoom's "hand held device for the non-invasive transdermal analysis of antioxidants and other biomarkers in the human body... replaces expensive, time consuming and invasive blood tests."

"Future applications, future roll-out markets and applications are even more impressive," another newsletter stated. "Relevant biomarkers can and will be identified and analyzed for things such as cholesterol, alcohol, various illegal drugs, smoke, poisons, and blood pressure - to name a few. The unit is being further developed to measure blood sugar levels, tapping into a staggering \$220 billion a year diabetes market in the U.S. and 350 million people with diabetes around the world."

Biozoom stock was also promoted in an unusual advertising campaign that made use of mainstream media outlets, including the New York Times and **USA Today**. In June, ads that took up most of a full page were placed in those newspapers that ostensibly promoted a London-based publication called Global Financial Insights. But, while the ads included subscription information and other details about the publication, most of their space was taken up with the magazine's recommendation of Biozoom stock.

A full-page black and white ad in USA Today could have cost \$125,000, according to information that the newspaper distributes to advertisers. A similar New York Times ad would run \$80,000 to \$100,000, according to a newspaper spokesperson.

Both ads featured a headline that read, "Innovative Technology Company Invents Real 'Star Trek' Medical Scanner that Diagnoses Patient Health in Seconds."

A recommendation for Biozoom stock also featured prominently in an advertisement for a newsletter called TheStockReport.com that ran on the Rush Limbaugh radio show.

Previously, TheStockReport.com had produced a 24-page publication about Biozoom, which was distributed May 16, the day that Biozoom began trading at \$1.10. The report valued the shares at \$10.30.

Biozoom started trading with a thin volume of about 10,000 shares a day. The \$1.10 share price implied a market value of \$108.6 million for the company.

But when the promotion began to pick up speed, the shares rose to \$1.50 on their way to an intraday high of \$4.50 and a market cap of \$421.5 million. Trading volume jumped as high as 11.7 million shares.

When the stock was halted, the shares were at \$3.45. When trading resumed, they plunged to 13 cents, giving Biozoom a market capitalization of just \$9.56 million. Investors lost more than \$300 million.

Finra and SEC officials declined to comment for this story. An FBI spokesman would neither confirm nor deny the existence of a criminal probe tied to Biozoom trading.

But a source who has spoken to investigators said the investigations are ongoing. The probes by Finra and the SEC began in May, prior to the trading halt.

The brokerage firm Scottsdale Capital is owned by Scottsdale Capital Advisors Holdings LLC and the Hurry Family Irrevocable Trust. Alpine is owned by **SCA** Clearing LLC. Both Scottsdale and Alpine are controlled by John Hurry, who is a director of both companies. Hurry's wife Justine is a director with Scottsdale and a minority owner.

The home pages of both Scottsdale Capital's and Alpine's websites feature the same motto, "At the top of the Small Cap Market," along with a photo of a mountain peak. For Scottsdale, it is a desert mountain. For Alpine, it's a snow capped peak.

The SEC complaint alleges that six of the shareholders named in the action, Magdalena Tavella, Adriana Bagattin, Daniela Goldman, Mariano Graciarena, Fernando Loureiro and Mariano Ferrari, opened accounts at Scottsdale between May 10 and June 14. The other shareholders named by the SEC — Andres Ficicchia, Gonzalo Blaya, Lucia Hernando and Cecilia De Lorenzo — opened trading accounts at Legend Securities from January through March, according to the SEC. Ficicchia also had an account at Scottsdale.

In all, the Biozoom shareholders deposited 20.1 million shares in the trading accounts which represented 100% of the share float that did not carry a trading restriction. Those shares represented about 33% of the total shares in the company.

None of the Biozoom shareholders, contacted by e-mail, responded to a request for comment from The Deal.

Legend Securities is owned by Stocktrade Network Inc., Chris Cacace, Salvatore Caruso, **Anthony** Fusco and Mark Sulavka, according to Finra records.

The SEC claims that when the Argentine shareholders opened their trading accounts at Scottsdale and Legend, they provided documents and sales receipts purporting to show that they had bought their shares between Feb. 19 and March 15 from the original shareholders of shell company Entertainment Art. But the SEC states in its complaint that all of the Entertainment Art shareholders sold their shares to Medford Financial Ltd. in 2009. Medford in turn was purchased by Le Mond Capital, a British Virgin Islands-based firm, for \$430,000 last year. Le Mond was controlled by Sara Deutsch, who became CEO of Entertainment Art.

When the reverse merger took place in February, Deutsch paid \$50,000 and 39 million shares to complete the transaction with four German entities for intellectual property that became the basis for Biozoom. The deal left her with 20.1 million shares. Deutsch became a director and assistant secretary for Biozoom, and in doing so, became what the SEC considers to be a control person.

The commission alleges that the shares Deutsch controlled were the shares that were actually distributed to the Argentine shareholders and that the stock sale agreements they used to help open the trading accounts at Scottsdale and Legend were fakes. Since Deutsch was a control person, any shares she distributed would be restricted and not free trading.

Deutsch ran a restaurant in Buenos Aires along with Magdalena Tavella called Magdalena's Party, according to the SEC complaint. Tavella was one of the Biozoom shareholders who traded through Scottsdale.

Miller Place, N.Y.-based securities attorney Randall Goulding supplied a legal opinion for all of the Biozoom shareholders, based in part on the stock sale documents portraying the transactions with original Entertainment Art shareholders, the SEC claimed in a court filing requesting the asset freeze. His opinion letter stated that the share certificates could be deposited without restrictions based on an exemption from registration provided by Rule 144 of the Securities Act. He said that the sellers were not affiliates of the company and had held the shares for more than four years and that the account holders were not individually or collectively the beneficial owner of more than 10% of the common shares of the company.

On June 19, Goulding e-mailed the general counsel for Legend saying, "I hereby withdraw all of my opinions issued for the securities of Biozoom, formerly Entertainment Art. Be advised that none of these opinions should be relied upon," according to the SEC

**San Antonio**-based securities lawyer David Wise, who had supplied a similar legal opinion letter to Scottsdale for Tavella and Goldman on May 20, withdrew his letter June 26. Wise sent an e-mail to Scottsdale that in part read, "It has been brought to our attention that the SEC recently suspended trading in Biozoom. It has also been brought to our attention that Tavella and Goldman may have provided inaccurate or misleading information and documentation to Scottsdale and to this firm."

A number of factors make it appear that the Biozoom shareholders were connected in an organized effort.

A person who has spoken with investigators said that the six shareholders who held Scottsdale accounts opened them within the same week. The SEC complaint states that all of the shareholders live in Buenos Aires.

A person familiar with the investigative documents said the handwriting on the account applications for the Biozoom shareholders was the same, the answers to questions on their foreign due diligence packages were very similar and they held accounts at the same banks in Cyprus, Switzerland and Panama.

Moreover, the e-mail addresses they furnished for their trading accounts were opened within a week of each other, according to Whosis.com, a website that furnishes information on domain registrations. The addresses are also similar, all containing the account holders' last names

The shareholders with accounts at Legend were also from Buenos Aires.

According to a declaration filed with the court by Ricky Sachar, an assistant director of enforcement for the SEC, all of the shareholder's e-mail accounts were opened with the same regional Internet registry. All of the Biozoom trades were made from May 16 to June 17 and no other stocks were deposited or traded through the accounts at either Scottsdale or Legend. Also, all of the Biozoom trades were ordered using either e-mail or instant messaging accounts.

"These shareholders were brought in for this. It's as simple as that," said a person with knowledge of the investigations. "They are retired teachers, a deli owner, but they come in with millions of shares of stock. They only trade Biozoom and they are directing trades using traders' lingo, telling them which market makers to use for the trades? Come on. They were straw men for whoever is behind this whole thing."

That same person said the Biozoom shareholders who opened accounts with Scottsdale enjoyed perks that were not available to other Scottsdale clients.

Typical clients pay 4% per transaction, or 4.5% if their transactions are cleared through Alpine. Longtime clients who do a heavy volume of business may occasionally receive a discount of one percentage point. But Biozoom clients paid just 2%, the person said.

They were also allowed to place orders using instant messaging, which is generally forbidden under Scottsdale's internal policies. A person with knowledge of Scottsdale's operations said the policy was changed for the Biozoom shareholders by the broker-dealer's management after Biozoom shareholders complained.

A standing Scottsdale policy only allows clients to wire funds from their accounts to banks in the U.S. or to institutions in the country where they live. But the person said that Biozoom shareholders were allowed to send funds to Cyprus, Switzerland, Panama and Belize, despite the fact that all of them live in Argentina and all of them had signed documents agreeing to abide by Scottsdale's wire policy.

The same person said that several red flags were raised regarding the Biozoom trades at Scottsdale: They were large trades in a microcap stock with relatively little liquidity. Also, foreign nationals were wiring large sums out of the U.S., raising potential concerns about money laundering. Still, no follow-up occurred at the broker-dealer, the person said.

Finra, who has worked with the SEC on the probe, has had several "on-the-record" conversations with Scottsdale staff regarding the trading of Biozoom shares, the process by which the accounts were opened for the Argentine nationals and how assets were moved offshore, according to a person who has spoken with investigators. "OTRs", as they are known in the brokerage industry, are sessions in which Finra staff ask specific questions of registered representatives who must answer them or face disciplinary actions.

A source who has spoken to investigators said Scottsdale staff members who have talked with Finra regarding Biozoom trades are Timothy Scarpino, Tim Diblasi, Liz Arndt, Henry Diekmann, Jay Noiman, Michael Cruz, Adam Fiandaca and Ted Ashton.

Finra also talked with John Hurry, that same source said.

Scarpino, who processed the Argentine accounts connected to the Biozoom trades, resigned from his position at Scottsdale. He declined comment for this story. Ashton, who was a compliance analyst, also is no longer with the firm. Efforts to reach him failed.

Arndt is the office manager and oversees trading. Noiman and Diekmann are in compliance, and Diblasi is chief operating officer. Cruz is chief counsel, and Fiandaca handles wiring of funds.

Diekmann denied he participated in the OTRs with Finra in a very brief phone interview.

None of the other Scottsdale staff questioned by Finra returned phone calls from The Deal seeking comment regarding the OTR's about Biozoom.

Gerald Russello, a partner at the law firm of **Sidley Austin LLP** in New York, said that Scottsdale and Alpine would have no comment regarding Biozoom trading or the investigations by Finra, the SEC and the FBI. Russello is a securities lawyer and former SEC enforcement branch chief.

Richard Kirby, a partner with **K&L Gates LLP** in Washington who represents Legend Securities, said he does not know if the SEC is concerned with how Legend conducted itself with regards to the Biozoom trades, but he said that Legend had not filed any notice with Finra regarding an SEC investigation.

Kirby also said that Legend alerted the SEC to its concerns regarding Biozoom and that the broker-dealer had acted on its own to freeze accounts tied to the Argentine nationals prior to the SEC action July 7.

While Legend did complete a June 13 \$600,000 wire transfer for Luciana Hernando to Hellenic Bank Public Co. in Lemesos, Cyprus, it refused Hernando's request to move \$2 million to the same bank on June 17. Legend also refused a wire request from Blaya June 14 to transfer almost \$3.5 million to a bank in Geneva, according to the SEC complaint.

Meanwhile, John Hurry, who controls both Scottsdale and Alpine, is in negotiations to buy Salt Lake City-based broker-dealer **Wilson-Davis & Co.**, according to a person with knowledge of the deal.

Representatives of Wilson-Davis did not return phone calls from The Deal seeking comment. Scottsdale representatives declined to comment.

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