

# **EXHIBIT FF**

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BEFORE THE FINRA  
CASE NO. 2009017845

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In the matter of :  
McGINN SMITH & COMPANY :  
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ORIGINAL

INVESTIGATIVE TESTIMONY OF  
PATRICIA SICLUNA  
WOODBIDGE, NEW JERSEY  
FRIDAY, MARCH 19, 2010

ATKINSON-BAKER, INC.  
COURT REPORTERS  
(800) 288-3376  
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FILE NO.: A40152E

1 A P P E A R A N C E S:

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FINANCIAL INDUSTRY REGULATORY AUTHORITY  
581 Main Street  
7th Floor  
Woodbridge, New Jersey 07095  
(732) 596-2042  
BY: MICHAEL J. NEWMAN, ESQUIRE  
Senior Regional Counsel

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ALSO PRESENT:

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JOSEPH B. CARR, General Counsel for McGinn Smith &  
Company

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GARY JAGGS, Principal Examiner for Financial Industry  
Regulatory

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CHRISTOPHER RATTINER, Special Investigator for  
Financial Industry Regulatory Authority

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1 reviewed, where do those documents reside? Are they  
2 in the Clifton Park office?

3 THE WITNESS: Yes.

4 MR. RATTINER: You had mentioned that  
5 you have not had any conversations with Mr. Smith  
6 regarding your testimony today.

7 THE WITNESS: No.

8 Q. What's an accredited investor? What's  
9 your understanding of that term?

10 A. An investor that has a net worth of  
11 greater than a million dollars, income of \$200 or  
12 jointly -- \$200,000 or jointly, over \$300,000.

13 Q. Do you know, for a trust, what would  
14 make a trust accredited?

15 A. No.

16 Q. If you got a subscription agreement in  
17 for a trust, would you go to speak to anybody at the  
18 firm to try to determine if it was an accredited or a  
19 non-accredited investor?

20 A. Yes.

21 Q. And who would you speak to?

22 A. David Smith.

23 Q. Have there ever been any other  
24 situations where you were reviewing a subscription  
25 agreement, and you were unable to tell whether a

1 client was accredited or not accredited?

2 A. Yes.

3 Q. Do you recall any of those situations?

4 A. No.

5 Q. But if you do have a question related to  
6 that, who would you go to?

7 A. David Smith or the broker.

8 Q. If you went through a broker, and you  
9 had a question, and the broker told you that the  
10 trust or a client was accredited, would you then go  
11 and follow it with Dave Smith to verify the broker  
12 was accurate?

13 A. I would have him review it. I would let  
14 him know about it.

15 Q. When you review subscription agreements,  
16 if you have any questions about whether some  
17 information on a document was changed or there was  
18 something about the agreement that you just didn't  
19 weren't sure about, would you point those out to  
20 Mr. Smith?

21 A. Yes.

22 Q. How many non-accredited investors are  
23 allowed in private placements?

24 A. 35.

25 Q. And what happens if you go over 35?